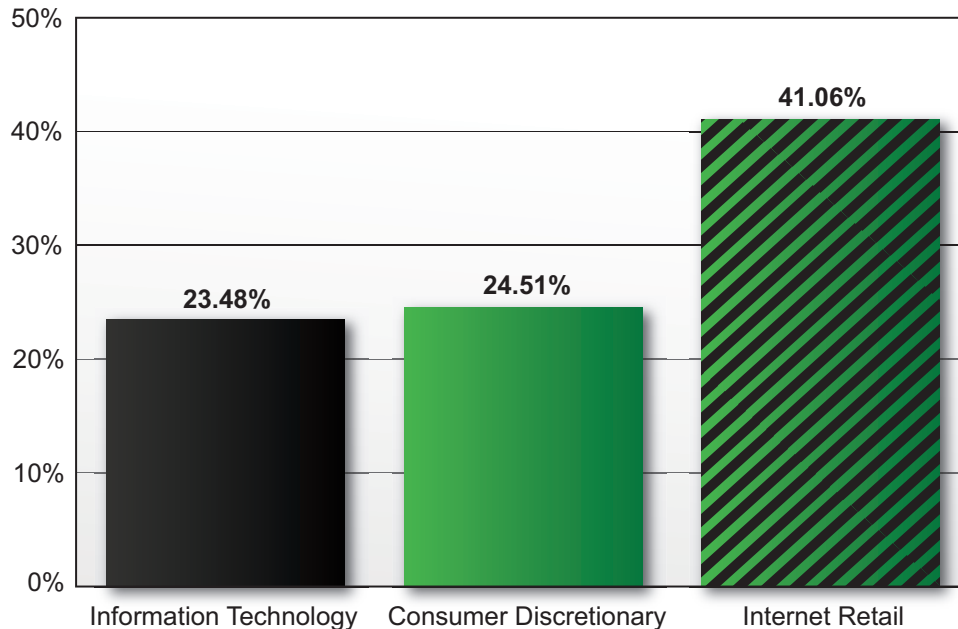


Information Technology + Consumer Discretionary = Internet Retail

Two Top-Performing S&P 500 Index Sectors and Top Subsector
(Average Annualized Total Returns from 3/9/09-11/14/17)



Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. The time period featured in today's blog chart (3/9/09-11/14/17) represents the bull market in U.S. stocks.
2. Within the S&P 500 Index, internet retail is a subsector of the consumer discretionary sector. The S&P 500 Index is currently comprised of 125 subsectors, according to S&P Dow Jones Indices.
3. While internet retail is grouped with other consumer discretionary companies, we know that the backbone of the internet is grounded in technology.
4. The S&P 500 Internet Retail Index (five members) has been the top-performing subsector of the S&P 500 Index in the bull market, according to Bloomberg. The S&P 500 Consumer Discretionary and S&P 500 Information Technology Indices are the two top-performing sectors over that period.
5. Internet retail companies, particularly those companies with the largest market capitalizations ("e-commerce giants"), are reshaping how consumers shop. Credit Suisse reported that as many as 8,600 brick-and-mortar stores are expected to close in the U.S. in 2017, according to CNNMoney.
6. The financial media has been reporting for some time that a relatively narrow group of stocks have been responsible for driving the S&P 500 Index higher this year, and it was evident in October 2017. Technology stocks accounted for 75% of the 2.33% gain in the S&P 500 Index in October, and five stocks accounted for 52% of said gain, according to CNBC.
7. Investors have many more options today, such as exchange-traded funds, when it comes to equity-based products, and some of these opportunities extend to subsectors.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance. The S&P 500 Consumer Discretionary, S&P 500 Information Technology and S&P 500 Internet Retail indices are capitalization-weighted and comprised of S&P 500 Index constituents representing a specific sector/subsector.

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