

SPDR ETFs

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SECTOR DASHBOARD

Overview

After a bumpy start to 2019 we are now seeing a risk asset rally and market gains in light of trade talk progress between the US and China. In an environment where unemployment remains low and wages rise, and consumer debt levels and defaults do not become a problem, equities could return double digits this year, favouring cyclicals over defensives.

We continue to favour the US over the rest of the world, particularly given the current risks in the European market. Therefore, we have limited our Industrials picks to the US and World and stuck with Health Care in Europe. We introduce Technology as a sector pick, reflecting the potential for structural growth alongside more reasonable valuations in Technology.

Sector Flows

The Financials sector was the major mover in December, as investors rotated into more defensive sectors. Financials ended 2018 as the biggest loser in terms of flows.

Technology gathered significant inflows through the first three quarters of 2018, before investor sentiment cooled later in the year. However, we expect to see a rebound in flows and performance for Technology, and have made it a Sector Pick this month.

Sectors to Watch

TECHNOLOGY *(see page 4)*

World US Europe

INDUSTRIALS *(see page 5)*

World US Europe

HEALTH CARE *(see page 6)*

World US Europe

KEY CONSIDERATIONS THIS MONTH

- **We believe that the global economy is in the late-cycle stage, but is not at the end of the cycle.** This is important for our assumptions on the equity outlook and the sectors we think could do well. In an environment where unemployment remains low and wages rise, and consumer debt levels and defaults do not become a problem, equities could return double digits this year. Overall, we favour cyclical sectors over defensives.
- **We continue to prefer the US equities over other parts of the world,** given the strength of economic fundamentals, reasonable valuations and the potential for better earnings growth. Moreover, we recognise that there are continued risks in the European market. The divergent outlook between regional markets can be seen in our differentiated Sector Picks, which favour Industrials for the US and World, and Health Care for Europe.
- **To start 2019, we introduce Technology as a Sector Pick across the US, Europe and World.** Having suffered underperformance and outflows in the last quarter of 2018, we believe investors will reassess the prospects for structural growth alongside the more reasonable valuations. Even though these conditions could help many constituents of the Communication Services sector, we are concerned that the tide of negative publicity on Facebook and lack of support for the other FAANGs in the sector could hold it back. Therefore, we are removing Communication Services as a Sector Pick.
- **We note investors' worry over the flat/partly inverted yield curve** and we do not expect this to change soon. Together with an expectation of widening credit spreads and a Federal Reserve that is now close to neutral interest rates, we are dropping the Sector Pick on US Financials. Nevertheless, we note that there is a contrarian trade in European Financials based on valuations, which are now lower than during the Global Financial Crisis.

SECTOR ETF FLOWS

From a flows and performance perspective, 2018 can be divided into two parts: before and after end-Q3. Up until the end of September, more money flowed into Technology sector ETFs (industry-wide) than all other sector ETFs combined. Investors chased the FAANGs, excited by earnings forecasts and better business models.

Fast forward to October and November, and there were large outflows from Technology funds as investors reduced their exposure to the sector most identified with growth and high beta. This outflow from Tech slowed in December, but the selling down of cyclical sectors continued given the more risk-averse market outlook.

Outflows from Financials stood out in December, specifically from US Financials ETFs, as investors worried about the implications of a partial inversion of the US Treasury yield curve. Some of this money was rotated into different sectors, namely (US-domiciled) US Energy ETFs, with shorter-term investors looking to play the sharp oil price moves.

Overall, sector flows in 2018 were muted. Within US-domiciled sector ETFs, there were net outflows from sector funds in December, and the two preceding months, which reduced the full-year net inflow figure to c. \$10 billion, as shown below (this compares with c. \$39 billion in 2017). In European-domiciled ETFs, investors added c. \$500 million in 2018 (compared to c. \$8 billion in 2017), with Technology and Health Care taking the most inflows.

Flows into Sector ETFs (in USD Millions)

Fund	US-Domiciled		European-Domiciled	
	December	2018	December	2018
Technology	-543	9,699	-158	1,160
Financial	-4,697	-8,869	-431	-908
Health Care	-1,406	6,953	-347	993
Consumer Discretionary	-1,032	-2,657	-78	-203
Consumer Staples	453	1,960	-17	81
Energy	1,079	-281	-167	-187
Materials	-192	3,214	-84	-156
Industrials	-1,412	-2,667	40	-380
Real Estate	-235	-3,085	28	-263
Utilities	544	1,767	-23	125
Communication Services	-220	3,737	12	265

Source: Bloomberg Finance L.P., State Street Global Advisors, as of 31 December 2018. The flows figures above indicate the value of net buying by large institutional investors (buys minus sells). The green boxes signify the two highest flow figures in their respective column, while the red boxes signify the two lowest flow figures. Flows shown above are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

SECTOR PERFORMANCE

Relative sector performance diverged markedly in 2018. Technology stocks showed the best performance throughout the first part of last year, closely followed in the US by Consumer Discretionary (where Amazon dominated). Investors championed growth and momentum styles in the bullish equity market. The theme of synchronous global economic growth buoyed the cyclical sectors in general, whilst the defensive sectors lagged.

From the start of October and the rapid rise in US Treasury bond yields, investors worried about duration, leverage and crowded trades. They sought safe havens, particularly within the Consumer Staples and Utilities sectors, and marked down the cyclical sectors in the US, Europe and globally.

December saw a similar trend. Financials lagged in all regions given the concerning shape of the yield curve and the potential impact of slower economic growth on demand for loans and bad debt. Energy also suffered, reflecting the high sensitivity of share prices to further falls in the crude oil price, which dropped to a new low for the year of \$54 per barrel. However, Materials showed a change in momentum after BHP, the world's largest mining group, made a major asset sale and share buyback.

WORLD SECTORS		US SECTORS		EUROPE SECTORS	
December (%)	2018 (%)	December (%)	2018 (%)	December (%)	2018 (%)
-2.2 Utilities	2.5 Health Care	-4.1 Utilities	5.9 Health Care	0.0 Utilities	2.9 Utilities
-4.0 Materials	2.0 Utilities	-7.1 Materials	3.0 Utilities	-3.0 Materials	-0.6 Health Care
-6.7 Consumer Staples	-2.6 Technology	-8.0 Consumer Disc.	1.4 Consumer Disc.	-4.9 Energy	-0.6 Energy
-7.0 Consumer Disc.	-5.5 Consumer Disc.	-8.2 Comm Servs	-1.9 Technology	-5.0 Technology	-6.8 Technology
-7.0 Comm Servs	-8.7 MSCI World NR	-8.5 Technology	-4.9 S&P500 NR	-5.2 Consumer Disc.	-8.9 Consumer Staples
-7.6 MSCI World NR	-10.0 Comm Servs	-8.6 Health Care	-7.2 Comm Servs	-5.5 MSCI Europe	-9.6 Comm Servs
-8.1 Technology	-10.1 Consumer Staples	-9.1 S&P500 NR	-8.8 Consumer Staples	-5.6 Consumer Staples	-10.6 MSCI Europe
-8.1 Health Care	-14.5 Industrials	-9.2 Consumer Staples	-13.5 Financials	-5.7 Comm Servs	-13.2 Industrials
-8.4 Industrials	-15.8 Energy	-10.7 Industrials	-13.5 Industrials	-6.1 Industrials	-13.9 Materials
-9.1 Financials	-16.9 Materials	-11.3 Financials	-15.3 Materials	-6.3 Health Care	-14.4 Consumer Disc.
-9.7 Energy	-17.0 Financials	-12.6 Energy	-8.8 Energy	-7.0 Financials	-19.3 Financials

Source: State Street Global Advisors, Bloomberg Finance L.P., as of 31 December 2018. Past performance is not a guarantee of future results. The universes for the above charts are the MSCI World, S&P Select Sectors, and MSCI Europe. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index Performance is not meant to represent that of any particular fund. This information should not be considered a recommendation to invest in a particular sector, or securities therein, shown above.

Sectors to Watch

TECHNOLOGY



Playing a Slice of the Megatrends

The Technology sector changed a lot last year. Internet service companies, including Facebook and Alphabet, were reclassified and moved from Technology to Communication Services. This shift left a more tightly defined group of hardware, software and semiconductor stocks in the Tech sector. It is now more reliant on business investment and government expenditure, which we see as positive. Even though the aggregate earnings growth rate of the reclassified sector dipped slightly, so did the associated P/E after the move.

Technology can offer structural growth instead of cyclical growth. Technology stocks struggled at the end of 2018, which was not a surprise given the sector’s importance to momentum trends in the equity markets. The sector showed greater sensitivity to economic conditions and related indicators (such as PMI data and credit spreads) during the year, which amplified the price falls. One reason for this could be worries over the US-China trade tariffs, which are affecting finished goods and imports of intermediate products.

Nevertheless, many of the fundamental drivers for Technology are structural, and stand to benefit as all parts of an economy strive to innovate and become more productive. Whilst there will inevitably be a cyclical slowdown in demand for some of the sector’s goods and services in 2019, and the semiconductor cycle is turning, demand for areas such as cloud computing, artificial intelligence, big data and cybersecurity could continue to ramp up. Capital expenditure expectations are still healthy.

Valuations are reasonable, and overweight positioning has lessened. Valuations for the US sector are now at levels not seen for many years. Whilst there has been a sharp slowdown in earnings from the highs in 2018, at 9% growth it is still comfortably ahead of the market average. The largest stock in the sector, Apple, is partially responsible for the downgrades late last year after several iPhone component manufacturers reported slowing orders; this was confirmed in a recent trading statement from the company. The hope for 2019 is acceleration in the company’s services revenue. On a P/E close to 12, the market has taken a harsh view of the situation.

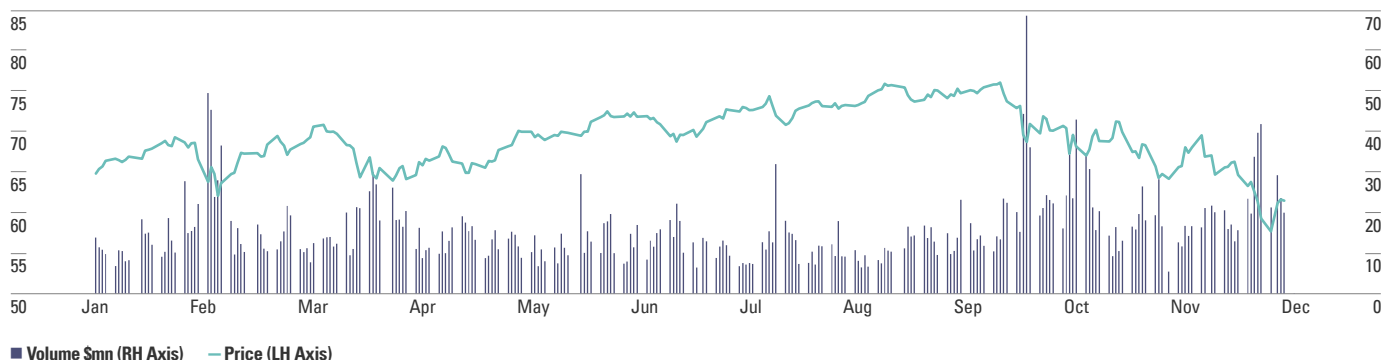
This relative low point has been reached after a frantic period of market activity. ETFs in US Technology are frequently used as a trading tool. ‘Long Tech’ was cited as one of the most crowded trades last year, but the large selling has reduced this. The flows table on page 2 shows the impact of outflows from Technology ETFs in recent months.

Turning to Europe, the sector does not appear to offer such good value; however, it has consensus EPS growth of 18% for 2019, with strong backing from the software stocks, which are benefiting from the trends mentioned earlier.

OUR SPDR PICK

- ✓ SPDR MSCI World Technology UCITS ETF
- ✓ SPDR S&P U.S. Technology Select Sector UCITS ETF
- ✓ SPDR MSCI Europe Technology UCITS ETF

Figure 1: Share Price and Volumes of SPDR S&P U.S. Technology Select Sector UCITS ETF



Source: Bloomberg Finance L.P., as of 31 December 2018. Past performance is not a guarantee of future results. This information should not be considered a recommendation to buy or sell any security shown.

Sectors to Watch

INDUSTRIALS

World US Europe

Cheap Cyclical

The Industrials sector represents a contrarian trade.

Investors’ pessimism across economic and political outcomes has hit cyclical sectors (as seen in sector flows and performance). We believe that if there is near-term relief in this bearish scenario, the most cyclical sectors could recover the most. The Industrials sector shows relatively high sensitivity to crude oil prices and industrial production figures, and has a positive beta to the market (see page 7 for the specific figures). Therefore, the sector stands to benefit from any positive economic news or a rise in equity markets.

The US-China trade dispute has affected Industrials.

For most of 2018, the sector’s price performance has suffered from the threats, and manifestations, of the US-China trade war. US-based industrial operations are suffering not only from lower export sales of goods to China but also from higher-priced Chinese imports of intermediate goods (raw materials, inputs, machine parts, etc.) and capital equipment.

The rally in Industrials stocks at the end of November, when President Trump met Premier Xi at the G20 summit in Argentina and discussed a halt to new tariff increases, gave a preview of how the stock market could react if there is good news from further talks. We are looking for a trade resolution later this month.

We have seen growth in various end markets.

Throughout the recent volatility, many of the sector’s global markets have continued to prosper. In the aerospace

industry, rising air traffic volumes have supported demand for new commercial airplanes. This growth is forecast to continue into 2019, and many companies are still fulfilling backlogs. There have been hopes for US defence spending in 2018 and 2019, but progress has stalled whilst Congress debates deficits and social spending. In the meantime, we have seen growing demand from Europe and the Middle East.

The aerospace and defence industry accounts for 27% of the sector (by market capitalisation) and includes the largest stock, Boeing. In addition, a large proportion of the earnings for conglomerates (accounting for 16% of the sector) is earned from aerospace and defence.¹

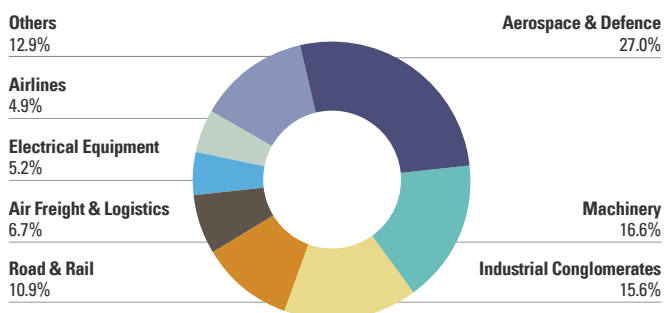
Elsewhere, the construction market is forecast to grow in 2019 in commercial (offices and retail) and industrial building. Late-cycle, project-related energy remains in the nascent stages of recovery and could emerge as a growing tailwind as project sanctioning activity ramps over the course of 2019. Finally, there is a mixed outlook for other end capital goods markets, with positive views on longer cycle wind power, marine, mining, and rail, but not on semiconductors.²

There is more faith in the US Industrials. Given a choice, we prefer US Industrials to the European sector to reflect the former’s higher weighting in aerospace and defence, and the relative strength of the US economy. Our Sector Pick highlights US and World (the latter comprises 50% of US-quoted stocks by market capitalisation and, interestingly, 16% from Japan). Institutional investors are underweight in US and World Industrials.³

^{1,2} Source: Bloomberg Finance L.P., as of 31 December 2018.

³ Source: State Street Global Markets, as of 31 December 2018.

Figure 2: Breakdown of S&P Industrials Select Sector Index by Market Capitalisation (%)



Source: Bloomberg Finance L.P., as of 31 December 2018. Holdings are as of the date indicated and are subject to change. This information should not be considered a recommendation to buy or sell any security shown.

OUR SPDR PICK

- ✓ SPDR S&P U.S. Industrials Select Sector UCITS ETF
- ✓ SPDR MSCI World Industrials UCITS ETF

Sectors to Watch

HEALTH CARE

World US Europe

Drugs Do Work

Health Care was the top performer globally in 2018. The sector showed significant outperformance throughout the second half, initially on appreciation of positive earnings reports and solid forecasts, which saw Health Care outstrip all the other defensive sectors. In Q4, investors took note of the sector's appealing defensive qualities.

Within the European Health Care sector, the largest contributors to returns included the large Swiss pharmaceutical manufacturers, Roche and Novartis, whose new drugs targeting multiple sclerosis, cancer and heart disease helped beat earnings expectations during the year. Only one large company disappointed, Bayer, on opposition to its Monsanto deal. Despite €1 billion of forecast synergies, investors have demanded a split of the enlarged portfolio into crop chemicals, seeds and pharma.

Investors can stay defensive in European equity markets through Health Care. Investors still appear risk averse, and they have been attracted by the quality and low volatility of this sector. See page 7 for figures showing Health Care's low debt-to-equity and high ROE (two proxies for quality), as well as its relatively low price volatility.

Whilst we believe equity markets could recover from here, we are less optimistic on Europe than the rest of the world. Europe has endured sharp economic slowdown and a range of political problems and, therefore, we view this as a defensive Sector Pick. Admittedly, valuations are not as attractive as before (with the P/E and EV/EBITDA ratio vs. European markets near three-year highs) but earnings growth is amongst the strongest in the market (13–14% EPS growth over the next two years) and is relatively immune to downgrades.

The European sector trumps the US sector. Health Care performed strongly in both the US and Europe last year, but this year we favour Europe. We worry that the drug-pricing debate will intensify in 2019, as the Democrat-controlled House will increase the political noise around the issue. Meanwhile, the European sector also looks favourable given its pharma industry (82% of the sector in Europe, 34% in US, by market capitalisation), which shows higher organic sales growth and a better drug discovery pipeline than its US counterparts.⁴ According to analysis by Bloomberg, the average number of pipeline assets per company favours European companies (51 vs. 45), helped by the innovation at Roche and the UK's AstraZeneca.

Europe offers access to a compelling portfolio of drug companies. The European sector contains leading Swiss, British, French and German drug manufacturers with strong track records of drug discovery and delivery. Buying the whole sector reduces the idiosyncratic risks related to the failure of any one particular trial or patent expiry.

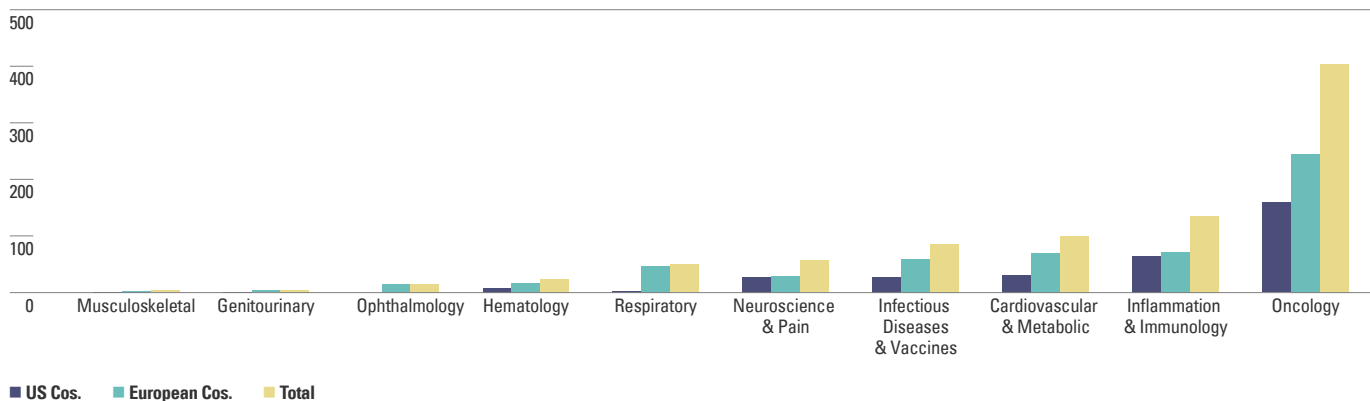
Lastly, Health Care is a perennial hotbed for M&A. We saw the takeover of Shire in 2018, as well as Monsanto and Celgene. Whilst the latter two examples are US-based, they show the trend in consolidation. Buying the sector allows investors to access a basket of stocks including a number of smaller pharmaceutical and biotechnology companies, which could be takeover targets.

⁴ Source: Bloomberg Finance L.P., as of 31 December 2018.

OUR SPDR PICK

✓ SPDR MSCI Europe Health Care UCITS ETF

Figure 3: New Drug Pipeline (by Largest Indications)



Source: Bloomberg Finance L.P., as of 30 November 2018. Past performance is not a guarantee of future results. This information should not be considered a recommendation to buy or sell any security shown.

SECTOR INDEX DASHBOARD

	Fundamental Valuations					Risk Metrics**			Macro Sensitivities***		
	Hist P/E	Fwd P/E	ROE (%)	Debt/Equity (%)	12-Month Dividend Yield (%)*	Beta (36 mths)	Volatility (36 mths) (%)	Correlation (36 mths)	Yield Sensitivity (36 mths)	Brent Sensitivity (36 mths)	Inflation Sensitivity (36 mths)
WORLD SECTORS											
MSCI World Index	15.6	13.3	12.5	131	2.78	1.00	12.21%	—	0.06	0.12	0.32
MSCI World Consumer Discretionary Index	15.1	13.9	16.2	105	2.14	1.05	15.15%	0.94	0.07	0.10	0.42
MSCI World Consumer Staples Index	18.7	16.6	19.3	87	3.09	0.55	11.66%	0.61	-0.04	0.04	-0.04
MSCI World Energy Index	14.1	11.9	11.0	51	4.45	0.95	16.10%	0.61	0.09	0.40	0.47
MSCI World Financials Index	11.3	9.6	9.5	234	3.77	1.14	19.37%	0.84	0.16	0.15	0.66
MSCI World Health Care Index	21.5	15.3	31.2	78	2.08	0.98	12.84%	0.83	0.03	0.02	0.20
MSCI World Industrials Index	15.2	13.3	13.3	92	2.54	1.09	14.00%	0.94	0.06	0.12	0.38
MSCI World Materials Index	13.0	12.1	13.5	57	3.43	1.07	16.39%	0.78	0.06	0.20	0.45
MSCI World Information Technology Index	18.6	14.5	37.3	65	1.75	1.10	16.22%	0.80	0.04	0.09	0.25
MSCI World Communication Services Index	16.9	14.1	11.1	89	2.24	0.61	16.36%	0.60	-0.01	0.06	0.05
MSCI World Utilities Index	16.4	14.9	10.1	131	3.95	0.29	15.45%	0.29	-0.07	-0.01	-0.17
US SECTORS											
S&P 500 Index	17.1	14.3	19.0	113	2.18	1.00	10.94%	—	0.06	0.10	0.32
S&P Consumer Discretionary Select Sector Index	19.3	16.5	29.3	186	1.61	1.06	13.10%	0.91	0.07	0.10	0.42
S&P Consumer Staples Select Sector Index	18.2	16.6	26.4	109	3.09	0.50	11.31%	0.50	-0.03	0.02	-0.02
S&P Energy Select Sector Index	16.0	13.3	10.2	43	3.62	1.05	19.06%	0.62	0.13	0.42	0.62
S&P Financial Select Sector Index	12.4	10.4	11.4	154	2.24	1.16	16.45%	0.79	0.18	0.16	0.68
S&P Health Care Select Sector Index	19.7	14.8	24.0	86	1.75	1.02	13.67%	0.84	0.04	0.01	0.25
S&P Industrials Select Sector Index	15.3	13.4	13.2	130	2.30	1.16	14.68%	0.89	0.08	0.10	0.44
S&P Materials Select Sector Index	14.5	13.5	11.3	77	2.34	1.04	14.51%	0.80	0.07	0.13	0.45
S&P Technology Select Sector Index	17.7	14.4	41.1	78	1.80	1.02	14.11%	0.81	0.04	0.09	0.21
S&P Communication Services Select Sector Index	19.6	15.2	18.0	84	1.32	0.83	13.23%	0.70	0.04	0.16	-0.03
S&P Utilities Select Sector Index	16.5	16.3	11.1	136	3.48	0.16	12.38%	0.15	-0.09	-0.03	-0.25
EUROPE SECTORS											
MSCI Europe Index	14.9	11.8	10.6	163	4.19	1.00	12.21%	—	0.05	0.14	0.28
MSCI Europe Consumer Discretionary Index	10.9	10.1	15.5	98	3.66	1.10	15.15%	0.92	0.08	0.13	0.39
MSCI Europe Consumer Staples Index	19.9	16.1	15.7	80	3.29	0.69	11.66%	0.75	-0.05	0.06	-0.08
MSCI Europe Energy Sector Index	12.5	9.9	11.4	50	5.84	0.68	16.10%	0.53	0.05	0.39	0.17
MSCI Europe Financials Index	11.5	8.6	9.5	308	5.69	1.30	19.37%	0.85	0.18	0.18	0.73
MSCI Europe Health Care Index	19.9	14.7	56.3	73	3.37	0.79	12.84%	0.77	0.00	0.04	0.05
MSCI Europe Industrials Index	16.5	13.4	16.7	93	3.18	1.04	14.00%	0.93	0.05	0.13	0.33
MSCI Europe Information Technology Index	32.5	16.4	10.5	42	1.77	1.04	16.39%	0.80	0.02	0.07	0.17
MSCI Europe Materials Sector Index	13.0	11.4	14.4	52	4.31	0.99	16.22%	0.76	0.07	0.27	0.45
MSCI Europe Communication Services Index	19.7	13.0	4.8	108	5.13	0.90	16.36%	0.69	0.01	-0.02	0.08
MSCI Europe Utilities Sector Index	16.6	13.2	10.0	114	5.36	0.76	15.45%	0.62	-0.07	0.01	-0.15

Source: State Street Global Advisors, FactSet, Bloomberg Finance L.P., Morningstar, as of 31 December 2018. **Past performance is not a guarantee of future results.**

* This measures the weighted average of gross dividend yield of the relevant index and the underlying stocks from the relevant ETF.

** Beta and volatility are based on index returns. Correlation is the 36-month correlation to the parent index.

*** Sensitivity is beta to the macro variable, e.g. 10-year Treasury yield, Brent oil, and US 5yr–5yr forward as shown here.

SPDR — THE POWERHOUSE OF SECTORS

EXPERIENCED MANAGEMENT

A leader in sector ETFs >\$170bn globally⁵
Track record of managing sector ETFs since 1998

PHYSICAL REPLICATION

One of the only providers with a full suite of physically replicated World, US and Europe sector ETFs in Europe

COST-EFFICIENT*

World and Europe UCITS Sector ETFs: **0.30%**
US UCITS Sector ETFs: **0.15%**

	ISIN	TER (%)	Exchange					ETF Information		
			Euronext	LSE	Deutsche Borse	Borsa Italiana	SIX	1-Month Fund Flow (\$mn)	2018 Net Flows (\$mn)	AUM (\$mn)
WORLD SECTOR FUNDS										
SPDR MSCI World Consumer Discretionary UCITS ETF	IE00BYTRR640	0.30	WCOD	WCOD	—	—	WCOD	0	0	24
SPDR MSCI World Consumer Staples UCITS ETF	IE00BYTRR756	0.30	WCOS	WCOS	—	—	WCOS	3	26	52
SPDR MSCI World Energy UCITS ETF	IE00BYTRR863	0.30	WNRG	WNRG	—	—	WNRG	-34	233	233
SPDR MSCI World Financials UCITS ETF	IE00BYTRR970	0.30	WFIN	WFIN	—	—	WFIN	-68	-194	162
SPDR MSCI World Health Care UCITS ETF	IE00BYTRRB94	0.30	WHEA	WHEA	—	—	WHEA	-17	-13	96
SPDR MSCI World Industrials UCITS ETF	IE00BYTRRC02	0.30	WIND	WNDU	—	—	WIND	0	4	35
SPDR MSCI World Materials UCITS ETF	IE00BYTRRF33	0.30	WMAT	WMAT	—	—	WMAT	0	-4	13
SPDR MSCI World Technology UCITS ETF	IE00BYTRRD19	0.30	WTCH	WTEC	—	—	WTEC	5	26	128
SPDR MSCI World Communication Services UCITS ETF	IE00BYTRRG40	0.30	WTEL	WTEL	—	—	WTEL	0	3	7
SPDR MSCI World Utilities UCITS ETF	IE00BYTRRH56	0.30	WUTI	WUTI	—	—	WUTI	7	7	11
US SECTOR FUNDS										
SPDR S&P U.S. Consumer Discretionary Select Sector UCITS ETF	IE00BWBXM278	0.15	—	SXLY	ZPDD	SXLY	SXLY	3	19	63
SPDR S&P U.S. Consumer Staples Select Sector UCITS ETF	IE00BWBXM385	0.15	—	SXLP	ZPDS	SXLP	SXLP	34	64	98
SPDR S&P U.S. Energy Select Sector UCITS ETF	IE00BWBXM492	0.15	—	SXLE	ZPDE	SXLE	SXLE	-12	-367	180
SPDR S&P U.S. Financials Select Sector UCITS ETF	IE00BWBXM500	0.15	—	SXLF	ZPDF	SXLF	SXLF	-49	10	395
SPDR S&P U.S. Health Care Select Sector UCITS ETF	IE00BWBXM617	0.15	—	SXLV	ZPDH	SXLV	SXLV	-69	36	132
SPDR S&P U.S. Industrials Select Sector UCITS ETF	IE00BWBXM724	0.15	—	SXLI	ZPDI	SXLI	SXLI	-1	-12	51
SPDR S&P U.S. Materials Select Sector UCITS ETF	IE00BWBXM831	0.15	—	SXLB	ZPDM	SXLB	SXLB	-4	-11	6
SPDR S&P U.S. Technology Select Sector UCITS ETF	IE00BWBXM948	0.15	—	SXLK	ZPDT	SXLK	SXLK	3	13	53
SPDR S&P U.S. Communication Services Select Sector UCITS ETF	IE00BFWFPX50	0.15	—	SXLC	ZPDK	SXLC	—	-17	53	67
SPDR S&P U.S. Utilities Select Sector UCITS ETF	IE00BWBXMB69	0.15	—	SXLU	ZPDU	SXLU	SXLU	4	11	18
EUROPE SECTOR FUNDS										
SPDR MSCI Europe Consumer Discretionary UCITS ETF	IE00BKWQ0C77	0.30	STR	CDIS	SPYR	STRX	STRX	-9	-143	92
SPDR MSCI Europe Consumer Staples UCITS ETF	IE00BKWQ0D84	0.30	STS	CSTP	SPYC	STSX	STSX	5	-44	145
SPDR MSCI Europe Energy UCITS ETF	IE00BKWQ0F09	0.30	STN	ENGY	SPYN	STNX	STNX	11	334	293
SPDR MSCI Europe Financials UCITS ETF	IE00BKWQ0G16	0.30	STZ	FNCL	SPYZ	STZX	STZX	-34	447	803
SPDR MSCI Europe Health Care UCITS ETF	IE00BKWQ0H23	0.30	STW	HLTH	SPYH	STWX	STWX	11	-12	66
SPDR MSCI Europe Industrials UCITS ETF	IE00BKWQ0J47	0.30	STQ	NDUS	SPYQ	STQX	STQX	0	-68	27
SPDR MSCI Europe Materials UCITS ETF	IE00BKWQ0L68	0.30	STP	MTRL	SPYP	STPX	STPX	-9	-42	15
SPDR MSCI Europe Technology UCITS ETF	IE00BKWQ0K51	0.30	STK	ITEC	SPYK	STKX	STKX	0	-5	8
SPDR MSCI Europe Communication Services UCITS ETF	IE00BKWQ0N82	0.30	STT	TELE	SPYT	STTX	STTX	13	15	17
SPDR MSCI Europe Utilities UCITS ETF	IE00BKWQ0P07	0.30	STU	UTIL	SPYU	STUX	STUX	11	4	20

⁵ Sources: Bloomberg Finance L.P., State Street Global Advisors, as of 31 December 2018.

* Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

EMEA SPDR ETFs Sector Dashboard

Standard Performance (%)

	1 Mth	3 Mth	6 Mth	YTD	1 Yr+	3 Yr	5 Yr	10 Yr	Since Inception	Inception Date
WORLD SECTORS (RETURNS IN USD)										
SPDR MSCI World Consumer Discretionary UCITS ETF*	-6.95	-14.55	-10.85	-5.53	-5.53	6.36	5.53	—	16.20	02/28/2009
MSCI World Consumer Discretionary Index	-6.97	-14.52	-10.80	-5.51	-5.51	6.43	5.74	—	16.41	
SPDR MSCI World Consumer Staples UCITS ETF*	-6.74	-6.82	-4.42	-10.09	-10.09	2.27	3.93	—	11.23	02/28/2009
MSCI World Consumer Staples Index	-6.74	-6.78	-4.37	-10.10	-10.10	2.26	4.07	—	11.47	
SPDR MSCI World Energy UCITS ETF*	-9.65	-21.65	-21.03	-15.80	-15.80	3.83	-5.34	—	2.86	01/31/2009
MSCI World Energy Index	-9.67	-21.67	-21.06	-15.84	-15.84	3.79	-5.26	—	3.06	
SPDR MSCI World Financials UCITS ETF*	-9.12	-13.88	-11.59	-16.96	-16.96	4.53	2.56	—	12.17	02/28/2009
MSCI World Financials Index	-9.12	-13.85	-11.53	-16.97	-16.97	4.65	2.70	—	12.11	
SPDR MSCI World Health Care UCITS ETF*	-8.06	-9.42	0.95	2.48	2.48	4.52	7.37	—	13.76	02/28/2009
MSCI Health Care Index	-8.07	-9.43	0.98	2.51	2.51	4.60	7.58	—	13.99	
SPDR MSCI World Industrials UCITS ETF*	-8.39	-16.30	-11.20	-14.51	-14.51	6.43	3.28	—	12.88	02/28/2009
MSCI World Industrials Index	-8.40	-16.29	-11.17	-14.54	-14.54	6.50	3.51	—	13.28	
SPDR MSCI World Materials UCITS ETF*	-4.06	-13.88	-14.37	-16.94	-16.94	9.41	0.88	—	8.06	02/28/2009
MSCI World Materials Index	-4.04	-13.91	-14.37	-16.93	-16.93	9.46	1.08	—	8.44	
SPDR MSCI World Technology UCITS ETF*	-8.06	-17.69	-11.05	-2.74	-2.74	14.29	12.53	—	17.03	02/28/2009
MSCI World Information Technology Index	-8.06	-17.70	-10.99	-2.60	-2.60	14.48	12.78	—	17.32	
SPDR MSCI World Communication Services UCITS ETF*	-6.99	-6.82	-1.62	-9.92	-9.92	0.20	-0.08	—	5.54	12/31/2008
MSCI World Communication Services Index	-6.98	-6.78	-1.58	-10.02	-10.02	0.20	0.23	—	5.96	
SPDR MSCI World Utilities UCITS ETF*	-2.22	0.47	1.35	2.09	2.09	7.14	5.23	—	6.06	02/28/2009
MSCI World Utilities Index	-2.24	0.46	1.35	1.97	1.97	7.09	5.74	—	6.52	
US SECTORS (RETURNS IN USD)										
SPDR S&P U.S. Communication Services Select Sector UCITS ETF	-8.14	-15.5	—	—	—	—	—	—	-14.66	08/15/2018
S&P Communication Services Select Sector Daily Capped 25/20 Index	-8.17	-15.56	—	—	—	—	—	—	-14.71	
SPDR S&P U.S. Consumer Discretionary Select Sector UCITS ETF	-7.97	-15.24	-8.87	1.58	1.58	9.50	—	—	8.55	07/07/2015
S&P Consumer Discretionary Select Sector Index	-8.00	-15.29	-8.93	1.36	1.36	9.41	—	—	8.45	
SPDR S&P U.S. Consumer Staples Select Sector UCITS ETF	-9.18	-5.07	-0.02	-8.44	-8.44	2.51	—	—	3.33	07/07/2015
S&P Consumer Staples Select Sector Index	-9.23	-5.18	-0.2	-8.8	-8.8	2.20	—	—	3.03	
SPDR S&P U.S. Energy Select Sector UCITS ETF	-12.49	-23.74	-23.5	-18.52	-18.52	0.76	—	—	-4.78	07/07/2015
S&P Energy Select Sector Index	-12.56	-23.85	-23.67	-18.81	-18.81	0.50	—	—	-5.08	
SPDR S&P U.S. Financials Select Sector UCITS ETF	-11.26	-13.15	-9.48	-13.35	-13.35	8.73	—	—	6.8	07/07/2015
S&P Financial Select Sector Index	-11.33	-13.26	-9.61	-13.52	-13.52	8.63	—	—	6.71	
SPDR S&P U.S. Health Care Select Sector UCITS ETF	-8.61	-8.77	4.35	6.01	6.01	7.64	—	—	5.5	07/07/2015
S&P Health Care Select Sector Index	-8.65	-8.83	4.28	5.89	5.89	7.52	—	—	5.37	
SPDR S&P U.S. Industrials Select Sector UCITS ETF	-10.68	-17.34	-9.2	-13.36	-13.36	8.52	—	—	6.79	07/07/2015
S&P Industrial Select Sector Index	-10.73	-17.42	-9.3	-13.54	-13.54	8.35	—	—	6.61	
SPDR S&P U.S. Materials Select Sector UCITS ETF	-6.99	-12.29	-12.14	-15.07	-15.07	6.85	—	—	3.27	07/07/2015
S&P Materials Select Sector Index	-7.06	-12.36	-12.25	-15.28	-15.28	6.60	—	—	3.03	
SPDR S&P U.S. Technology Select Sector UCITS ETF	-8.46	-17.37	-10.16	-1.81	-1.81	14.59	—	—	13.67	07/07/2015
S&P Technology Select Sector Index	-8.48	-17.44	-10.22	-1.89	-1.89	14.51	—	—	13.58	
SPDR S&P U.S. Utilities Select Sector UCITS ETF	-4.05	1.2	3.44	3.42	3.42	9.94	—	—	8.92	07/07/2015
S&P Utilities Select Sector Index	-4.11	1.1	3.25	3.02	3.02	9.56	—	—	8.54	
EUROPE SECTORS (RETURNS IN EUR)										
SPDR MSCI Europe Consumer Discretionary UCITS ETF**	-5.25	-14.53	-14.79	-14.21	-14.21	-2.10	2.65	11.98	5.86	09/30/2001
MSCI Europe Consumer Discretionary Index	-5.23	-14.55	-14.74	-14.37	-14.37	-2.22	2.55	12.03	6.05	
SPDR MSCI Europe Consumer Staples UCITS ETF**	-5.59	-7.23	-6.39	-9.01	-9.01	-0.50	5.49	11.13	7.06	09/30/2001
MSCI Europe Consumer Staples Index	-5.56	-7.18	-6.29	-8.94	-8.94	-0.39	5.66	11.38	7.47	
SPDR MSCI Europe Energy UCITS ETF**	-5.08	-15.32	-12.18	-0.15	-0.15	11.47	3.37	6.25	2.94	08/31/2001
MSCI Europe Energy 35/20 Capped Index	-5.13	-15.36	-12.25	-0.27	-0.27	11.27	3.11	6.16	3.13	
SPDR MSCI Europe Financials UCITS ETF**	-7.06	-13.69	-13.20	-19.01	-19.01	-3.12	0.31	5.39	-1.13	08/31/2001
MSCI Europe Financials Index	-7.05	-13.67	-13.15	-19.25	-19.25	-3.32	0.17	5.34	-1.05	
SPDR MSCI Europe Health Care UCITS ETF**	-6.34	-6.60	-1.37	-0.70	-0.70	-2.62	4.77	10.36	4.44	09/30/2001
MSCI Europe Health Care Index	-6.32	-6.54	-1.21	-0.58	-0.58	-2.50	4.92	10.55	4.73	
SPDR MSCI Europe Industrials UCITS ETF**	-6.15	-15.00	-12.95	-13.08	-13.08	3.58	3.94	10.43	7.16	09/30/2001
MSCI Europe Industrials Index	-6.12	-14.99	-12.88	-13.21	-13.21	3.51	3.88	10.41	7.34	
SPDR MSCI Europe Materials UCITS ETF**	-2.98	-14.86	-15.12	-13.89	-13.89	9.53	3.73	9.23	6.47	09/30/2001
MSCI Europe Materials Index	-2.98	-14.86	-15.06	-13.92	-13.92	9.54	3.74	9.35	6.68	
SPDR MSCI Europe Technology UCITS ETF**	-5.06	-15.67	-15.11	-6.95	-6.95	5.12	7.79	11.07	1.26	08/31/2001
MSCI Europe Information Technology Index	-5.04	-15.61	-14.98	-6.83	-6.83	5.12	7.77	10.82	1.06	
SPDR MSCI Europe Communication Services UCITS ETF**	-5.54	3.81	0.19	-9.22	-9.22	-7.13	-0.14	5.09	2.44	09/30/2001
MSCI Europe Communication Services Index	-5.69	3.68	0.11	-9.58	-9.58	-7.29	-0.22	5.03	2.61	
SPDR MSCI Europe Utilities UCITS ETF**	-0.01	1.67	0.08	3.04	3.04	2.05	4.81	3.36	4.56	09/30/2001
MSCI Europe Utilities Index	0.00	1.70	0.21	2.93	2.93	1.90	4.67	3.03	4.62	

Source: State Street Global Advisors, as of 31 December 2018. Performance is net of fees. Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. The performance data do not take account of the commissions and costs incurred on the issue and redemption, or purchases and sale, of units. Visit spdrs.com for most recent month-end performance.

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