While most sectors posted losses in October, Utilities was a bright spot among large-caps.

The contribution of cross-sector effects to total S&P 500 dispersion declined significantly below its long-run average, indicating fewer relative rewards for sector allocation decisions.
**Index Composition**

**Selected Sector Indices**

- Consumer Discretionary: 10.5%
- Consumer Staples: 6.6%
- Energy: 4.6%
- Financials: 12.6%
- Health Care: 13.2%
- Industrials: 8.3%
- Materials: 2.4%
- Real Estate: 2.4%
- Information Technology: 26.1%
- Communication Services: 8.6%
- Utilities: 2.5%

**S&P MidCap 400 Capped Sector Indices**

- Consumer Discretionary: 15.1%
- Consumer Staples: 4.3%
- Energy: 6.3%
- Financials: 15.1%
- Health Care: 8.2%
- Industrials: 21.4%
- Materials: 7.0%
- Real Estate: 7.4%
- Information Technology: 10.0%
- Communication Services: 1.7%
- Utilities: 3.5%

**S&P SmallCap 600 Capped Sector Indices**

- Consumer Discretionary: 14.0%
- Consumer Staples: 5.2%
- Energy: 5.4%
- Financials: 18.3%
- Health Care: 10.2%
- Industrials: 17.3%
- Materials: 5.1%
- Real Estate: 7.7%
- Information Technology: 12.0%
- Communication Services: 2.9%
- Utilities: 1.9%

**Index Factor Ranking and Factor Diagram Scaling**

**Index Scores**

Each index is provided a score in each factor from -100% to +100% based on how much of the total capitalization of the benchmark must be excluded in order to provide a portfolio of stocks with similar exposure to that factor. This is done by examining a ranked series of hypothetical cap-weighted portfolios, including or excluding a varying number of stocks associated to high or lower factor scores. An illustration of the process may be found at this [link](#).

**Factor Diagram Axis**

- Fewer stocks
- Portfolios with a tilt against the factor begin by excluding the highest-ranked stock and end up concentrated in the lowest-ranked stocks
- Benchmark Portfolio has a factor rank defined by that of a cap-weighted average score among all stocks
- Weighting matters to the ranking of the index. Each ranked portfolio of stocks is given a factor score through the capitalization-weighted average. Factor indices can use alternative weightings, which can provide higher factor exposures with fewer stocks
- Single-stock portfolio with the lowest possible factor score

**Source:** S&P Dow Jones Indices LLC and/or its affiliates. Data as of October 31, 2023
The diagrams below illustrate factor exposures relative to the S&P 1500 across sectors, from large to small-caps.

For example, large-cap Consumer Discretionary has a tilt away from Low Volatility, which deepens at the small-cap level.
## U.S. Sector Dashboard

**October 31, 2023**

### FACTOR TILTS

#### Financial Select Sector
- S&P MidCap 400 Capped Fin
- S&P SmallCap 600 Capped Fin & Real Estate*
- S&P 500 Ex-Fin & Real Estate

#### Health Care Select Sector
- S&P MidCap 400 Capped Health Care
- S&P SmallCap 600 Capped Health Care
- S&P 500 Ex-Health Care

#### Industrial Select Sector
- S&P MidCap 400 Capped Industrials
- S&P SmallCap 600 Capped Industrials

#### Materials Select Sector
- S&P MidCap 400 Capped Materials
- S&P SmallCap 600 Capped Materials

*Financials & Real Estate SmallCap Capped Sector combines constituents of the GICS Financials and Real Estate sectors.

FACTOR TILTS

Real Estate Select Sector

Communication Services Select Sector

Technology Select Sector

S&P MidCap 400 Capped Info Tech
S&P SmallCap 600 Capped Info Tech
S&P 500 Ex-Info Tech

Utilities Select Sector

S&P MidCap 400 Capped Utilities & Comm Services
S&P SmallCap 600 Capped Utilities & Comm Services

**Utilities MidCap and SmallCap Capped Sectors include constituents of the GICS Utilities and Communication Services sectors.
Technology had the highest relative strength among large-cap sectors.

Average constituent volatility in the Consumer Discretionary sector was the highest among large-caps, outpacing Communication Services.
COMMENTARY

- Dispersion increased across most sectors, especially for mid-cap Communication Services.
- Correlation changes were mixed across sectors.

SECTOR DISPERSION AND CORRELATION

S&P 500 Sector Average Correlation and Dispersion (Trailing 12-Month Volatility)

S&P MidCap 400 Sector Average Correlation and Dispersion (Trailing 12-Month Volatility)

S&P SmallCap 600 Sector Average Correlation and Dispersion (Trailing 12-Month Volatility)

NOTES

- The charts above decomposed volatility into its two main components: dispersion and correlation. The data points are each sector's average monthly value over the trailing 12 months. Trailing annualized volatility is included in parentheses. Index dispersions shown based on stock-level index-weighted dispersion over the calendar month. Index correlation based on single stock daily total returns during each calendar month. See "Implications of Sector Dispersion" for more information.
- See "At the Intersection of Diversification, Volatility and Correlation" for details on the relationship between correlation and dispersion.
- See "Dispersion: Measuring Market Opportunity" for the definition of index dispersion and more information on the uses of dispersion.

Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of October 31, 2023. Index performance based on total return (USD). Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results.
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Notes On Additional Index Statistics

<table>
<thead>
<tr>
<th>STATISTIC</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/Earnings (P/E)</td>
<td>Price per share as of observation date divided by earnings per share, calculated by adding the last twelve calendar months’ quarterly reported earnings per share.</td>
</tr>
<tr>
<td>Price/Book (P/B)</td>
<td>Price per share as of observation date divided by latest annual reported book value per share.</td>
</tr>
<tr>
<td>Price/Sales (P/S)</td>
<td>Price per share as of observation date divided by sales per share, calculated by adding twelve calendar months’ quarterly reported sales per share.</td>
</tr>
<tr>
<td>RSI - 30 Day</td>
<td>RSI is an indicator of the speed and change of price movements and oscillates between zero and 100. RSI is considered overbought when above 70 and oversold when below 30. RSI is the average gain divided by average loss over the past 30 days. Then RSI is equal to 100 minus 100 divided by 1+RSI.</td>
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</tbody>
</table>