

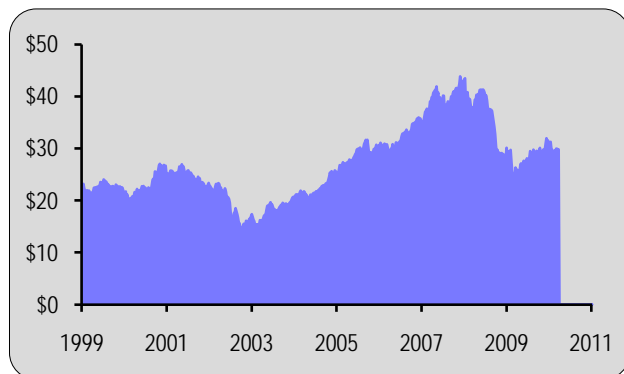
## Utilities Sector SPDR

XLU

\$

29.66

## 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

Fund assets (\$mns)	3,290
Avg. volume (000)	5,659
Expense ratio (bp)	21
Total returns (market)*	
One year	21.1%
Five year	3.9%
Ten year	4.7%
Since inception	3.5%
Beta vs. S&P 500	0.60
Standard deviation	17.7%

\*as of 03/31/10. See Notes.

## ALTAR™ score



Valuation metrics	2010E	2011E
Price-to-Earnings	12.0	11.4
Price-to-Cash Flow	5.6	5.3
Price-to-Sales	0.9	0.9
Price-to-Book Value	1.2	1.2
Yield (%)	4.5	4.6

## Analyst's view:

Both sales and earnings should return to growth this year in concert with the overall economy, and valuations remain modest resulting in an above-average ALTAR Score. However, the outlook is particularly clouded by potential policy changes, from cap-and-trade emissions limits, nuclear permitting, investments in alternative sources, and higher taxes on dividends, which at half of earnings are a very important part of the investment thesis for the sector.

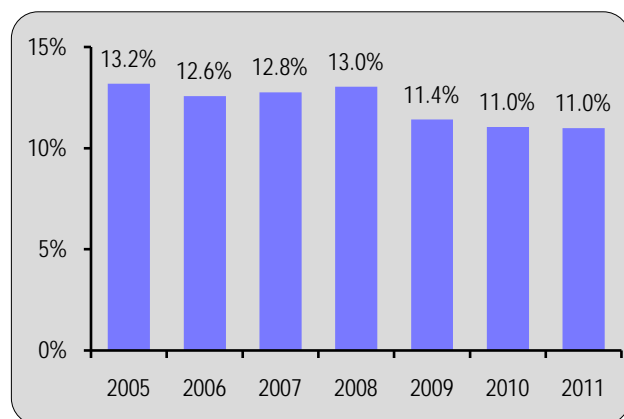
## Fundamentals

## Results &amp; estimates\*

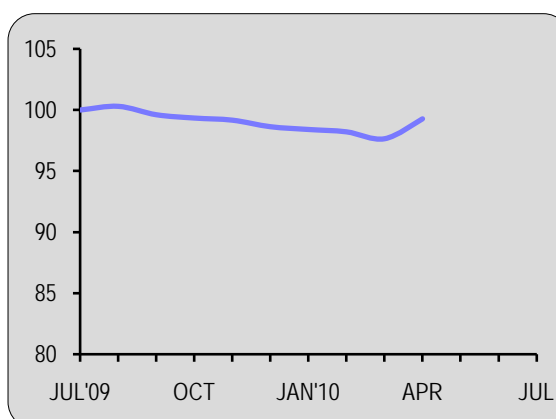
	2005	2006	2007	2008	2009	2010E	2011E	Other Fundamental Data	
Sales per share	\$26.79	\$27.69	\$29.02	\$31.36	\$28.93	\$29.81	\$31.82	LT growth est.	4.7%
EPS	\$2.06	\$2.16	\$2.38	\$2.51	\$2.37	\$2.47	\$2.59	Payout ratio	54.0%
Change (%)		4.6%	10.0%	5.4%	-5.5%	4.4%	4.8%	Foreign sales	5.9%
Net margin	7.7%	7.8%	8.2%	8.0%	8.2%	8.3%	8.1%	Debt-to-equity	1.4x
Book value per share	\$15.90	\$18.46	\$18.80	\$19.62	\$21.82	\$22.96	\$24.17		
Dividends per share-gross	\$1.09	\$1.16	\$1.19	\$1.28	\$1.29	\$1.33	\$1.38		

\*pro forma based on current fund constituents. See disclosures.

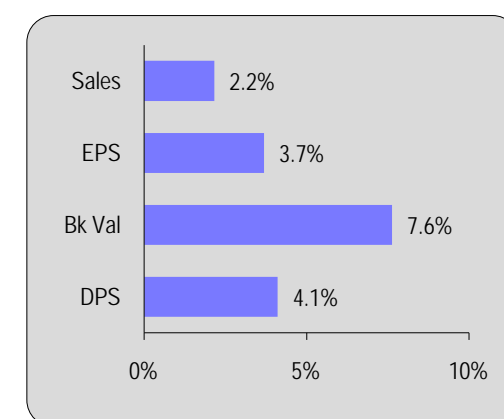
## Return on Equity



## Trend in Current FY Estimates



## Compound growth rates (2005-10E)

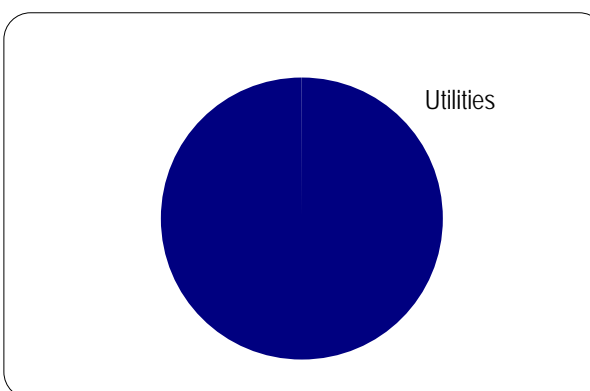


## Composition

## 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. For product information and a prospectus visit [www.sectorspdr.com](http://www.sectorspdr.com).

## Industry Breakdown



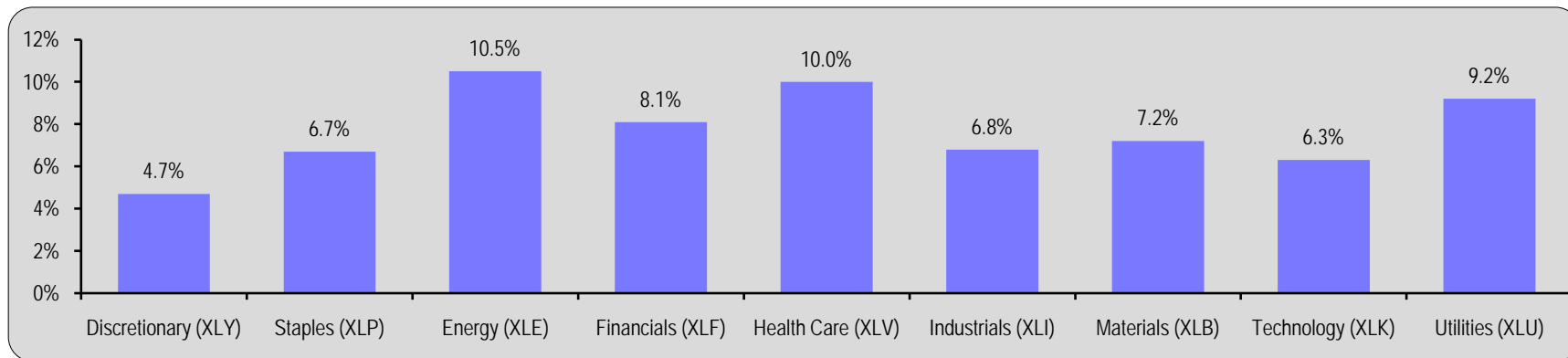
## Top 10 Holdings

EXELON CORP	8.0%
SOUTHERN CO	7.4%
DOMINION RESOURCES	6.6%
DUKE ENERGY CORP	5.5%
FPL GROUP INC	5.4%
AMERICAN ELECTRIC P	4.5%
P G & E CORP	4.4%
PUBLIC SERVICE ENTEF	4.3%
ENERGY CORP	4.2%
CONSOLIDATED EDISO	3.4%
TOTAL	53.7%

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.

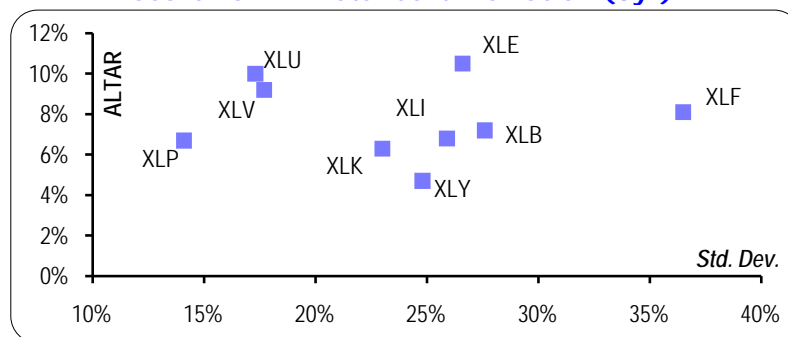
ALTAR™ Score



Calculation of ALTAR™ Score

	Avg. ROE (06-10E)	Div. by 10 P/BV	Less Exp.	equals ALTAR™
Discretionary (XLY)	11.7%	2.3x	21 bp	4.7%
Staples (XLP)	20.7%	2.9x	21 bp	6.7%
Energy (XLE)	18.8%	1.7x	21 bp	10.5%
Financials (XLF)	8.4%	1.0x	21 bp	8.1%
Health Care (XLV)	20.4%	1.9x	21 bp	10.0%
Industrials (XLI)	17.9%	2.5x	21 bp	6.8%
Materials (XLB)	16.6%	2.2x	21 bp	7.2%
Technology (XLK)	17.4%	2.6x	21 bp	6.3%
Utilities (XLU)	12.2%	1.2x	21 bp	9.2%

ALTAR™ Score vs. Ann. Standard Deviation (3yr)

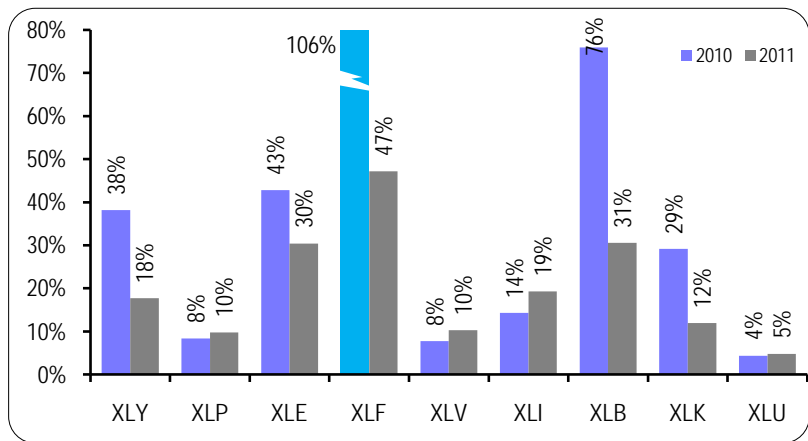


**NOTE:** The AltaVista Long Term Annual Return (ALTAR) forecast is our proprietary measure of an ETF's likely internal return to new shareholders over the coming years. It is calculated by dividing average Return on Equity by the price-to-book value multiple, less the fund's expense ratio. It can be used to compare funds based on investment merit, but it is not intended as a prediction of future performance. For more information go to [www.altavista-research.com/altar.htm](http://www.altavista-research.com/altar.htm)

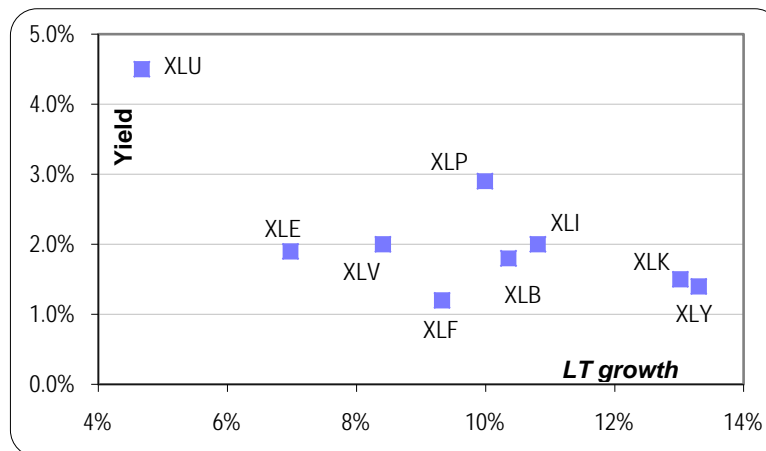
Valuation multiples (based on 2010 estimates)

	Price	P/E	PEG	P/CF	P/Sales	P/BV	Yield
Discretionary (XLY)	\$32.84	16.5	1.2	9.5	0.9	2.3	1.4
Staples (XLP)	\$27.93	14.6	1.4	10.5	0.8	2.9	2.9
Energy (XLE)	\$57.52	13.8	1.9	6.6	0.9	1.7	1.9
Financials (XLF)	\$15.95	17.1	1.8	8.3	1.4	1.0	1.2
Health Care (XLV)	\$32.13	12.2	1.4	9.7	1.1	1.9	2.0
Industrials (XLI)	\$31.24	17.6	1.6	10.6	1.1	2.5	2.0
Materials (XLB)	\$33.92	17.3	1.6	9.6	1.1	2.2	1.8
Technology (XLK)	\$23.10	15.4	1.1	9.6	2.0	2.6	1.5
Utilities (XLU)	\$29.66	12.0	2.5	5.6	0.9	1.2	4.5
S&P500	1,104.49	15.0	1.4	8.9	1.2	1.8	1.9

Earnings per share growth



Yield vs. long-term growth



Note: All valuation metrics on this page calculated based on consensus estimates of current fund constituents, as collected by Thomson Financial. Definitions of technical terms can be found on page 3 of this document.



## Disclosures

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Although Select Sector SPDR Funds are designed to provide investment results that, before expenses, generally correspond to the price and yield performance of their related Select Sector Indexes, the Funds of the Select Sector SPDR Trust may not be able to exactly replicate the performance of the Select Sector Indexes because of expenses and other factors.

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### 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 the fund. To the extent that index reconstitution and rebalancing have altered fund 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 fund, multiplied by the float-adjusted shares outstanding.

**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 ETF versus S&P 500 by comparing 3 years of monthly return data.

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

**Dividends per share-gross:** Dividends paid by companies in the fund on a "pro forma" basis. Differs from actual dividends paid by the fund to shareholders due to index changes over time and fund expenses, as well as timing of distributions.

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

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

**Trend in Current FY Estimates:** Illustrates changes in consensus estimates over time by examining the monthly change in current

### Additional information is available upon request.

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