

SPDR Spotlight

## Put it in Neutral – SPDG

**The Lead**

- US equities hovering near all-time highs, driven by the success of growth-oriented names, are now facing a wall of macro uncertainty – led by evolving Federal Reserve policy, rising fiscal deficits, continued geopolitical tensions and a divisive US election
- With growth stocks powering returns, the return differential between Growth and Value is in the 81<sup>st</sup> percentile based on rolling 1-year returns<sup>1</sup> – indicating there may be some “value” in value stocks given how elevated valuations are for growth following such strong returns
- For investors concerned about the concentration of growth in broad market indices, consider a core strategy with a value tilt that remains neutral with regards to sectors, thereby offering broad-market exposure but in a more fundamentally driven manner

**The Takeaway**

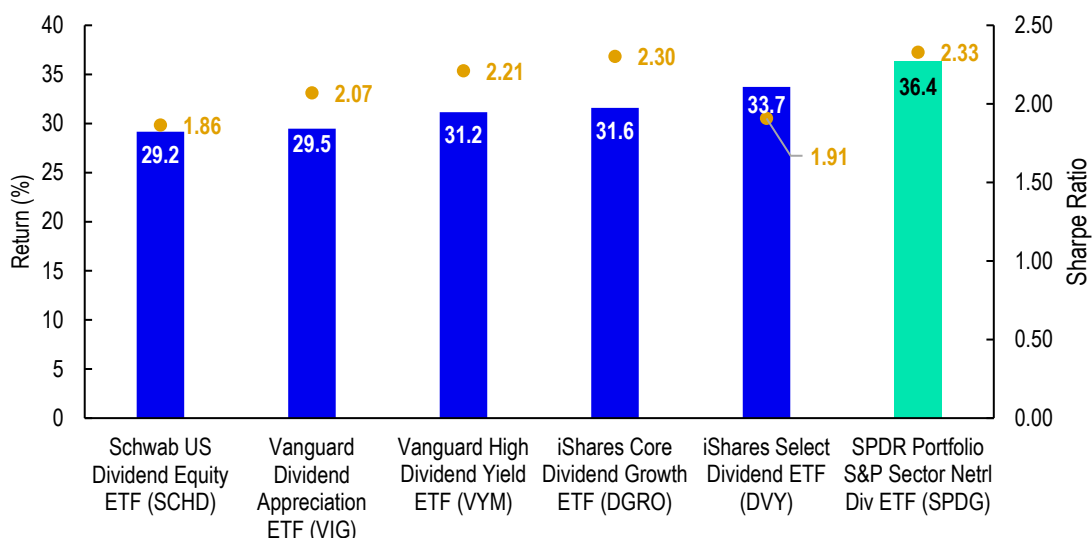
The [SPDR® Portfolio S&P Sector Neutral Dividend ETF \(SPDG\)](#) tracks an index of companies that have increased or maintained their dividend for seven or more consecutive years while seeking to match the sector weights of the S&P Composite 1500® Index.

While the minimum threshold is seven years, the average company has been increasing dividends for over 26 years (since before the Great Financial Crisis in 2008) and there are over 11% of constituents (31 companies) that have been increasing dividends since before the moon landing (1969).<sup>2</sup> This construction results in an exposure with a dividend yield (2.66%) that is more than twice that of S&P 1500 Composite Index (1.29%).<sup>3</sup> And through the impact of sector neutrality, SPDG has is able to provide broad market coverage with limited market drift.

Through this construction, SPDG has also outperformed the top five dividend ETFs by AUM over the past year, as shown in the graph below.

**Chart of the Week**

SPDG's 1-year performance versus Top 5 Dividend ETFs



Morningstar, as of October 31, 2024. Past Performance is not a reliable indicator of future performance.

**Standard  
Performance**

Ticker	Name	QTD	YTD	Annualized					Inception Date	Gross Expense Ratio (%)
				1 Year	3 Year	5 Year	10 Year	Since Inception		
SPDG (NAV)	SPDR® Portfolio S&P Sector Neutral Dividend ETF	10.85	20.18	34.38	-	-	-	28.06	Sep 11, 2023	0.05
SPDG (MKT)	SPDR® Portfolio S&P Sector Neutral Dividend ETF	10.80	20.09	34.33	-	-	-	28.06		
SCHD (NAV)	Schwab U.S. Dividend Equity ETF™	9.69	14.13	24.03	8.23	12.97	11.72	13.38	Oct 20, 2011	0.06
SCHD (MKT)	Schwab U.S. Dividend Equity ETF™	9.69	14.10	24.03	8.21	12.96	11.71	13.35		
VIG (NAV)	Vanguard Dividend Appreciation ETF	8.99	17.88	29.96	10.99	12.75	12.12	9.95	Apr 21, 2006	0.06
VIG (MKT)	Vanguard Dividend Appreciation ETF	8.97	17.77	29.95	10.97	12.72	12.11	9.95		
VYM (NAV)	Vanguard High Dividend Yield ETF	8.78	17.29	27.96	10.82	11.08	10.21	8.72	Nov 10, 2006	0.06
VYM (MKT)	Vanguard High Dividend Yield ETF	8.83	17.23	28.02	10.82	11.08	10.21	8.72		
DGRO (NAV)	iShares Core Dividend Growth ETF	9.53	18.50	29.62	10.29	12.56	12.27	11.96	Jun 10, 2014	0.08
DGRO (MKT)	iShares Core Dividend Growth ETF	9.53	18.48	29.64	10.28	12.56	12.25	12.08		
DVY (NAV)	iShares Select Dividend ETF	12.94	18.48	30.40	9.53	9.81	10.04	8.63	Nov 3, 2003	0.38
DVY (MKT)	iShares Select Dividend ETF	12.94	18.44	30.31	9.50	9.81	10.03	8.63		

Source: ssga.com, Morningstar as of 09/30/2024. **Performance returns for periods of less than one year are not annualized. Past performance is not a reliable indicator of future performance. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. Visit ssga.com for most recent month-end performance.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. The gross expense ratio is the fund's total annual operating expenses ratio. It is gross of any fee waivers or expense reimbursements. It can be found in the fund's most recent prospectus.

1 Bloomberg Finance L.P., as of 10/31/2024

2 S&P Dow Jones Indices, as of 10/28/2024

3 Bloomberg Finance L.P., as of 11/01/2024

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## Marketing Communication

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**Equity securities** may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

All ETFs are subject to risk, including possible loss of principal.

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**Non-diversified** funds that focus on a relatively small number of securities tend to be more volatile than diversified funds and the market as a whole.

**Passively managed** funds invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

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**Passively managed funds** invest by sampling the index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

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