XLI — State Street Industrial Select Sector SPDR ETF

OVERWEIGHT

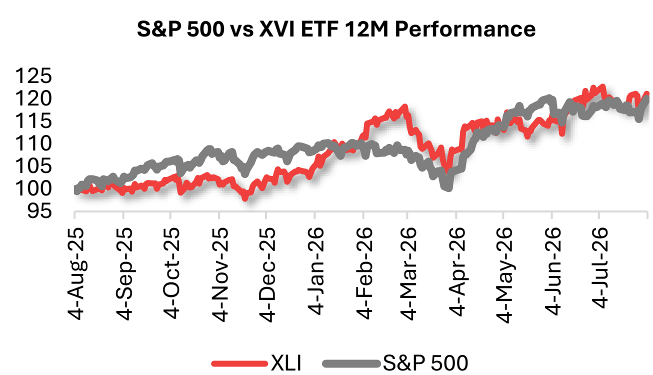
PRICE	EXPENSE RATIO	AUM	BENCHMARK	INCEPTION	CATEGORY
$179.84	**0.08%**	**$34.0B**	**Industrial Select Sector Index**	**12/1998**	**Equity — Industrials**

INVESTMENT THESIS

XLI offers low-cost, liquid exposure to a U.S. industrials complex benefiting from three converging tailwinds: AI-driven power and data-centre infrastructure buildout (GE Vernova, Eaton), reshoring-linked manufacturing capex, and elevated multi-year defence budgets (RTX, GE Aerospace). We recommend an overweight allocation as a tactical sector tilt within diversified equity portfolios, though position sizing should account for the fund's premium valuation and concentration in its top holdings.

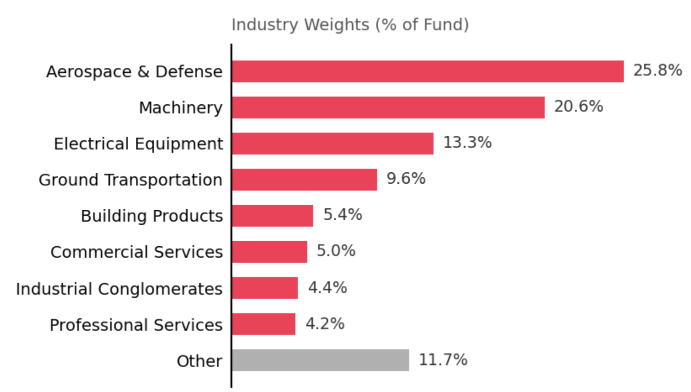
PERFORMANCE & PORTFOLIO COMPOSITION

Returns	YTD	1 YR	3 YR	5 YR
XLI	17.4%	25.0%	21.5%	13.8%
S&P 500	9.6%	20.9%	19.0%	11.8%
+/- S&P	+7.8%	+4.1%	+2.5%	+2.0%



Returns as of 6/30/2026 (3Yr/5Yr annualized); holdings & industry weights per SSGA fact sheet, 3/31/2026. Consensus 12M analyst price-target return per S&P Global/TipRanks, Jun–Jul 2026; top 10 weighted-avg = +17.9%. Top 10 holdings = 39.5% of fund; 84 total holdings.

Top Holdings	Weight %	Cons. 12M Price Target
Caterpillar Inc.	8.51%	**+8.49%**
GE Aerospace	6.76%	**+6.32%**
GE Vernova Inc.	5.48%	**+19.80%**
RTX Corp.	4.43%	**+4.31%**
Boeing Co.	2.96%	**+13.99%**
Eaton Corp. plc	2.87%	**+3.29%**
Union Pacific Corp.	2.80%	**+10.77%**
Deere & Co.	2.76%	**+4.97%**
Uber Technologies Inc.	2.55%	**+54.24%**
Vertiv Holdings Co	2.23%	**+20.28%**



Cons. 12M reflects sell-side analyst price targets on the underlying stock, not a forecast by VM Wealth Management or a guarantee of future performance. Targets are frequently revised and can differ materially from actual results.

KEY RISKS

- Concentration: top 5 holdings represent 26% of the fund; Caterpillar, GE Aerospace and Boeing supply-chain execution carry outsized influence
- Cyclicality: tariff policy shifts or a global trade slowdown could pressure industrial order books and margins
- Interest Rate Exposure: Higher interest rates increase borrowing costs for heavy machinery and large infrastructure projects, dampening demand.
- Industry Concentration: Aerospace & Defence dependence leaves high vulnerably to shifts in government spending and regulatory hurdles.

CATALYST DRIVERS (3–12 MO.)

- Continued AI-driven data-centre and grid buildout lifting electrical equipment and power-generation holdings
- Reshoring/onshoring manufacturing investment supported by ongoing trade and industrial policy
- Elevated defence budgets sustaining aerospace & defence order backlogs into 2027
- Federal spending bills, grid modernization, and clean-energy infrastructure create strong tailwinds for electrical equipment manufacturers

Important Disclosures

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DEFINITIONS

- **OVERWEIGHT** - Security is deemed to be undervalued and is expected to outperform compared to the average market return and/or return of comparable securities in the same sector or industry.
- **MARKETWEIGHT** – Security is expected to provide similar returns compared to the market in general or at the same pace as comparable companies; neither strongly positive nor negative.
- **UNDERWEIGHT** – Security is deemed to be overvalued and is expected to underperform compared to the average market return and/or return of comparable securities in the same sector or industry.
- **ZEROWEIGHT** – This security is substantially distressed or at risk of a shock which may significantly impair its value.

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