

XLC

Communication Services Select Sector SPDR Fund Analyst Report

State Street's Communication Services Select Sector SPDR Fund (XLC) is one of the newest additions to State Street's popular legacy lineup of sector ETFs.

Investors looking for broad-based exposure to companies like Facebook, Twitter, Netflix and Google-parent Alphabet will find those stocks in XLC. The fund was created in 2018 in response to a worldwide change in index taxonomy that reclassified social media giants out of the technology sector and into a new "communications services" category.

As a result popular ETFs like State Street's Technology Select Sector SPDR Fund (XLK) and the Vanguard Information Technology ETF (VGT) sold off the reclassified stocks, which were then bought up by new or reconstituted ETFs like XLC that target communications services stocks. (Apple kept its spot in the tech sector while Amazon was moved to consumer discretionary.)

XLC's closest rival is the Vanguard Communication Services ETF (VOX), which is nearly identical, barring VOX's lower fee and differences in the way Vanguard manages index rebalancing.

One other difference between State Street and Vanguard's sector funds has typically been the audience. Vanguard funds are favorites of the buy-and-hold investors while the sector SPDRs are more popular with traders who prize their deep liquidity, massive options market and tight spreads.

ESG Themes and Scores

4.64/10

ESG Rate

16.96%

Global Percentile

22.09%

Peer Percentile

Performance Data

	XLC	ETF Database Category Average	Factset Segment Average
1 Month	-3.39%	-3.29%	-3.12%
3 Month	8.76%	4.87%	4.91%
YTD Return	0.46%	0.83%	0.23%
1 Year Return	34.68%	25.91%	19.49%
3 Year Return	9.44%	7.20%	2.71%
5 Year Return	13.23%	10.07%	6.65%

Top 5 Holdings

Symbol	Holding	% Assets
META	Meta Platforms Inc Class A	19.41%
GOOGL	Alphabet Inc. Class A	10.93%
GOOG	Alphabet Inc. Class C	8.95%
NFLX	Netflix, Inc.	6.62%
DIS	Walt Disney Company	4.55%

Vitals

Issuer	State Street
Brand	SPDR
Structure	ETF
Expense Ratio	0.09%
Inception	Jun 18, 2018
Index Tracked	S&P Communication Services Select Sector Index

ETF Database Themes

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

FactSet Classifications

Segment	Equity: U.S. Communication Services
Category	Sector
Focus	Communication Services
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap

