

# Quarterly sector and investment research update

**Commentary** Second Quarter 2026

From the desk of












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# Performance summary: Energy, materials, and utilities led in Q1












The energy, materials, and utilities sectors led the S&P 500® index in the first quarter of 2026. Financials, consumer discretionary, and information technology lagged the market over the same period. Over the past three years, communication services had the strongest returns relative to the S&P 500, while health care trailed the index the most.

Sector	Performance as of 12/31/25			Dividend Yield	Weight in S&P 500®
	Latest Quarter	1-Year	3-Year Annualized		
 Financials	-9.3%	0.7%	17.4%	1.6%	12.6%
 Real Estate	4.9%	4.0%	7.5%	3.5%	2.0%
 Consumer Discretionary	-9.2%	11.7%	15.4%	0.7%	9.9%
 Information Technology	-9.1%	29.0%	25.9%	0.6%	32.9%
 Industrials	4.6%	25.2%	18.8%	1.1%	9.0%
 Materials	9.7%	18.0%	9.4%	1.7%	2.1%
 Consumer Staples	7.7%	6.3%	8.6%	2.4%	5.3%
 Health Care	-4.9%	2.3%	6.0%	1.8%	9.5%
 Energy	38.2%	36.3%	18.0%	2.5%	4.0%
 Communication Services	-6.9%	32.5%	31.1%	0.7%	10.3%
 Utilities	8.3%	19.7%	14.2%	2.6%	2.5%
S&P 500®	-4.3%	17.8%	18.3%	1.2%	

**Past performance is no guarantee of future results.** Strategist view, fundamentals, valuations, and relative strength are based on the top 3,000 U.S. stocks by market capitalization. Sectors defined by the GICS; see Index Definitions for details. Historical communication services data has been restated back to 1962 to account for changes to the GICS framework made on 9/24/18. Strategist view is as of the date indicated based on the information available at that time and may change based on market or other conditions. This is not necessarily the opinion of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information. Overweight and underweight views represent opportunistic tilts in a hypothetical portfolio relative to broad market sector weights. Sector weights may vary depending on an individual's risk tolerance and goals. Time horizon view factors are based on historical analysis and are not a qualitative assessment by any individual investment professional. The top three sectors based on each time horizon view metric are shaded green; the bottom three are shaded sand. See Glossary and Methodology for details. It is not possible to invest directly in an index. All indexes are unmanaged. Source: Haver Analytics, FactSet, Fidelity Investments, as of 3/31/2026.

# Scorecard: Technology, industrials look attractive

Strong fundamentals continue to support the outlook for tech stocks, particularly after a big decline in valuations. Meanwhile, forward-looking valuation indicators point to compelling opportunities in industrials and consumer discretionary. Materials, energy, and utilities show relatively weak fundamentals.

Sector	Strategist View	Longer Fundamentals	Time Horizon View		Comments
	Overweight <input checked="" type="checkbox"/> Neutral <input type="checkbox"/> Underweight <input type="checkbox"/>		Valuations	Shorter Relative Strength	
 Financials	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/> +	<input type="checkbox"/> -	Relative valuation may limit downside.
 Real Estate	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/> +		High valuation spreads suggest attractive risk-reward.
 Consumer Discretionary	<input checked="" type="checkbox"/>		<input type="checkbox"/> -	<input type="checkbox"/> -	Forward valuation measures show positive risk-reward.
 Information Technology	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> +		<input type="checkbox"/> -	Solid fundamentals and compelling valuations after a sell-off.
 Industrials	<input checked="" type="checkbox"/>		<input type="checkbox"/> -	<input checked="" type="checkbox"/> +	Predictive valuation indicators still compelling.
 Materials	<input type="checkbox"/> Underweight	<input type="checkbox"/> -		<input checked="" type="checkbox"/> +	Higher capital expenditures may weigh on the sector.
 Consumer Staples	<input type="checkbox"/> Underweight				Poor fundamentals suggest sector may be a value trap.
 Health Care	<input type="checkbox"/> Neutral	<input checked="" type="checkbox"/> +	<input checked="" type="checkbox"/> +		Data suggests more neutral risk-reward.
 Energy	<input type="checkbox"/> Underweight	<input type="checkbox"/> -		<input checked="" type="checkbox"/> +	Indicators suggest negative risk-reward.
 Communication Services	<input type="checkbox"/> Underweight	<input checked="" type="checkbox"/> +			Tech-like industries have positive risk-reward, defensive industries do not.
 Utilities	<input type="checkbox"/> Underweight	<input type="checkbox"/> -	<input type="checkbox"/> -		Valuation levels are not attractive.

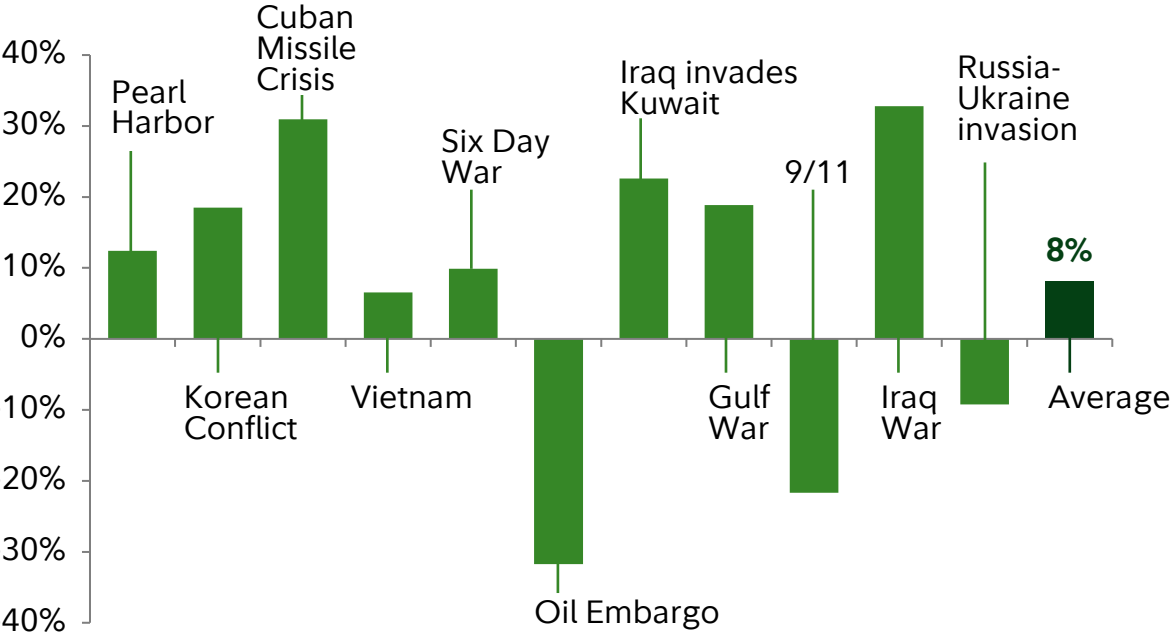
**Past performance is no guarantee of future results.** Sectors as defined by GICS. White line is a theoretical representation of the business cycle as it moves through early, mid, late, and recession phases. Green- and sand-shaded portions above represent over- or underperformance, respectively, relative to the broader market; unshaded (white) portions suggest no clear pattern of over- or underperformance. Double +/- signs indicate that the sector is showing a consistent signal across all three metrics: full-phase average performance, median monthly difference, and cycle hit rate. A single +/- indicates a mixed or less consistent signal. Source: Fidelity Investments (AART), as of 3/31/2026..

# Geopolitical shocks historically haven't derailed equities

History suggests the Iran conflict's longer-term impact might not be as negative as many investors fear. A review of S&P 500 returns one year after 11 major flashpoints since Pearl Harbor found stocks advanced eight of those times, averaging a roughly 8% gain (left). But will the war kick off a 1970s-style energy crisis? Maybe not: Energy as a portion of consumer income rose through the 1970s and peaked above 7%. Today it sits below 3% after declining steadily for years (right).

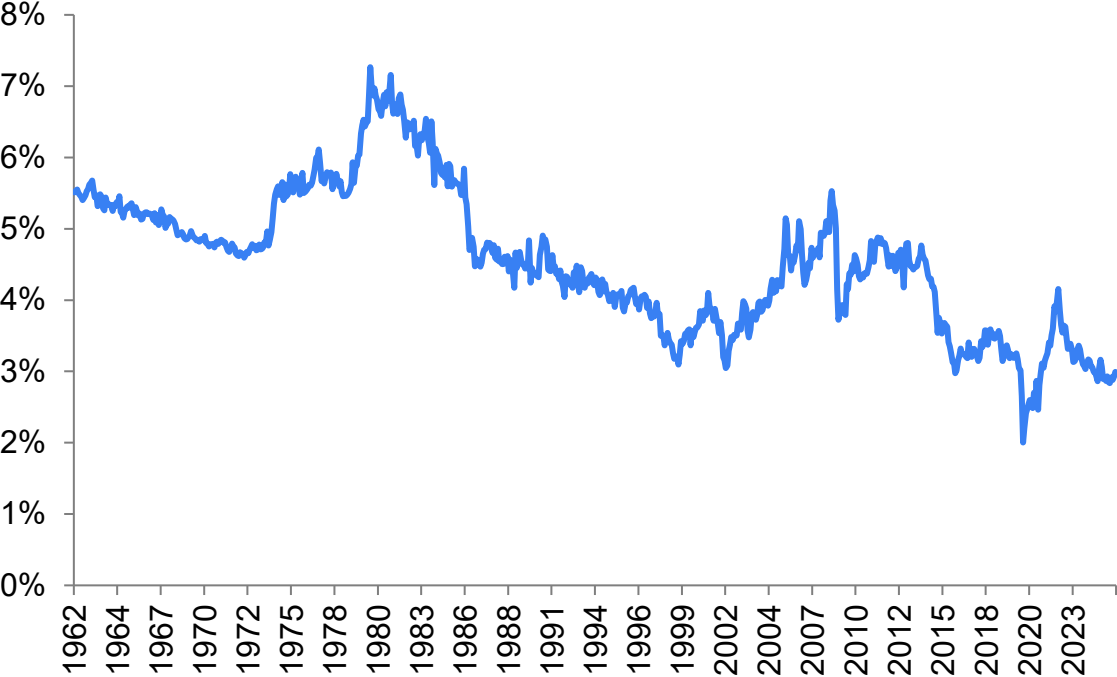
## Stocks usually have advanced after geopolitical shocks

12-month forward S&P 500 returns from the starts of major international crises



## Energy takes up much less of consumers' income than it used to

Energy consumption as percentage of income, January 1962–December 2025

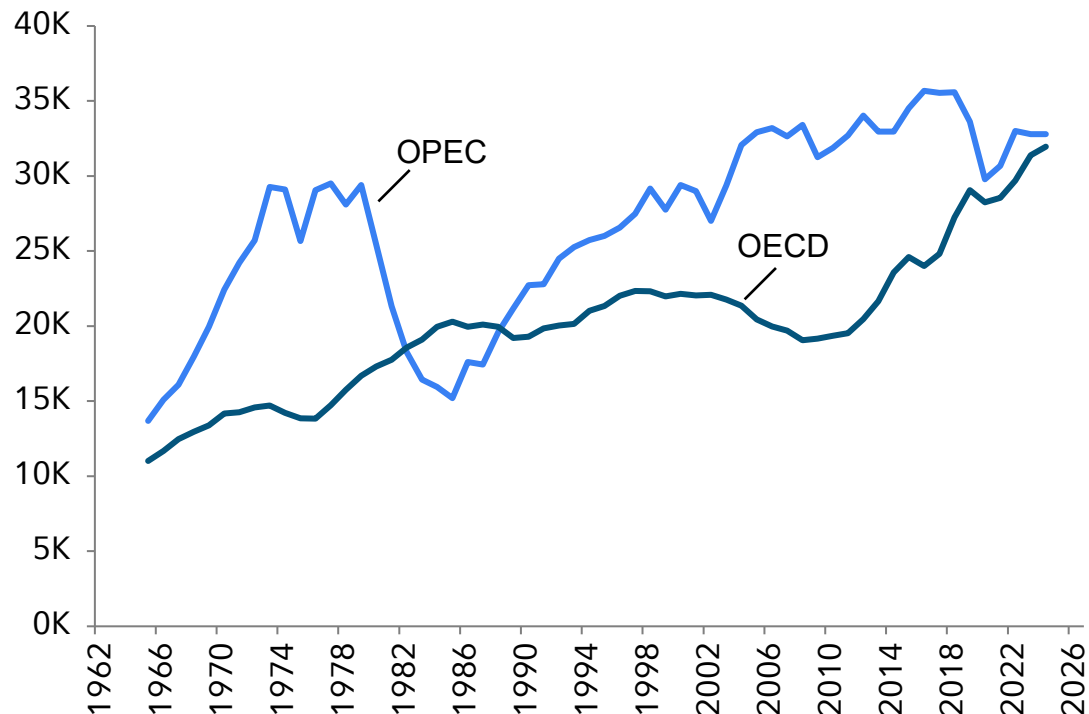


# Today's oil crisis looks very different than the 1970s

Energy supply chains look very different now than they did 50 years ago. OPEC produced about two-thirds of the world's oil in the 1970s, compared to only about half today (left). Meanwhile, the United States has shifted from a net importer of oil to a net exporter (right). A squeeze on oil supplies from the Middle East still presents challenges, but the region is not the chokepoint it once was.

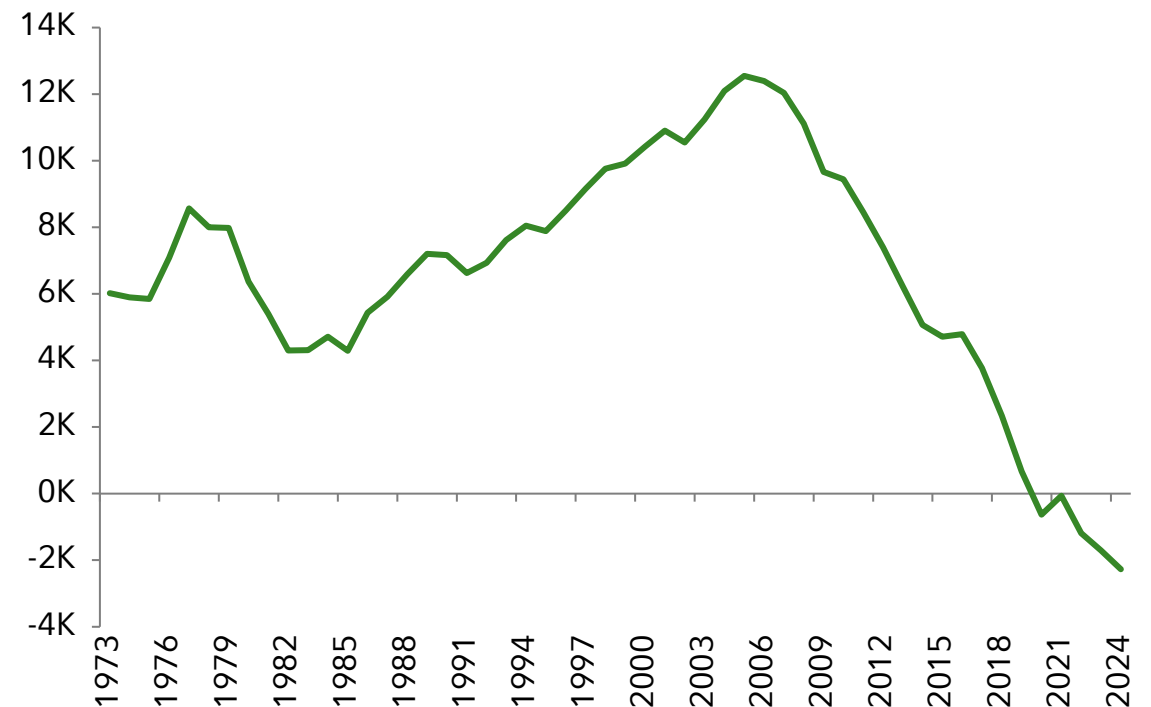
## The OECD now nearly matches OPEC's oil production

OPEC vs. OECD oil production in thousands of barrels per day, 1962–2024



## The U.S. is now a net exporter of petroleum

U.S. net imports of crude oil and petroleum products in thousands of barrels per day, 1973–2024

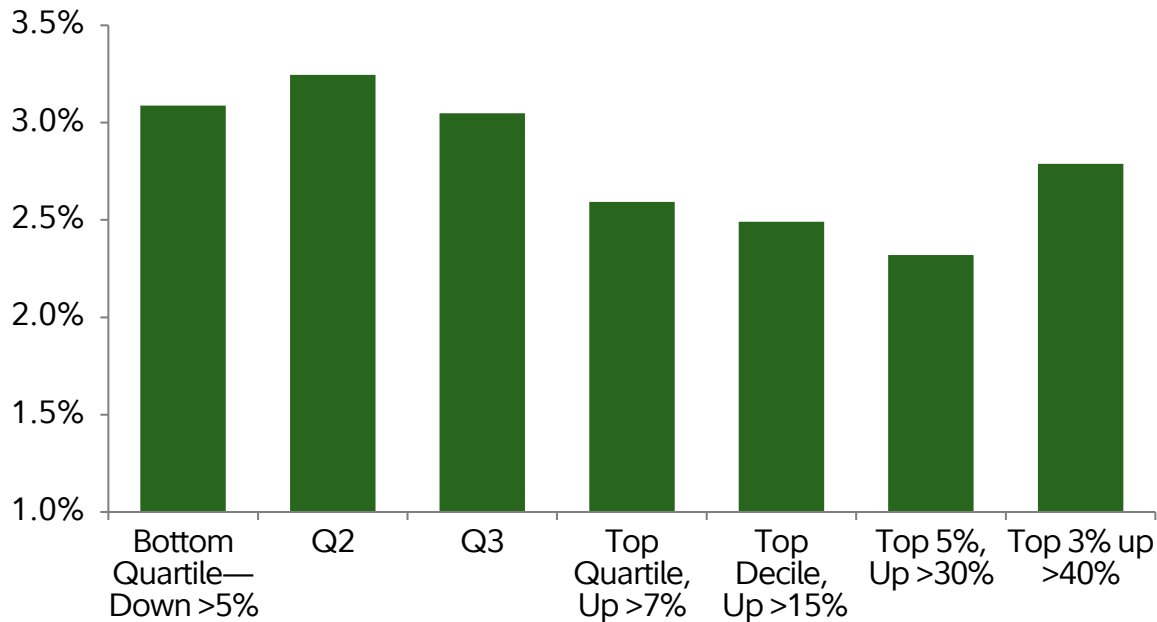


# Oil price spike unlikely to hurt spending—and may be short lived

Will higher oil prices force consumers to rein in their spending? Perhaps not. After the largest two-month jumps in oil prices, consumer expenditures have grown strongly over the next six months, on average (left). What's more, oil prices have tended to settle back down after they spiked, as long as the economy was not recovering from a deflationary bust (right).

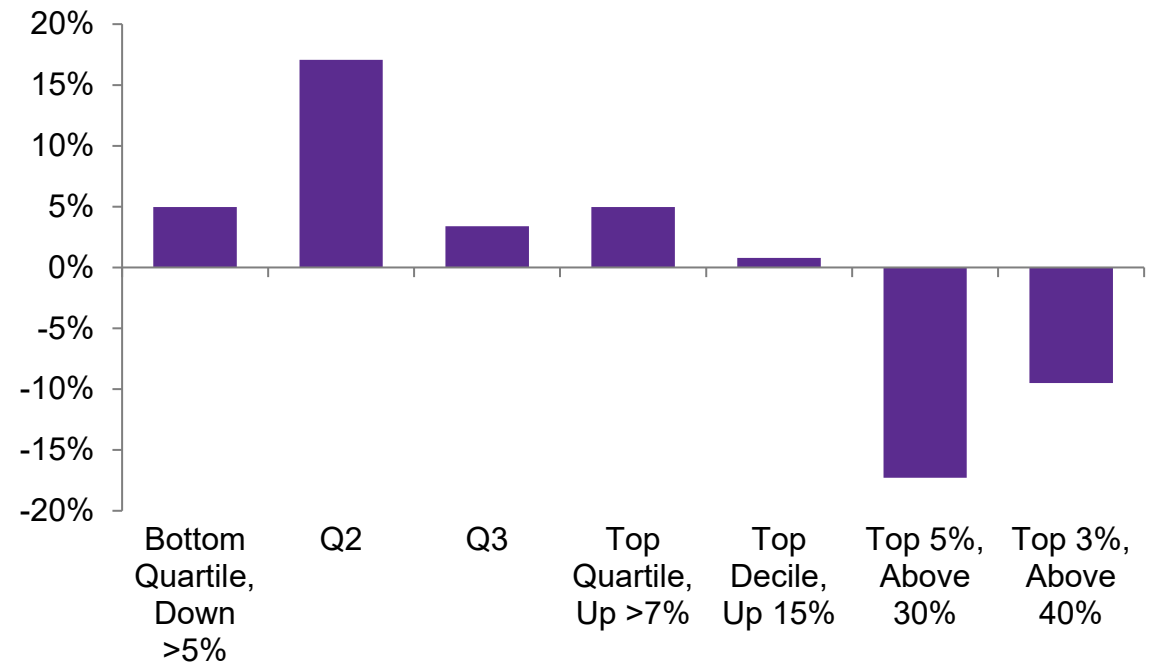
## Consumption has grown after the biggest oil prices spikes

Average next-six-month real personal consumption growth in cohorts of prior-two-month oil price changes, 1970–2025



## Oil prices have tended to fall after the biggest jumps

Average NTM percent change in oil prices in cohorts of prior two-month oil prices spikes, excluding recoveries after the dot-com bust, the Great Financial Crisis, and Covid, 1970–March 2026



**Past performance is no guarantee of future results.** LEFT: Data gathered and analyzed monthly from January 1970 through December 2025. Sources: Haver Analytics and Fidelity Investments, as of 12/31/25. RIGHT: NTM: Next 12 months. Data gathered and analyzed monthly from January 1970 through March 2026. Sources: Haver Analytics and Fidelity Investments, as of 3/31/26.

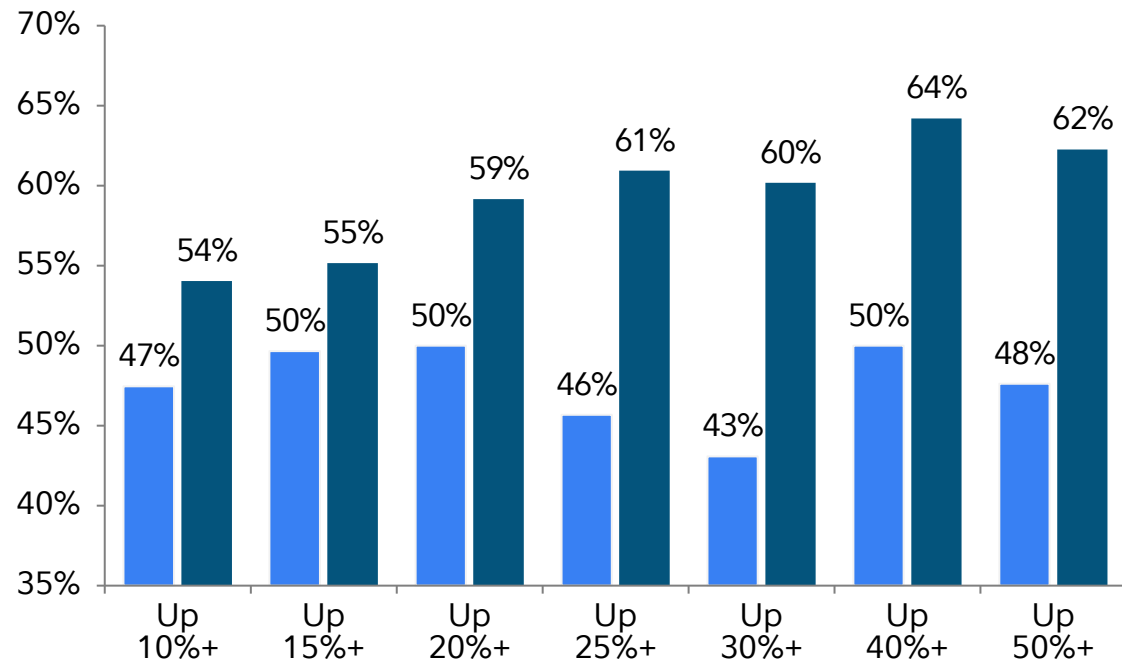
# Rising oil prices may not mean higher core inflation and Fed hikes

One common narrative: The jump in oil prices will boost inflation, forcing the Federal Reserve to raise rates. History suggests things might play out differently. Big 6- and 12-month gains in oil prices have corresponded with higher core inflation only about 50% and 60% of the time, respectively (left). Likewise, big six- and 12-month gains in oil prices have not meaningfully increased the likelihood of rate hikes (right).

## Big gains in oil prices often haven't led to higher core inflation

Odds of core CPI acceleration when oil prices were up for 6 or 12 months, January 1985–February 2026

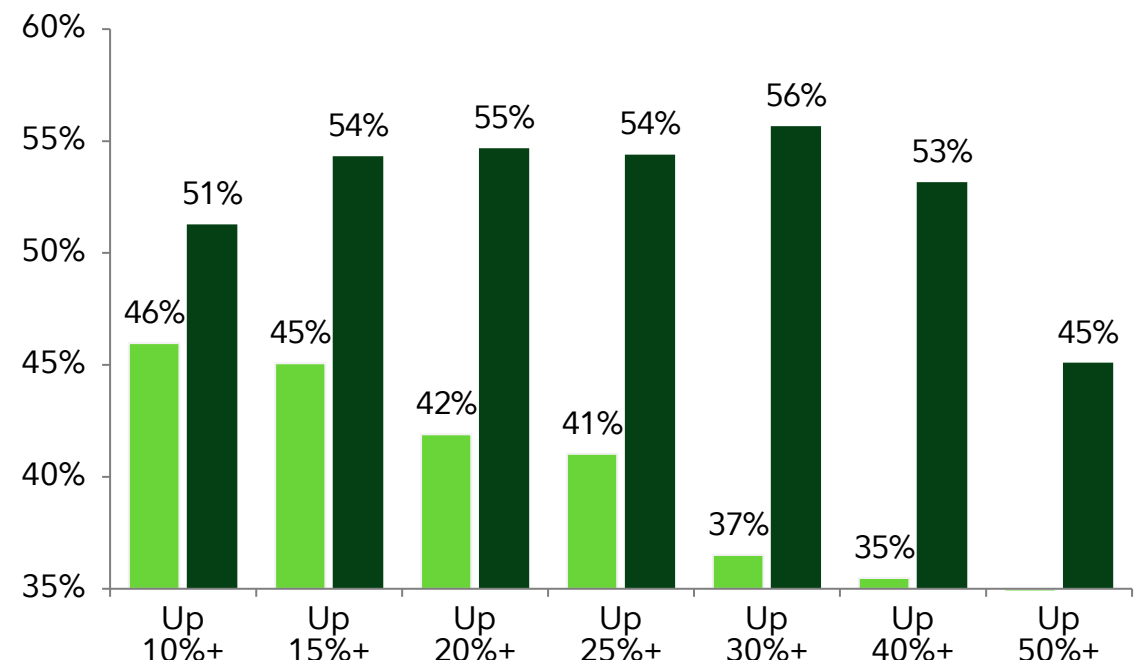
■ 6M % Change Oil ■ 12M % Change Oil



## Oil price spikes haven't boosted the odds of Fed hikes

Odds of higher Fed funds rate when oil prices were up for six or 12 months, January 1985–February 2026

■ 6M % Change Oil ■ 12M % Change Oil

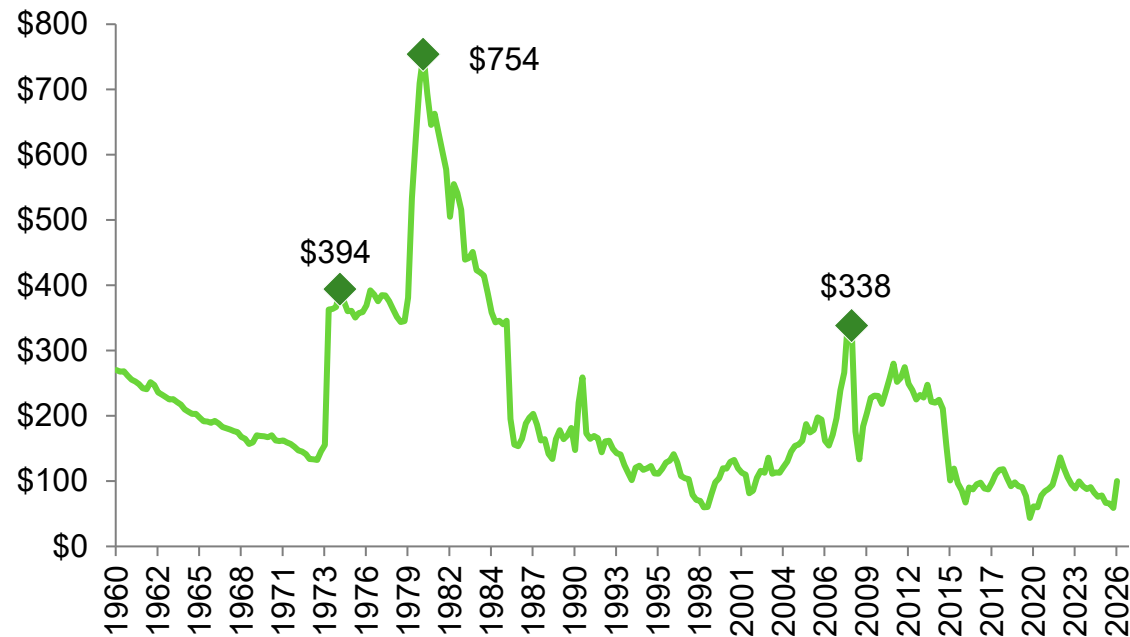


# For a replay of the 1970s, oil prices would have to be far higher

Will spiking oil prices cause as much stress on consumers and businesses as they did 50 years ago? We tried to answer that question by adjusting oil prices for household net worth (left) and corporate profits (right). The results suggest this time may not be like the 1970s. For oil costs to affect household balance sheets as much as they did then, prices would have to rise beyond \$700 per barrel. To have a 1970s-style impact on corporations, oil prices would have to jump near \$1,000—around nine times recent levels.

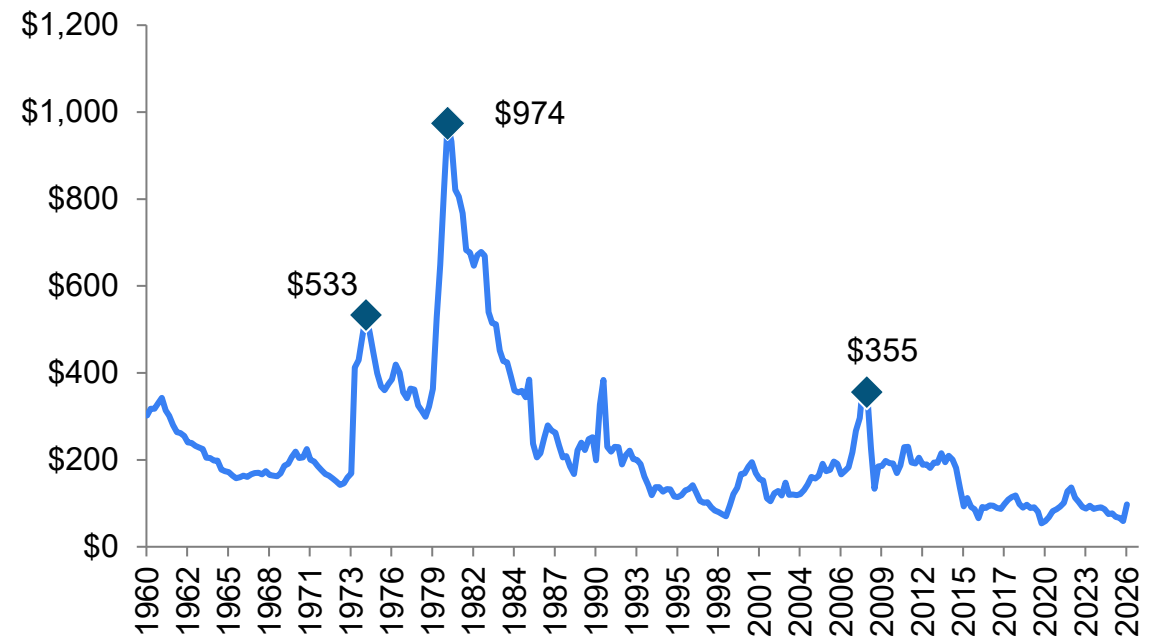
## Oil prices would have to be higher to hurt consumers like they did in the 1970s

Spot price per barrel of West Texas Intermediate Crude adjusted for U.S. household net worth, March 1960–March 2026



## They would have to climb even more for a 1970s-style impact on corporations

Spot price per barrel of West Texas Intermediate Crude adjusted for corporate profits, March 1960–March 2026



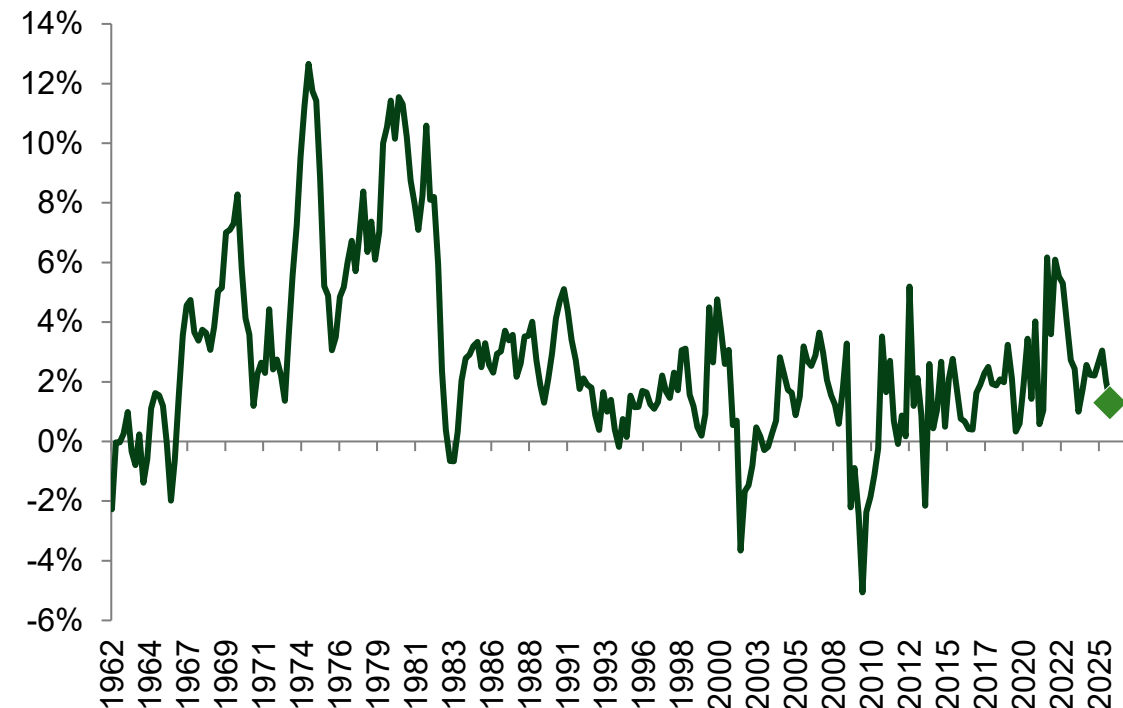
**Past performance is no guarantee of future results.** All data gathered monthly from March 1960 through March 2026. Sources: Haver Analytics, FactSet, Fidelity Investments, as of 3/31/2026. **LEFT:** Oil prices adjusted by dividing household net worth in December 2025 by household net worth each month, then multiplying the result by the spot West Texas Intermediate Crude price per barrel that month. **RIGHT:** Oil prices adjusted by dividing corporate profits in December 2025 by corporate profits each month, then multiplying the result by the spot West Texas Intermediate Crude price per barrel that month.

# Meanwhile, falling unit labor costs may serve as a tailwind

The annual change in unit labor costs—the average cost of labor to produce one unit of output—recently fell to the lowest 25% of the range since 1962 (left). Comparable levels have been associated with strong growth in profit margins over the following 12 months (right). Investors focusing on the idea that high oil prices will be a major headwind for the stock market may miss this potential tailwind.

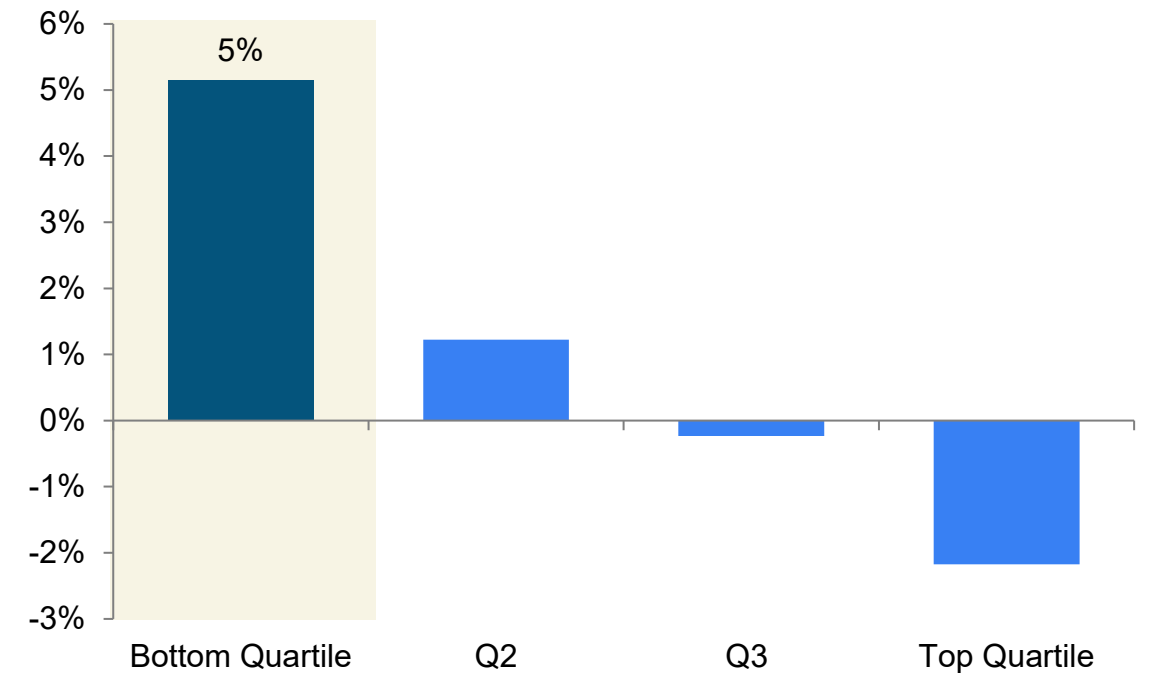
## Unit labor cost growth fell to bottom-quartile levels

Percent year-to-year change in non-farm unit labor cost, March 1962–December 2025



## Margins jumped after big drops in unit labor costs

Average NTM percent change in operating margins in quartiles of LTM acceleration of unit labor costs, 1962–2025

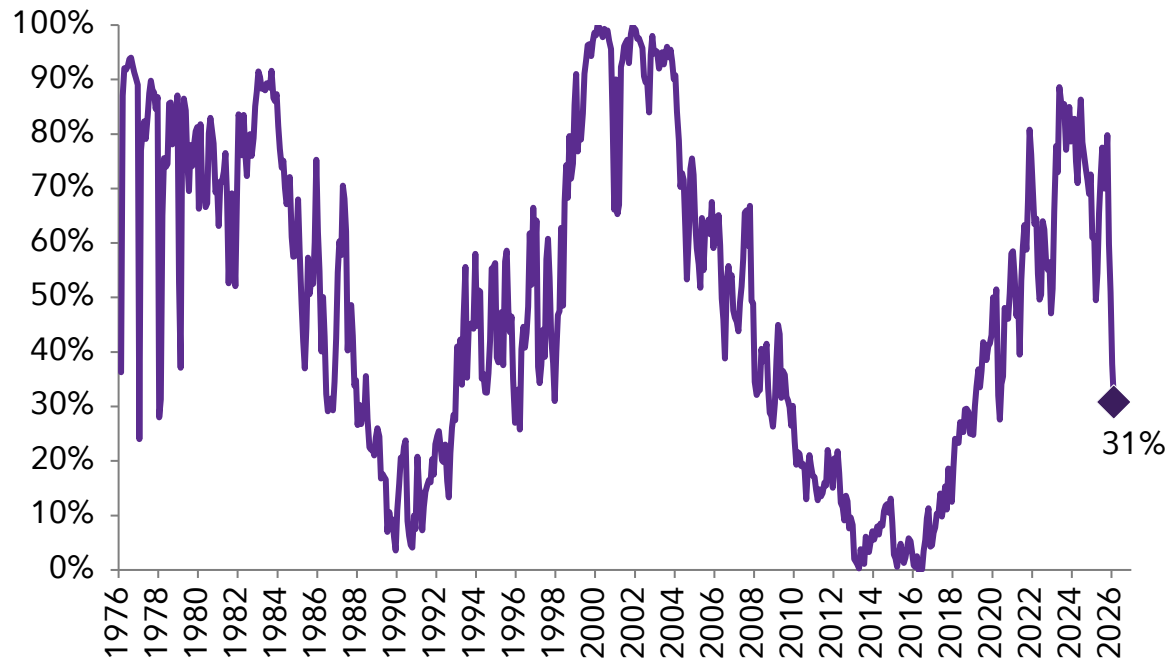


# Tech got cheap in a hurry

Tech stocks took a big hit recently, in part due to fears that AI could disrupt software firms' business models. The decline caused the sector's valuation, based on its forward price-to-earnings (P/E) ratio relative to the broad market, to fall to its lowest level since 2020 and into the second quintile of its historical range (left). In the past, tech outperformed the market in 69% of 12-month periods after second-quintile relative valuations (right).

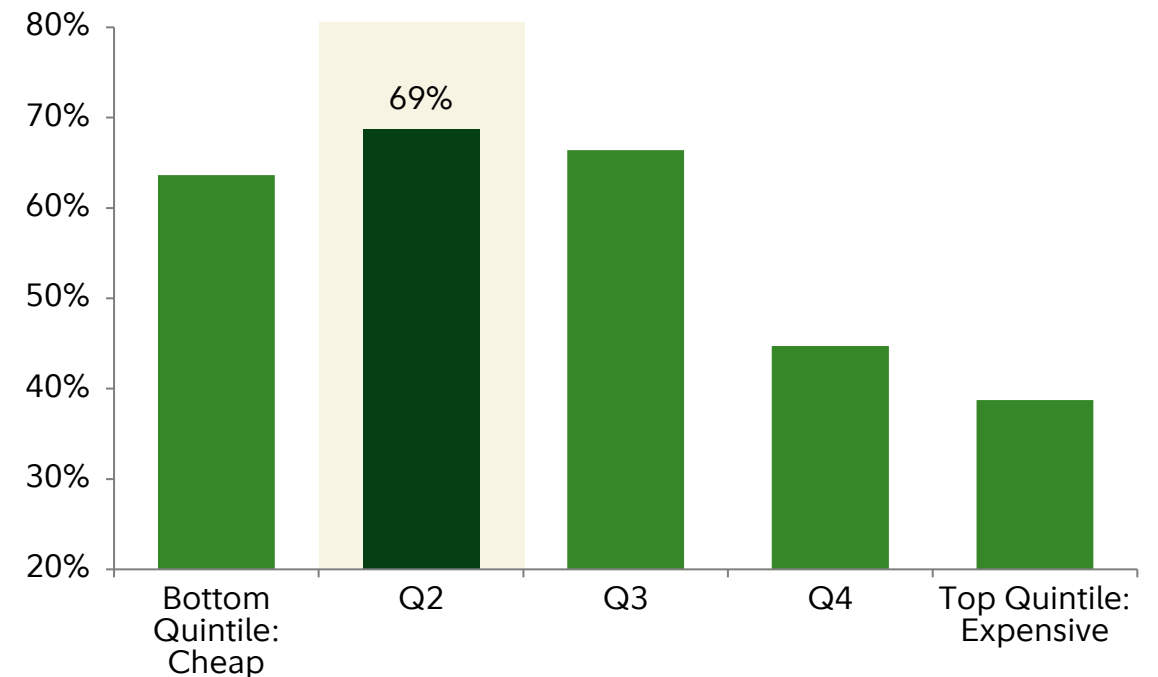
## Tech's relative valuation dropped

Technology relative forward P/E, January 1976–February 2026



## Tech has usually outperformed after low relative valuations

Average NTM relative performance in quintiles of relative fwd P/E, January 1976–February 2026



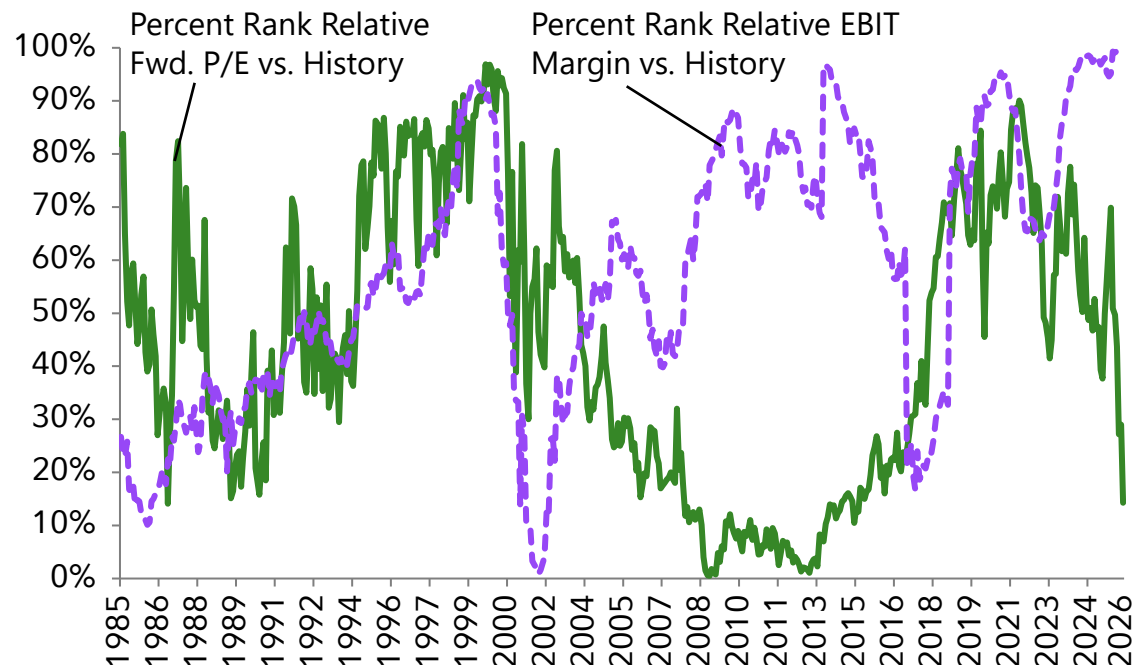
**Past performance is no guarantee of future results.** Analysis based on Fidelity top U.S. 3,000 stocks by market capitalization. Fwd P/E: Forward price-to-earnings ratio. A forward P/E ratio typically uses an average of analysts' published earnings estimates for the next 12 months. Relative forward P/E compares the industry's forward P/E to that of Fidelity's top 3,000 stocks by market capitalization. All data gathered and analyzed monthly from January 1976 to February 2026. Sources: Haver Analytics and Fidelity Investments, as of 2/28/26. **RIGHT:** NTM: Next 12 months.

# Software valuations fell even as profit margins stayed high

The software industry's relative forward P/E fell to the 15th percentile of its historical range, even as profit margins hit the 100th percentile (left). A gap of more than 80-percentile points between valuations and margins is rare for any industry. Since 1985, such gaps have occurred mainly around extreme crises such as the great financial crisis (right). In effect, software was priced for disaster despite historically strong profitability.

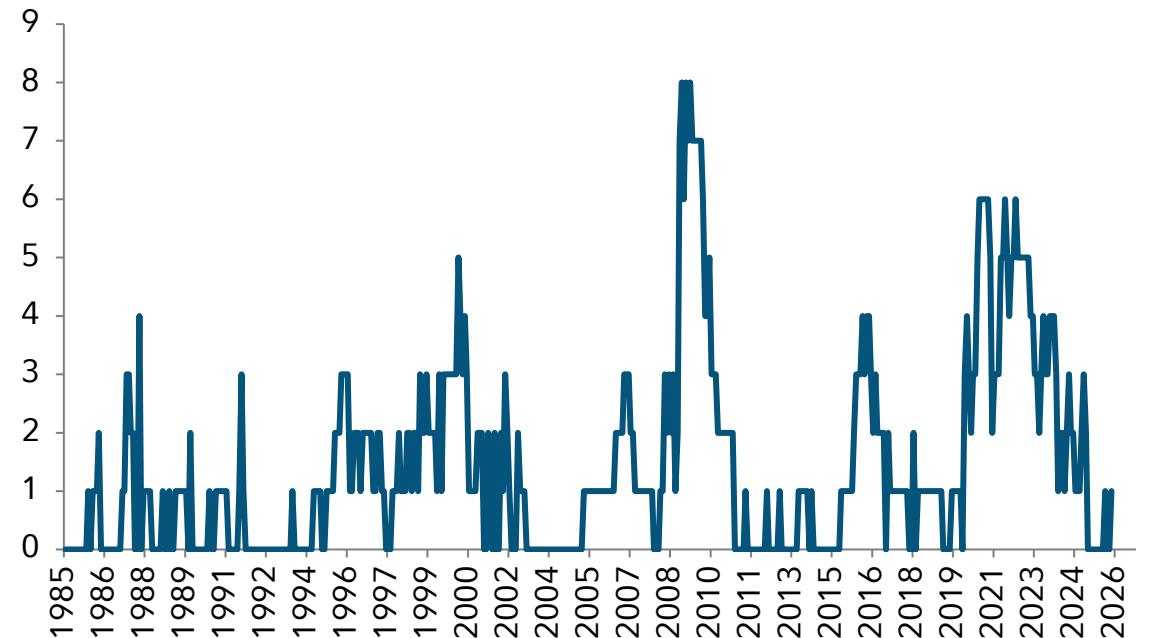
## In software, an 85-point gap emerged between valuations and margins

Historical percentile rank of software's relative forward P/E and profit margin, 1985–February 2026



## Such large gaps have been rare outside of major crises

Number of industries with 80-point gap between percentiles of profitability and relative Fwd P/E, February 1976–January 2026



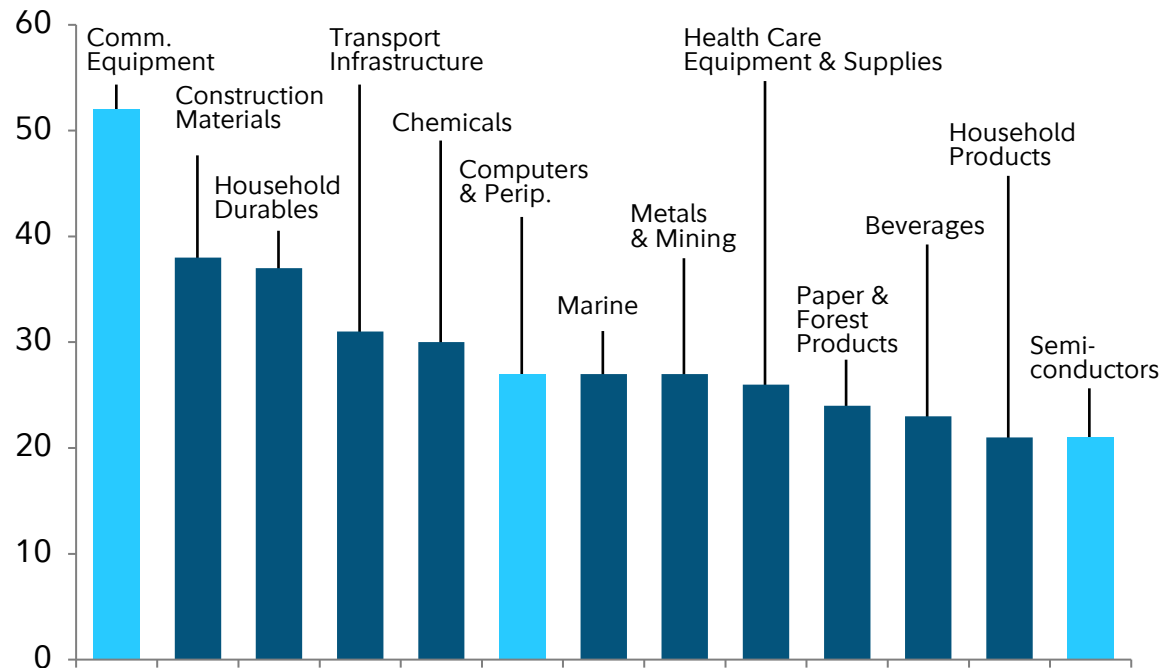
**Past performance is no guarantee of future results.** Analysis based on Fidelity top 3,000 stocks by market capitalization. Fwd P/E: Forward price-to-earnings ratio. A forward P/E ratio typically uses an average of analysts' published earnings estimates for the next 12 months. Relative forward P/E compares the industry's forward P/E to that of Fidelity's top 3,000 stocks by market capitalization. Relative profit margins measured by earnings before interest and taxes (EBIT) divided by sales, relative to that of Fidelity's top 3,000 stocks by market capitalization. All data analyzed monthly from January 1985 through January 2026. Sources: Haver Analytics, FactSet, Fidelity Investments, as of 1/31/26.

# Low relative valuation, high profit margin may bode well for software

Gaps of 80 percentile points or more between profitability and valuation have been extremely rare in the software industry. They have been more common in certain other tech industries, including communications equipment, computers, and semiconductors (left). Those other tech industries had strong odds of outperforming the market in the 12 months that followed (right).

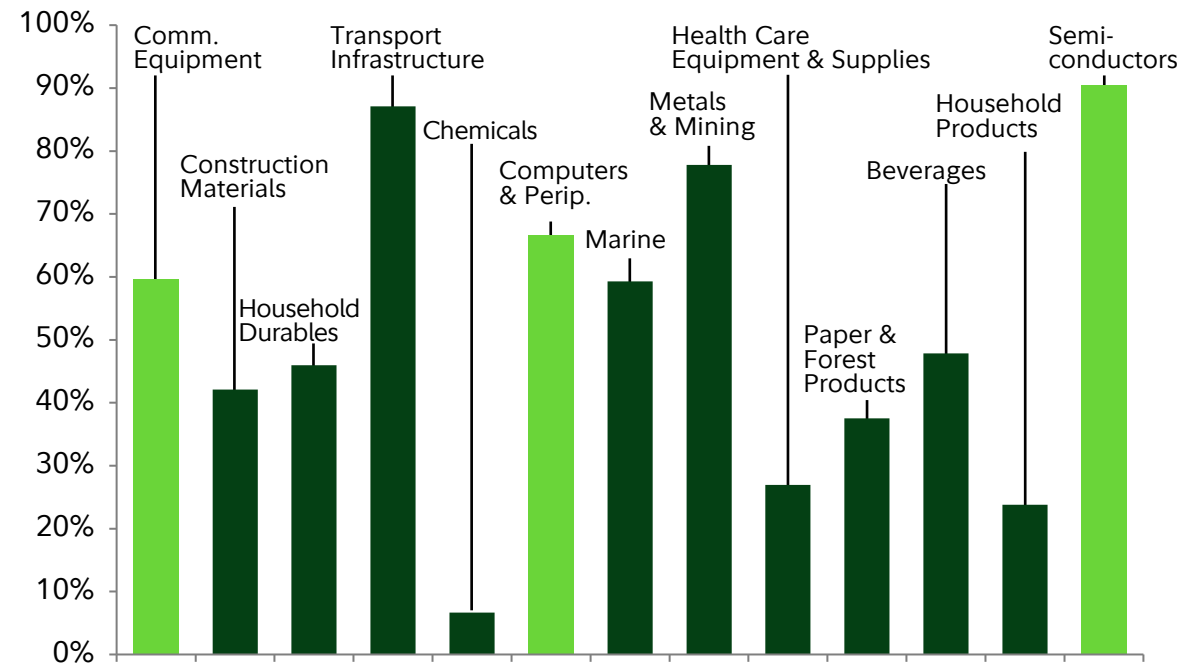
## Other industries have more experience with large margin and valuation gaps

Instances of 80-point margin/valuation gaps by industry, 1985–2025



## After big gaps, tech industries have often outperformed

Odds of industry outperformance after 80% profitability/valuation gaps, 1985–2025



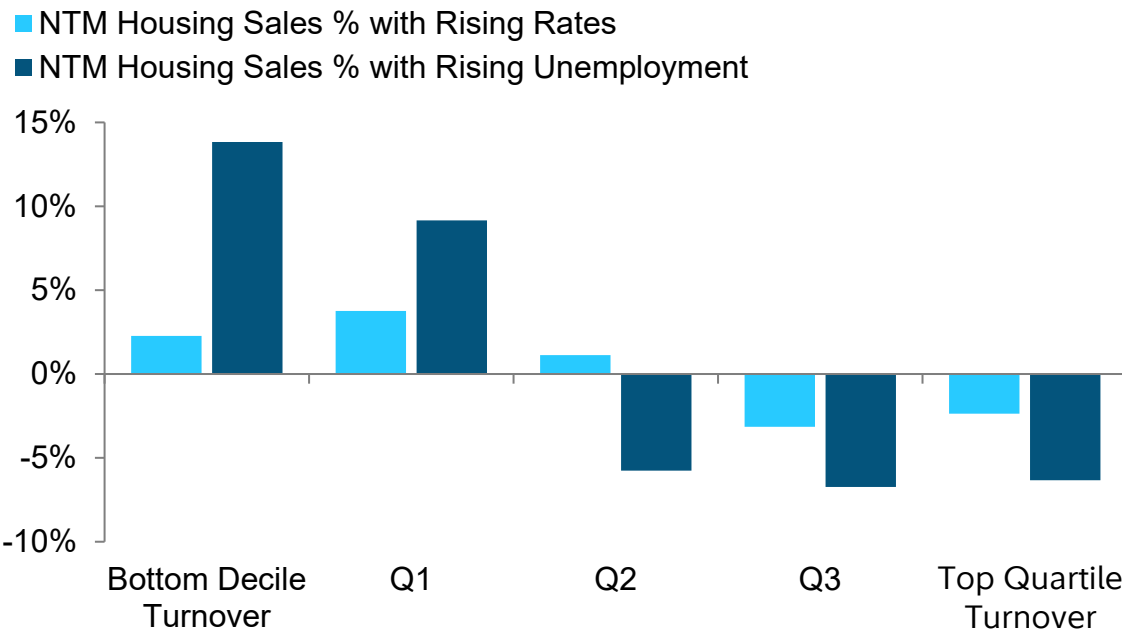
**Past performance is no guarantee of future results.** Analysis based on Fidelity top 3,000 stocks by market capitalization. Fwd P/E: Forward price-to-earnings ratio. A forward P/E ratio typically uses an average of analysts' published earnings estimates for the next 12 months. Relative forward P/E compares the industry's forward P/E to that of Fidelity's top 3,000 stocks by market capitalization. Relative profit margins measured by earnings before interest and taxes (EBIT) divided by sales, relative to that of Fidelity's top 3,000 stocks by market capitalization. All data analyzed monthly from January 1985 through January 2026. Sources: Haver Analytics, FactSet, Fidelity Investments, as of 1/31/26.

# After low turnover, housing sales have tended to rise despite headwinds

Housing turnover since 2023 has languished near four-decade lows, and some investors worry that rising interest rates or rising unemployment could hold back a recovery. Historically, however, home sales have tended to improve after bottom-quartile and bottom-decile turnover even when rates or unemployment rose (left). Homebuilders' stocks have outperformed the market by wide margins, on average, in the 12 months following periods with low housing turnover (right).

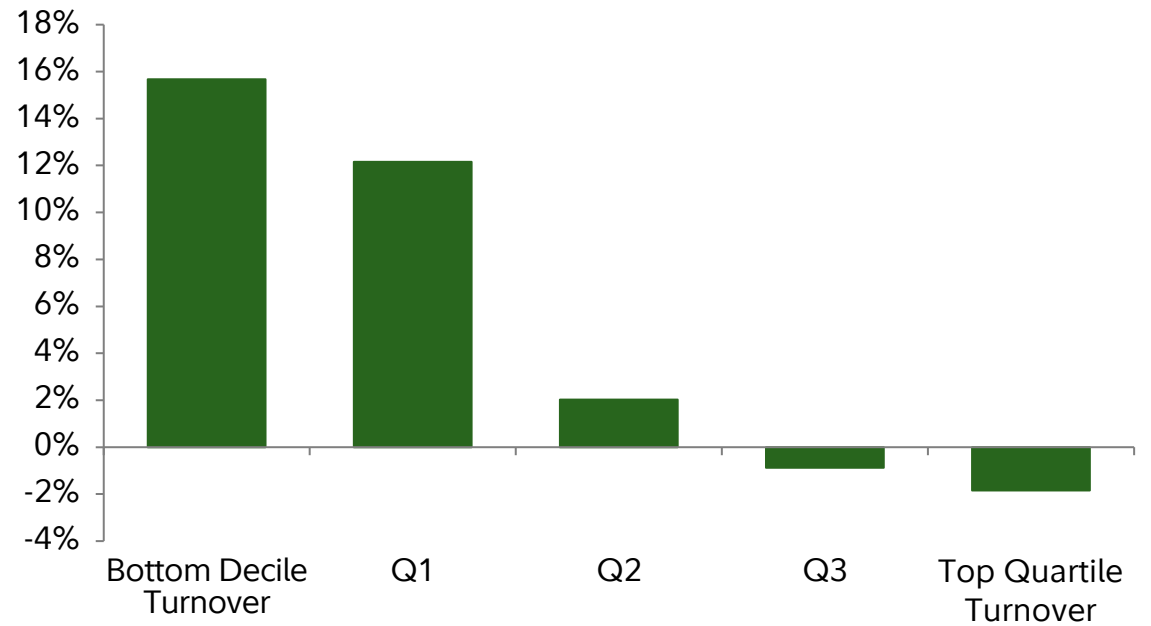
## Housing sales have risen after very low turnover, even when rates or unemployment rose

NTM change in housing sales in quartiles and deciles of housing turnover with rising interest rates or unemployment, 1965–2025



## After low turnover, homebuilding stocks have outperformed

NTM relative performance in quartiles and deciles of housing turnover, 1965–2025



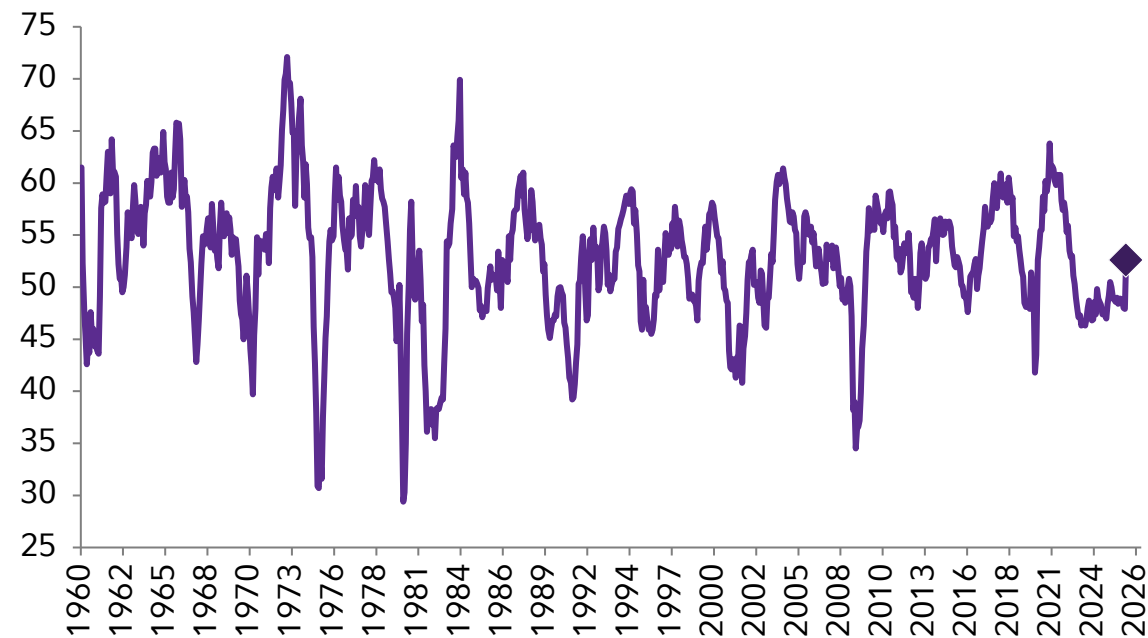
**Past performance is no guarantee of future results.** NTM: Next 12 months. All data analyzed quarterly from March 1965 through December 2025. Sources: Haver Analytics, FactSet, Fidelity Investments, as of 12/31/25. **LEFT:** Interest rates measured by the yield on the one-year Treasury bill. **RIGHT:** Analysis based on Fidelity top U.S. 3,000 stocks by market capitalization.

# New orders may push manufacturing out of contraction

After a long period of contraction, the Institute of Supply Management's purchasing managers' index (PMI) shifted decisively into expansion territory in January due to a 20% surge in new orders (left). Historically, a big rise in new orders has been associated with durable expansion in the index. The larger the increase in new orders, the higher the index was a year later, on average (right).

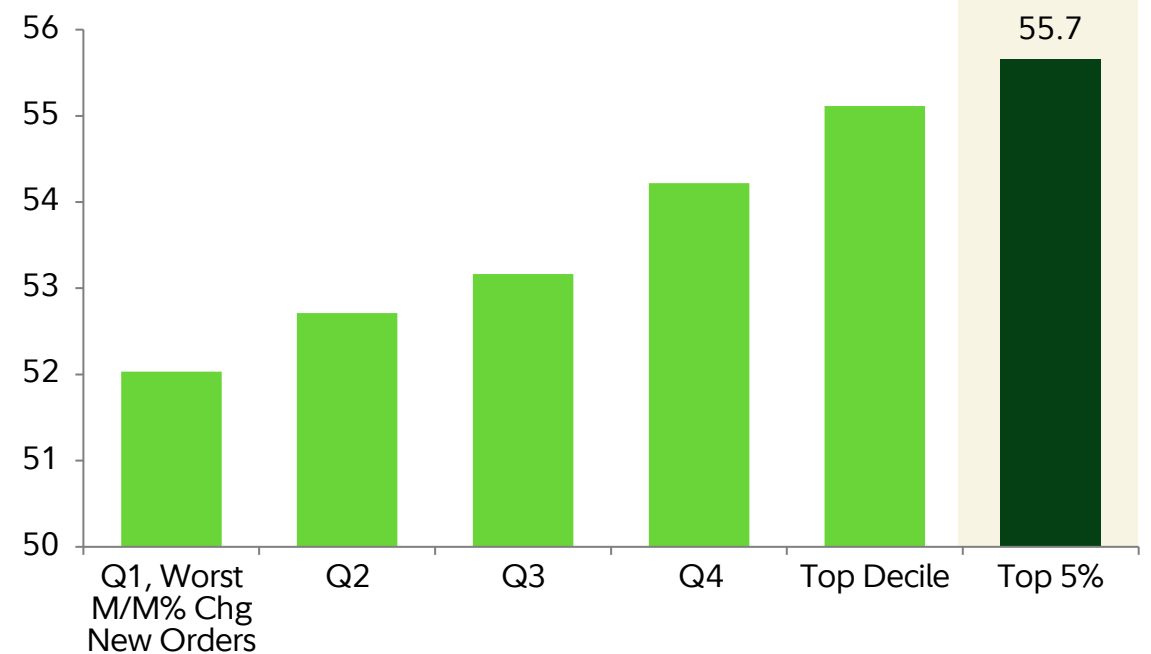
## The ISM manufacturing index jumped into expansion territory

ISM Manufacturing PMI, 1960–2025



## The more new orders increased, the stronger manufacturing was a year later

Average one-year forward ISM Manufacturing PMI in cohorts of prior month-over-month inflection in new orders, January 1960–January 2026

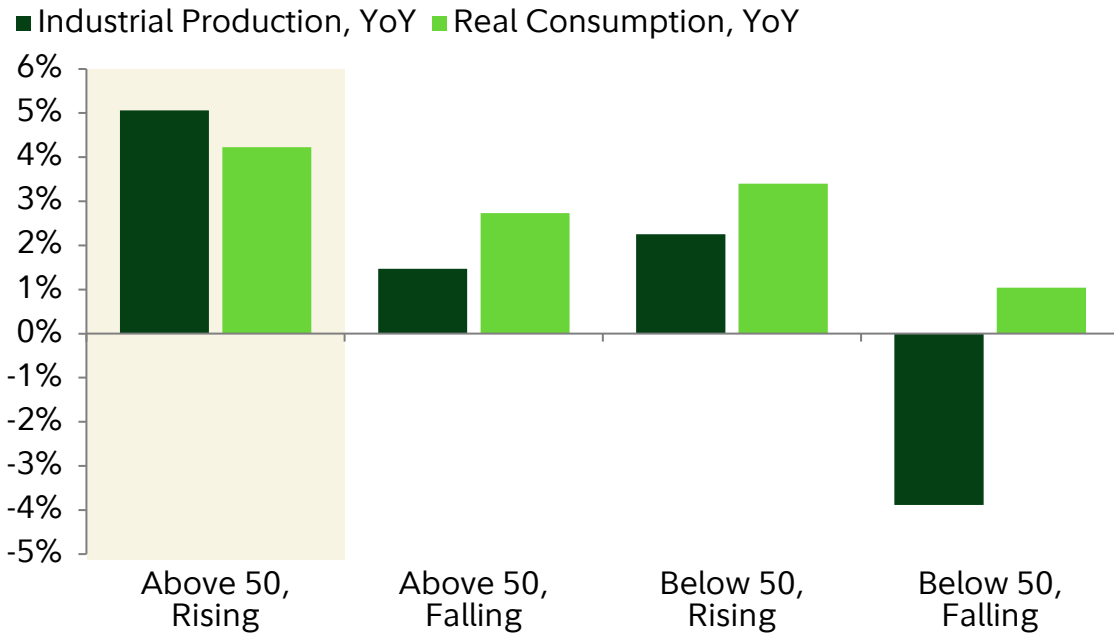


# A rising, expansionary manufacturing boosted output and demand

Since 1960, an expansionary and rising environment for the ISM manufacturing index has been good for both strong industrial production and real (after-inflation) consumption (left). Cyclical sectors have outperformed during those one-year periods, on average, and industrials have bested consumer discretionary stocks (right).

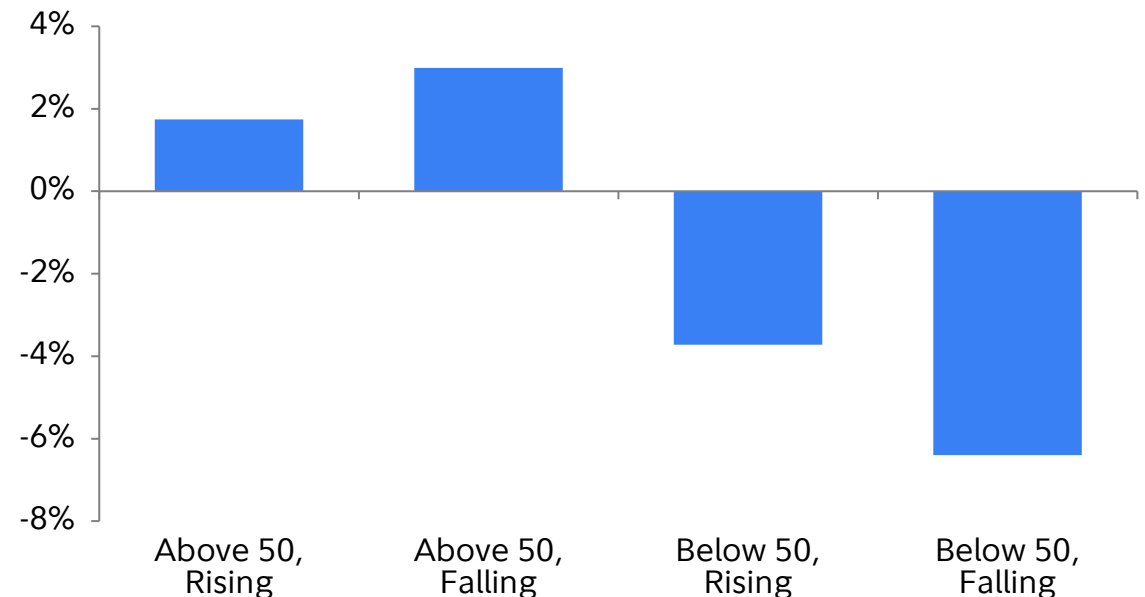
## A sweet spot for industrial production and real consumption

Average coincident change in industrial production and real consumption in various ISM Manufacturing PMI regimes, 1960–2025



## Industrials have beaten consumer discretionary when ISM was expansionary and rising

Relative return of industrials vs. consumer discretionary in various ISM Manufacturing PMI regimes, 1960–2025



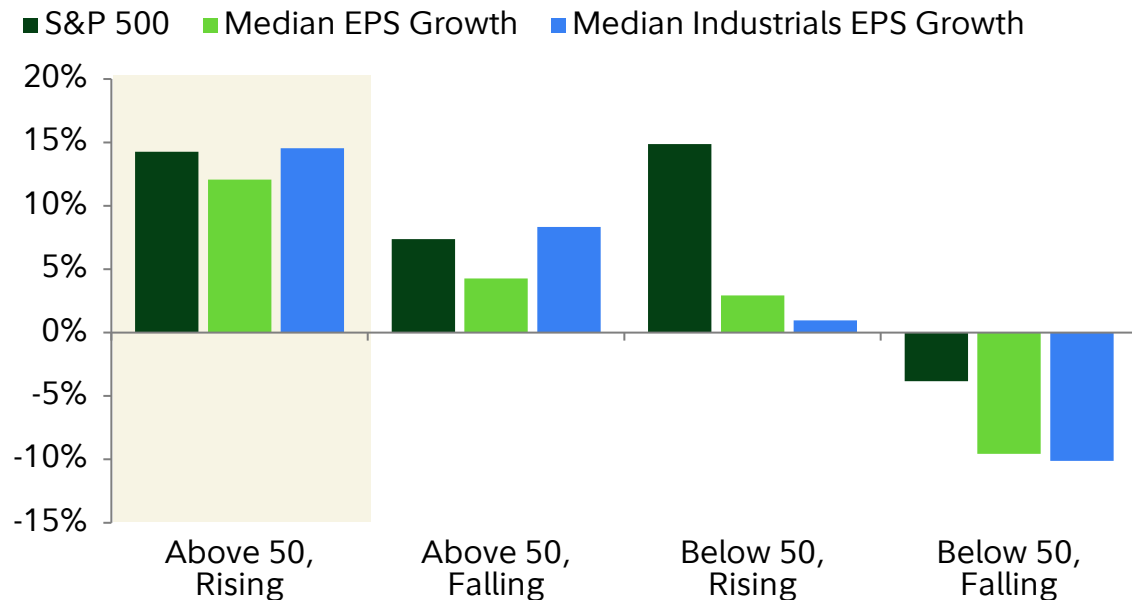
**Past performance is no guarantee of future results.** ISM: Institute for Supply Management. PMI: Purchasing Managers Index. A reading above 50 in ISM Manufacturing PMI indicates expansion. **LEFT:** Data analyzed monthly from January 1960 through December 2025. Sources: Haver Analytics, FactSet, Fidelity Investments, as of 12/31/25. **RIGHT:** Cyclical sectors include communication services, consumer discretionary, energy, financials, industrials, materials, real estate, and technology. Data analyzed monthly from January 1960 through January 2026. Sources: Haver Analytics, FactSet, Fidelity Investments, as of 1/31/26.

# This ISM regime has been good for earnings and stocks

An expansionary and rising ISM manufacturing index historically has been supportive for earnings growth—especially for industrials—and for broad-market stock market returns (left). The machinery and transportation industries have been especially likely to outperform the market, while the defensive utilities and consumer staples sectors typically have lagged (right).

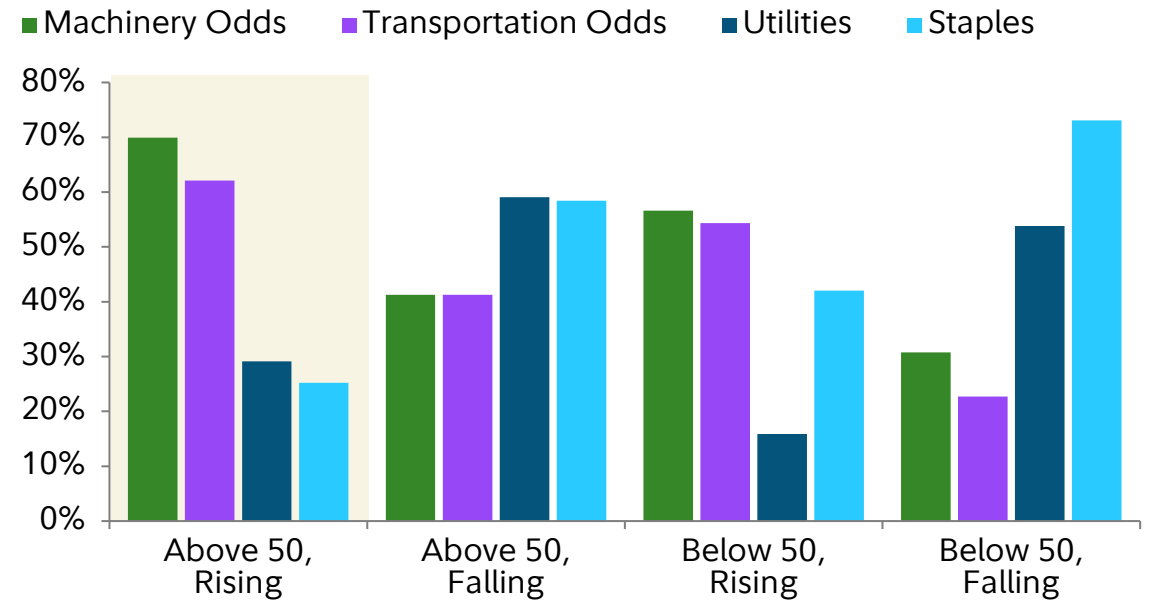
## Expansionary and rising ISM has supported earnings growth

S&P 500 returns, median earnings growth, and median industrials earnings growth in various ISM regimes, May 1990–January 2026



## The machinery and transportation industries have thrived in these scenarios

Odds of outperformance in rolling one-year ISM Manufacturing PMI regimes, May 1990–January 2026



# Glossary and methodology

## Glossary

**Cycle Hit Rate:** Calculates the frequency of a sector outperforming the broader equity market over each business cycle phase since 1962.

**Dividend Yield:** Annual dividends per share divided by share price.

**Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA):** A non-GAAP measure often used to compare profitability between companies and industries, because it eliminates the effects of financing and accounting decisions.

**Earnings-per-Share Growth:** Measures the growth in reported earnings per share over the specified past time period.

**Free Cash Flow (FCF):** The amount of cash a company has remaining after expenses, debt service, capital expenditures, and dividends. High free cash flow typically suggests stronger company value.

**Free-Cash-Flow Margin:** The amount of free cash flow as a percentage of revenue. High FCF margin often denotes strong profitability.

**Free-Cash-Flow Yield:** Free cash flow per share divided by share price. A high FCF yield often represents a good investment opportunity, because investors would be paying a reasonable price for healthy cash earnings.

**Price-to-Book (P/B) Ratio:** The ratio of a company's share price to reported accumulated profits and capital.

**Price-to-Earnings (P/E) Ratio:** The ratio of a company's current share price to its reported earnings. A forward P/E ratio typically uses an average of analysts' published earnings estimates for the next 12 months.

**Price-to-Sales (P/S) Ratio:** The ratio of a company's current share price to reported sales.

**Relative Strength:** The comparison of a security's performance relative to a benchmark, typically a market index.

**Return on Equity (ROE):** The amount, expressed as a percentage, earned on a company's common stock investment for a given period.

## Methodology

**Strategist View:** Our sector strategist, Denise Chisholm, tracks key indicators that have influenced the historical likelihood of outperformance of each sector. This historical probability analysis informs the Strategist Views.

**Fundamentals:** Sector rankings are based on equally weighting the following four fundamental factors: EBITDA growth, earnings growth, ROE, and FCF margin. However, we evaluate the financials and real estate sectors only on earnings growth and ROE because of differences in their business models and accounting standards.

**Relative Strength:** Compares the strength of a sector versus the S&P 500 index over a six-month period, with a one-month reversal on the latest month; identifying relative strength patterns can be a useful indicator of short-term sector performance.

**Relative Valuations:** Valuation metrics for each sector are relative to the S&P 500. Ratios compute the current relative valuation divided by the 10-year historical average relative valuation, eliminating the top 5% and bottom 5% values to reduce the effect of potential outliers. Sectors are then ranked by their weighted average ratios, weighted as follows: P/E: 37%; P/B: 21%; P/S: 21%; and FCF yield: 21%. However, the financials and real estate sectors are weighted as follows: P/E: 65% and P/B: 35%.

# Appendix

Information presented herein is for discussion and illustrative purposes only and is not a recommendation or an offer or a solicitation to buy or sell any securities. Views expressed are as of 3/31/25, based on the information available at that time, and may change based on market and other conditions. Unless otherwise noted, the opinions provided are those of the authors and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.

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**Past performance is no guarantee of future results.**

**Investing involves risk, including risk of loss.**

All indexes are unmanaged. You cannot invest directly in an index. Index or benchmark performance presented in this document does not reflect the deduction of advisory fees, transaction charges, and other expenses, which would reduce performance.

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

Because of its narrow focus, sector investing tends to be more volatile than investments that diversify across many sectors and companies. Sector investing is also subject to the additional risks associated with its particular industry. The energy sector is defined as companies whose businesses are dominated by either of the following activities: the construction or provision of oil rigs, drilling equipment, or other energy-related services and equipment, including seismic data collection; or the exploration, production, marketing, refining, and/or transportation of oil and gas products, coal, and consumable fuels.

Financials: companies involved in activities such as banking, consumer finance, investment banking and brokerage, asset management, and insurance and investments.

The energy industries can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels, energy conservation, the success of exploration projects, and tax and other government regulations.

The technology industries can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants, and general economic condition.

The health care industries are subject to government regulation and reimbursement rates, as well as government approval of products and services, which could have a significant effect on price and availability, and can be significantly affected by rapid obsolescence and patent expirations.

Industrial industries can be significantly affected by general economic trends, changes in consumer sentiment and spending, commodity prices, legislation, government regulation and spending, import controls, worldwide competition, and liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

The materials industries can be significantly affected by the level and volatility of commodity prices, the exchange value of the dollar, import and export controls, worldwide competition, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry. The value of securities of issuers in the real estate industry can be affected by changes in real estate values and rental income, property taxes, interest rates, tax and regulatory requirements, and the management skill and creditworthiness of the issuer.

The utilities industries can be significantly affected by government regulation, financing difficulties, supply and demand of services or fuel, and natural resource conservation.

# Appendix: Important information

## Index Definitions

The S&P 500® index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. S&P 500 is a registered service mark of Standard & Poor's Financial Services LLC. Sectors and industries are defined by the Global Industry Classification Standard (GICS).

The S&P 500 sector indexes include the standard GICS sectors that make up the S&P 500 index. The market capitalization of all S&P 500 sector indexes together comprises the market capitalization of the parent S&P 500 index; each member of the S&P 500 index is assigned to one (and only one) sector.

Sectors are defined as follows: **Communication Services:** Companies that facilitate communication or provide access to entertainment content and other information through various types of media. **Consumer Discretionary:** Companies that provide goods and services that people want but don't necessarily need, such as televisions, cars, and sporting goods; these businesses tend to be the most sensitive to economic cycles. **Consumer Staples:** Companies that provide goods and services that people use on a daily basis, like food, household products, and personal-care products; these businesses tend to be less sensitive to economic cycles. **Energy:** Companies whose businesses are dominated by

either of the following activities: the construction or provision of oil rigs, drilling equipment, or other energy-related services and equipment, including seismic data collection; or the exploration, production, marketing, refining, and/or transportation of oil and gas products, coal, and consumable fuels. **Financials:** Companies involved in activities such as banking, consumer finance, investment banking and brokerage, asset management, and insurance and investments.

**Health Care:** Companies in two main industry groups: health care equipment suppliers and manufacturers, and

providers of health care services; and companies involved in the research, development, production, and marketing of pharmaceuticals and biotechnology products. **Industrials:** Companies whose businesses manufacture and distribute capital goods, provide commercial services and supplies, or provide transportation services. **Materials:** Companies that are engaged in a wide range of commodity-related manufacturing. **Real Estate:** Companies in two main industry groups—real estate investment trusts (REITs), and real estate management and development companies. **Technology:** Companies in technology software and services and technology hardware and equipment. **Utilities:** Companies considered to be electric, gas, or water utilities, or companies that operate as independent producers and/or distributors of power.

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