

SPDR S&P 500 ETF

(SPY-NYSEArca)

Zacks Rank: 3
Risk: Medium

ETF FACTS

Fund Type	Large Cap Blend
Fund Family	SPDR
Benchmark Index	S&P 500 Index

Current Price (25 th April 2013)	\$158.52
52-Week High	\$159.71
52-Week Low	\$127.14
1-Year ETF Return (as of 3/31/2013)	13.96%
Total Net Assets (million)	\$129,058.37

Average Annual Tracking Error	0.04%
Number of stocks in the ETF	500
Number of stocks in the index	500
Assets in top ten holdings	18.24%

Expense Ratio	0.09%
Yield	2.02%

Risk Statistics (Three Years)

Beta (against S&P 500)	0.99
Standard Deviation	18.56%
R-squared (against S&P 500)	99.69%

Aggregate Fundamentals of SPY

Price to Earnings Ratio (ttm)	16.46
Price to Book Value Ratio (ttm)	2.28

History of SPY

Launched in January of 1993, SPDR S&P 500 Index Fund (SPY) is a passively managed exchange traded fund (ETF) designed to provide a broad exposure to the U.S. equity market with a focus on resembling the risk-return characteristics with that of Large Cap U.S. equities.

Investment Objective

SPY seeks to match the performance and yield of the S&P 500 Index before fees and expenses. The performance of the S&P 500 Index is considered to be a mirror image of the U.S. equities, as the index represents stocks of 500 most valued companies in the U.S.

Analysis

The ETF offers a decent mix of value as well as growth stocks in its portfolio. Furthermore, due to its entire focus on large cap stocks, the ETF significantly reduces exposure to volatility. The ETF also enjoys good popularity and a low tracking error.

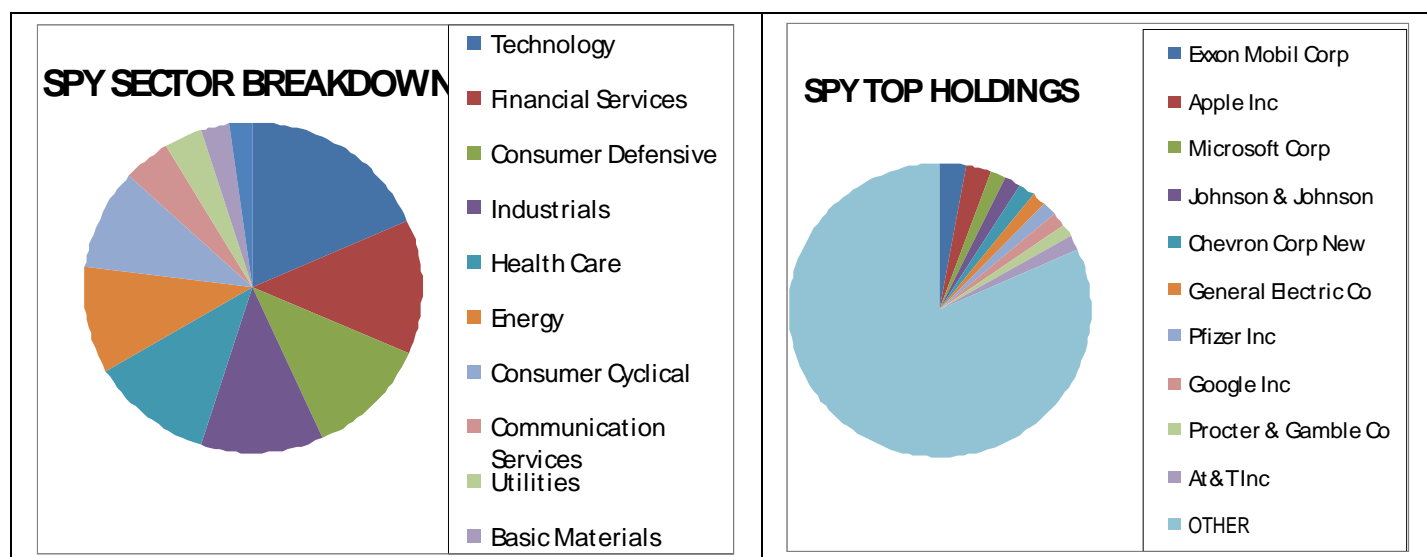
ZACKS OPINION

The first quarter of fiscal year 2013 ended on a solid note for equities across the board, with major indexes reaching all-time high levels. However, for the up-trend to sustain, an improvement on the corporate earnings front is required. This is especially true considering the average earnings season last quarter primarily buoyed by low expectations. Nevertheless, the recent better-than-expected economic data is encouraging, as this has further fuelled the uptrend in the market. For investors having a bullish view on the market, SPY may be considered to be an appropriate option with a moderate level of risk. Also its low cost structure is an added advantage. SPY has a Zacks Rank of 3 or Hold, with a 'Medium' risk outlook.

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Holdings Breakdown

SPY has a proportionate exposure in almost all sectors with maximum emphasis on Information Technology (17.53%), Financials (16.11%), Healthcare (12.82%) Consumer Discretionary (11.78%) and Consumer Staples (11.16%) From an individual holdings perspective, the world's most valued company Apple Inc. takes the second best spot following its recent plunge. Energy major Exxon Mobile takes the top spot in its portfolio. Microsoft, Johnson & Johnson, Chevron Corp and General Electric form a major part of its portfolio.



Performance

The favorable economic developments from the U.S. and the Eurozone were major contributors behind the solid start for the ETF last fiscal. However, the deteriorating situation in the corporate earnings front and slowing economic growth pushed the ETF lower. Nevertheless, with a marked improvement in the domestic economy followed by clarity over uncertainty regarding some major issues, investor appetite had returned to equities. As a result the broader markets posted strong gains in the first quarter of 2013. The ETF has returned around 14% for a one year period as of 31st March 2013.



Detailed Report

For investors seeking more information on large cap equity ETFs, please read our detailed report on the subject.