

XAR

SPDR S&P Aerospace & Defense ETF

Analyst Report

This ETF offers targeted exposure to the aerospace & defense sector, a corner of the domestic economy that is capable of generating significant returns but that may also be subject to political risk in certain environments. Given the narrow focus of XAR--as well as the fact that the fund focuses primarily on large cap stocks--there might be little use for this fund in long-term, buy-and-hold portfolios (since most of the stocks held in XAR are already included in broad-based equity funds). This ETF can, however, be a useful tool for tactical traders looking to overweight this corner of the market.

For investors seeking broad-based exposure to the industrials sector, there are a number of options available in the Industrials ETFdb Category. And there are other targeted aerospace and defense ETFs as well, including the more established ITA and PPA. This ETF from State Street stands out from the competition in a couple of ways. First, the underlying index is equal-weighted, giving this fund a balanced portfolio that avoids significant company specific risk (and may address concerns about the efficiency of cap-weighted benchmarks). Second, XAR is cheaper than the competition, an obvious plus for those seeking to minimize expenses.

Given the targeted focus of this fund, XAR probably isn't for everyone. But for investors looking to access the aerospace & defense sector, this fund is the best option out there.

ESG Themes and Scores

6.17/10

ESG Rate

39.94%

Global Percentile

44.0%

Peer Percentile

Performance Data

	XAR	ETF Database Category Average	Factset Segment Average
1 Month	2.43%	3.91%	3.33%
3 Month	0.85%	-1.06%	-2.15%
YTD Return	2.54%	3.40%	3.37%
1 Year Return	26.38%	18.71%	24.06%
3 Year Return	15.35%	8.66%	9.81%
5 Year Return	8.14%	6.25%	5.03%

Top 5 Holdings

Symbol	Holding	% Assets
GE	GE Aerospace	5.28%
RKLB	Rocket Lab USA, Inc.	5.02%
BA	Boeing Company	4.77%
HWM	Howmet Aerospace Inc.	4.69%
AVAV	AeroVironment, Inc.	4.62%

Vitals

Issuer	State Street
Brand	SPDR
Structure	ETF
Expense Ratio	0.35%
Inception	Sep 28, 2011
Index Tracked	S&P Aerospace & Defense Select Industry

ETF Database Themes

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

FactSet Classifications

Segment	Equity: U.S. Aerospace & Defense
Category	Sector
Focus	Industrials
Niche	Aerospace & Defense
Strategy	Equal
Weighting	Equal

