

# Cash Flow and Carey



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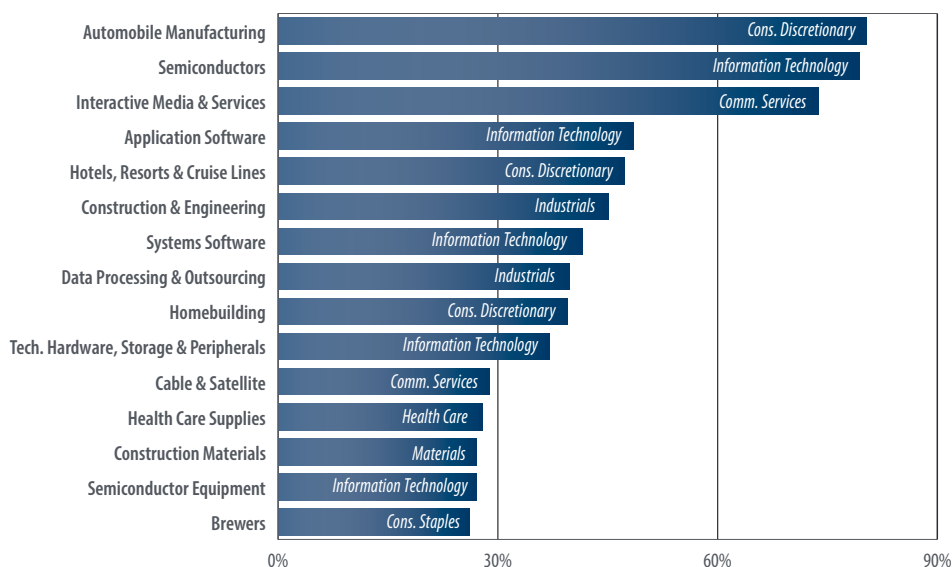


This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 companies 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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## Top-Performing S&P 500 Index Subsectors YTD (Thru 9/8)

### Top 15 S&P 500 Index Subsector Total Returns 12/30/22 – 9/8/23



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

### View from the Observation Deck

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. The S&P 500 Index was comprised of 11 sectors and 126 subsectors as of 9/8/23, according to S&P Dow Jones Indices. The 15 top-performing subsectors in the chart posted total returns ranging from 26.10% (Brewers) to 80.35% (Automobile Manufacturing). [Click here](#) to view our last post on the top performing subsectors.

- As indicated in the chart above, 5 of the 15 top-performing subsectors, including the second-best performing subsector year-to-date (Semiconductors), came from the S&P 500 Information Technology sector. Consumer Discretionary had three subsectors represented, while Communication Services and Industrials each had two subsectors represented.
- With respect to the 11 major sectors that comprise the S&P 500 Index, Communication Services posted the highest total return for the period captured in the chart, increasing by 44.32%, according to Bloomberg. The second and third-best performers were Information Technology and Consumer Discretionary, with total returns of 41.60% and 33.22%, respectively. The S&P 500 Index posted a total return of 17.43% for the period.
- As of 9/8/23, the most heavily weighted sector in the S&P 500 Index was Information Technology at 27.92%, according to S&P Dow Jones Indices. For comparison, the Communication Services sector had a weighting of 8.85%.
- Of the 11 major sectors that comprise the S&P 500 Index, Energy had the lowest estimated year-end price-to-earnings (P/E) ratio (11.86 as of 8/31), according to S&P Dow Jones Indices. Financials were second-to-last with a year-end P/E ratio of 12.86. Not including Real Estate, Information Technology has the highest 2023 estimated P/E ratio for the sectors that comprise the S&P 500 Index, coming in at 30.81 as of 8/31.

### Takeaway

The Information Technology, Communication Services, and Consumer Discretionary sectors accounted for 58.65%, 17.88%, and 17.79%, respectively, of the total return of the S&P 500 Index YTD through 8/31, according to data from S&P Dow Jones Indices. With a total return of 44.32%, communication services stocks are the top-performers in the S&P 500 Index YTD through 9/8, followed closely by technology companies (41.60%). Five of the fifteen top-performing subsectors in today's chart came from the Information Technology sector. The Consumer Discretionary and Communication Services sectors had three and two subsectors represented, respectively, over the period. For those investors who may have an interest, there are a growing number of packaged products, such as exchange-traded funds, that feature S&P 500 Index subsectors.