

KRE

State Street SPDR S&P Regional Banking ETF Analyst Report

This ETF gives investors a way to play regional banks, a sub-sector of the financial sector that offers a unique risk/return profile relative to traditional financial exposure. Whereas financial funds such as XLF are dominated by large cap companies, KRE maintains significant exposure to small and mid cap banking stocks, many of which are not impacted by the factors that drive performance of big Wall Street banks. KRE, like many State Street ETFs, is linked to an equal weighted index. That results in a balanced portfolio that avoids big concentrations in a handful of stocks--a potential drawback found in the other two regional banks ETFs (RKH, IAT). KRE doesn't cast quite as wide a net as IAT--the SPDR has fewer holdings--but the weighting methodology delivers a better balance among all holdings and results in a significant weighting to small cap stocks. In addition to these allocation advantages, KRE is cheaper in terms of bottom line expense ratio. IAT and RKH are also options for similar exposure, but we like KRE as the preferred means of gaining regional bank exposure through the ETF wrapper.

ESG Themes and Scores

4.51/10 ESG Rate 11.44% Global Percentile 1.58% Peer Percentile

Performance Data

	KRE	ETF Database Category Average	Factset Segment Average
1 Month	3.58%	1.14%	3.18%
3 Month	12.43%	6.40%	9.56%
YTD Return	12.28%	-0.46%	9.38%
1 Year Return	27.61%	8.29%	20.60%
3 Year Return	22.02%	14.55%	16.18%
5 Year Return	3.92%	5.79%	3.08%

Top 5 Holdings

Symbol	Holding	% Assets
EWBC	East West Bancorp, Inc.	1.62%
BPOP	Popular, Inc.	1.62%
ZION	Zions Bancorporation NA	1.61%
VLY	Valley National Bancorp	1.59%
UMBF	UMB Financial Corporation	1.58%

Vitals

Issuer	State Street
Brand	SPDR
Structure	ETF
Expense Ratio	0.35%
Inception	Jun 19, 2006
Index Tracked	S&P Regional Banks Select Industry Index

ETF Database Themes

Category	Financials Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Value
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Regional Banks
Category	Sector
Focus	Financials
Niche	Regional Banks
Strategy	Equal
Weighting	Equal

