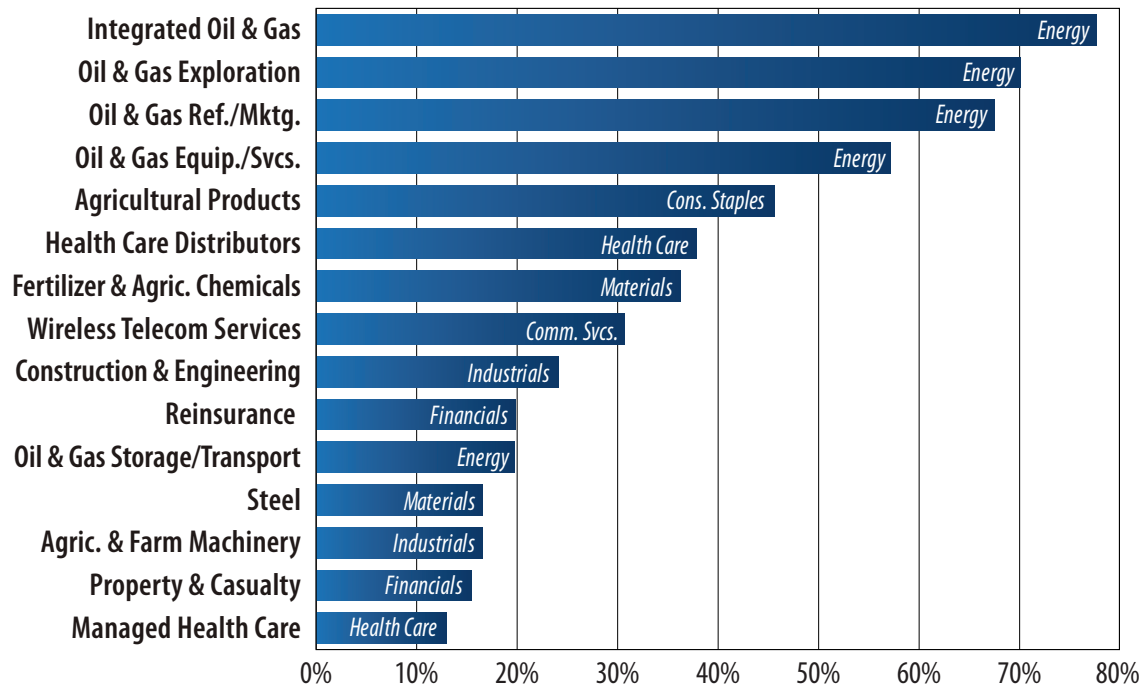


Top-Performing S&P 500 Index Subsectors YTD (Thru 10/31)

Top 15 S&P 500 Index Subsector Total Returns (12/31/21-10/31/22)



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

View from the Observation Deck

1. Today's blog post is for those investors who want to drill down below the sector level to see what is performing well in the stock market.
2. The subsectors in the chart above offer proof that equity investors can prosper even when the major broader market indices are down.
3. The S&P 500 Index is currently comprised of 11 sectors and 122 subsectors, according to S&P Dow Jones Indices.
4. As indicated in the chart above, all five Energy subsectors have been top performers year-to-date. Financials, Health Care, Industrials and Materials each had two subsectors represented in the chart.
5. As of 10/31/22, the most heavily weighted sector in the S&P 500 Index was Information Technology at 26.28%, according to S&P Dow Jones Indices. Energy carried a weighting of 5.36%.
6. The 15 top-performing subsectors in the chart posted total returns ranging from 12.95% (Managed Health Care) to 77.61% (Integrated Oil & Gas).
7. With respect to the 11 sectors, only Energy posted a positive total return for the period captured in the chart, surging 68.05%, according to Bloomberg. The second-and third-best performers were Consumer Staples and Utilities, with total returns of -3.86% and -4.59%, respectively. The S&P 500 Index posted a total return of -17.72% for the period.
8. Even after factoring in its outsized return this year, Energy had the lowest estimated year-end price-to-earnings ratio (8.64 as of 10/31) of the 11 sectors that comprise the S&P 500 Index, according to S&P Dow Jones Indices. Materials was a distant second at 13.59.
9. There are a growing number of packaged products, such as exchange-traded funds, that feature S&P 500 Index 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 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance, while the S&P sector and subsector indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector or industry.

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