

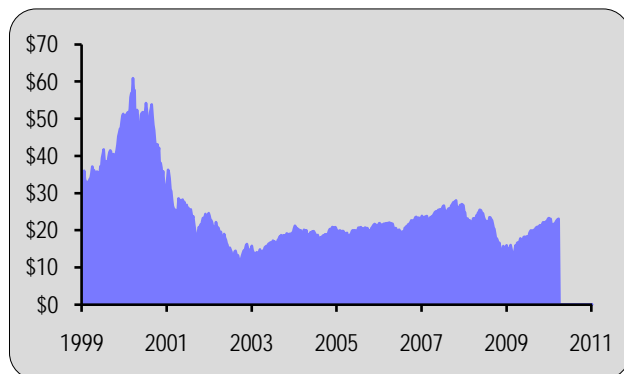
## Technology Sector SPDR

XLK

\$

23.10

## 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)	4,804
Avg. volume (000)	7,900
Expense ratio (bp)	21
Total returns (market)*	
One year	50.1%
Five year	4.5%
Ten year	-8.4%
Since inception	-2.1%
Beta vs. S&P 500	1.04
Standard deviation	23.0%

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

## ALTAR™ score



Valuation metrics	2010E	2011E
Price-to-Earnings	15.4	13.8
Price-to-Cash Flow	9.6	8.7
Price-to-Sales	2.0	1.9
Price-to-Book Value	2.6	2.3
Yield (%)	1.5	1.5

## Analyst's view:

Tech has been one of the more defensive sectors this downturn (unlike last time) with a relatively mild and short-lived earnings decline, and estimates are now rising handsomely. However, disappointments may result this year if Tech firms are unable to achieve the aggressive profit margins implied by analysts' consensus sales and EPS forecasts. In any case, XLK's rich valuation multiples already more than reflect the sector's average profitability (ROE), resulting in a below-average ALTAR Score.

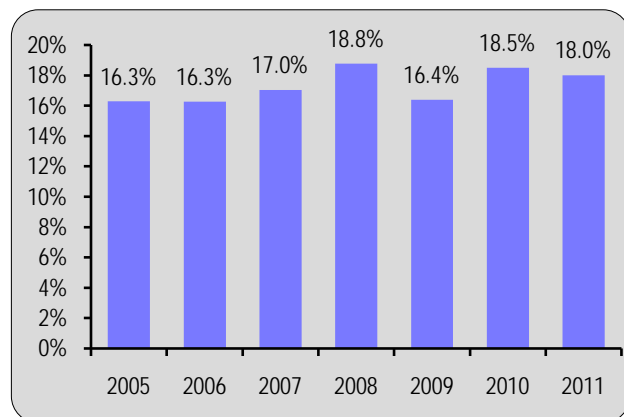
## Fundamentals

## Results &amp; estimates\*

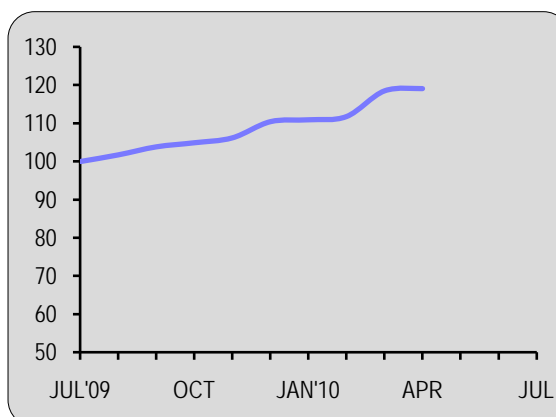
	2005	2006	2007	2008	2009	2010E	2011E	Other Fundamental Data	
Sales per share	\$8.34	\$9.14	\$10.23	\$10.74	\$10.33	\$11.38	\$12.06	LT growth est.	13.0%
EPS	\$0.94	\$1.07	\$1.20	\$1.27	\$1.16	\$1.50	\$1.68	Payout ratio	23.7%
Change (%)		14.0%	12.0%	6.2%	-9.1%	29.2%	12.0%	Foreign sales	44.3%
Net margin	11.2%	11.7%	11.7%	11.9%	11.2%	13.1%	13.9%	Debt-to-equity	0.5x
Book value per share	\$6.03	\$6.99	\$6.97	\$6.60	\$7.51	\$8.66	\$9.97		
Dividends per share-gross	\$0.22	\$0.24	\$0.27	\$0.32	\$0.34	\$0.35	\$0.36		

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

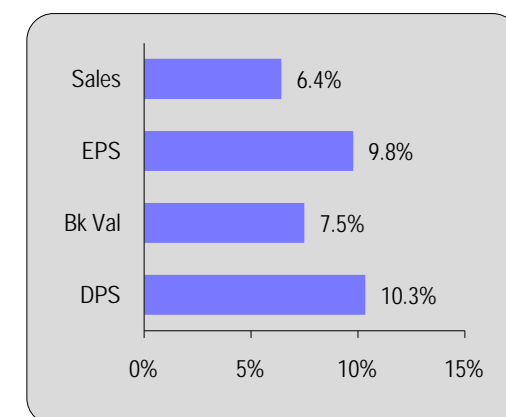
## Return on Equity



## Trend in Current FY Estimates



## Compound growth rates (2005-10E)

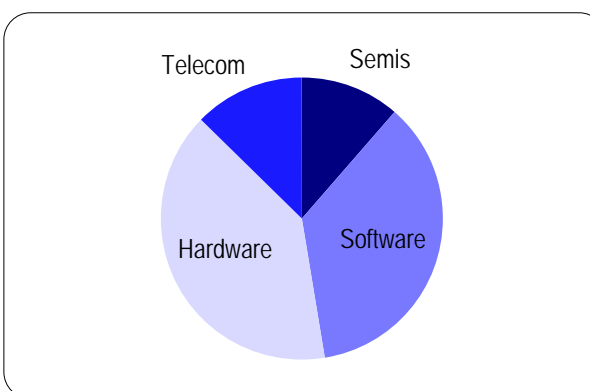


## Composition

## Description

Select Sector SPDR® holding S&P 500 stocks in the 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. For product information and a prospectus visit [www.sectorspdr.com](http://www.sectorspdr.com).

## Industry Breakdown



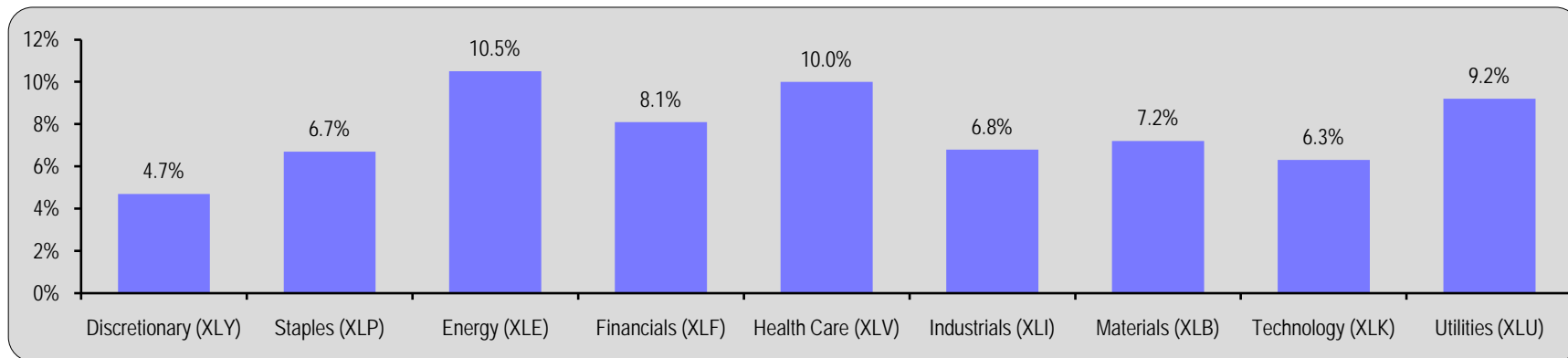
## Top 10 Holdings

MICROSOFT CORP	10.0%
APPLE INC	8.9%
INTL BUSINESS MACHI	7.3%
AT&T INC	6.8%
CISCO SYSTEMS INC	6.6%
GOOGLE INC-CL A	6.0%
INTEL CORP	4.6%
HEWLETT-PACKARD CC	4.5%
ORACLE CORP	4.4%
VERIZON COMMUNICA1	3.8%
TOTAL	63.0%

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.

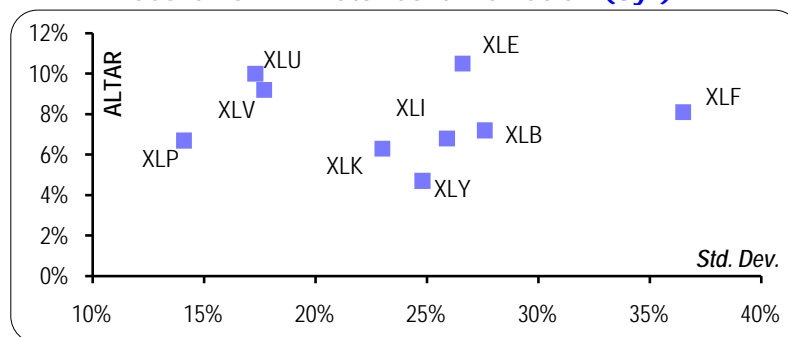
ALTAR™ Score



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)

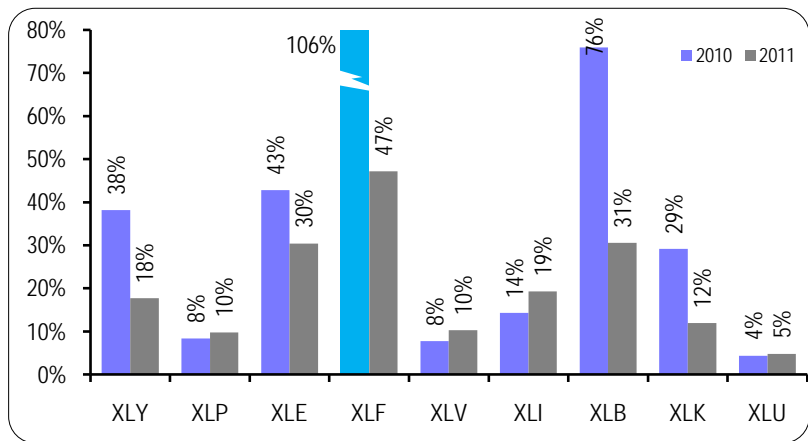


**NOTE:** The AltaVista Long Term Annual Return (ALTAR) forecast is our proprietary measure of an ETF's likely internal return to new shareholders over the coming years. It is calculated by dividing average Return on Equity by the price-to-book value multiple, less the fund's expense ratio. It can be 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)

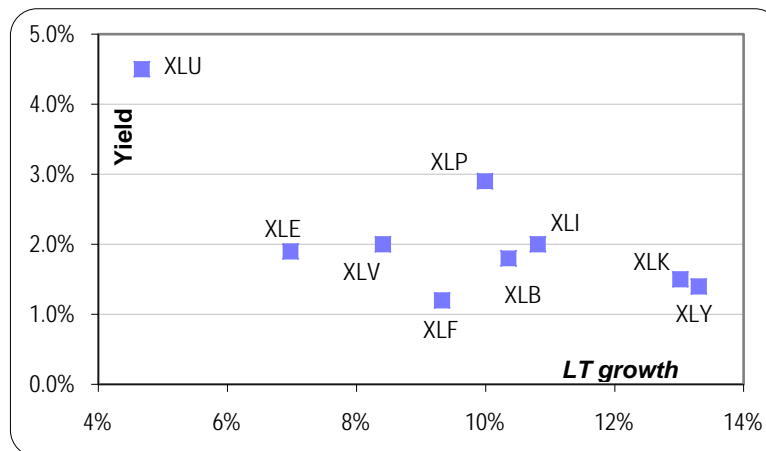
Valuation multiples (based on 2010 estimates)

	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.



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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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