

Sector Annual Returns

2011 to 2020

This chart compares 10 years of annual performance from January through December of each year for 11 sectors of the S&P 500. Choose any sector—Health care in the gold box, for example—and follow its performance over the past 10 years. Notice how this sector has performed near or at the top and bottom compared to other sectors throughout the 10 years. Or take Utilities in the bright red box. This sector shows the

best performance for one out of the past 10 years, but has also been among the worst performers within the same time period. This demonstrates the importance of sector diversification, since each sector tends to vary in performance from one year to the next. A sector that leads one year could trail the next year. Although diversification does not prevent losses, you may be able to help mitigate losses by diversifying.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
19.91% Utilities	28.82% Financials	43.08% Consumer discretionary	30.19% Real estate	10.11% Consumer discretionary	27.36% Energy	38.83% Information technology	6.47% Health care	50.29% Information technology	43.89% Information technology
13.99% Consumer staples	23.92% Consumer discretionary	41.46% Health care	28.98% Utilities	6.89% Health care	23.49% Communication services	23.84% Materials	4.11% Utilities	32.69% Communication services	33.30% Consumer discretionary
12.73% Health care	19.74% Real estate	40.68% Industrials	25.34% Health care	6.60% Consumer staples	22.80% Financials	22.98% Consumer discretionary	0.83% Consumer discretionary	32.13% Financials	23.61% Communication services
11.39% Real estate	18.31% Communication services	35.63% Financials	20.12% Information technology	5.92% Information technology	18.86% Industrials	22.18% Financials	-0.29% Information technology	29.37% Industrials	20.73% Materials
6.27% Communication services	17.89% Health care	28.43% Information technology	15.98% Consumer staples	4.68% Real estate	16.69% Materials	22.08% Health care	-2.22% Real estate	29.01% Real estate	13.45% Health care
6.13% Consumer discretionary	15.35% Industrials	26.14% Consumer staples	15.20% Financials	3.40% Communication services	16.29% Utilities	21.03% Industrials	-8.38% Consumer staples	27.94% Consumer discretionary	11.06% Industrials
4.72% Energy	14.97% Materials	25.60% Materials	9.83% Industrials	-1.53% Financials	13.85% Information technology	13.49% Consumer staples	-12.53% Communication services	27.61% Consumer staples	10.75% Consumer staples
2.41% Information technology	14.82% Information technology	25.07% Energy	9.68% Consumer discretionary	-2.53% Industrials	6.03% Consumer discretionary	12.11% Utilities	-13.03% Financials	26.35% Utilities	0.48% Utilities
-0.59% Industrials	10.76% Consumer staples	13.21% Utilities	6.91% Materials	-4.85% Utilities	5.38% Consumer staples	10.85% Real estate	-13.29% Industrials	24.58% Materials	-1.69% Financials
-9.75% Materials	4.61% Energy	11.47% Communication services	2.99% Communication services	-8.38% Materials	3.39% Real estate	-1.01% Energy	-14.70% Materials	20.82% Health care	-2.17% Real estate
-17.06% Financials	1.29% Utilities	1.60% Real estate	-7.78% Energy	-21.12% Energy	-2.69% Health care	-1.25% Communication services	-18.10% Energy	11.81% Energy	-33.68% Energy

S&P 500 sectors

The S&P 500® Index is a market-cap weighted index that represents the average performance of a group of 500 large capitalization stocks. Each of the 11 sectors of the S&P 500 are defined below.

■ **Communication services** represents companies involved in advertising, broadcasting, cable and satellite, publishing, movies and entertainment and interactive media and services, as well as those that provide telecommunication services primarily through a fixed-line, wireless, cellular, high bandwidth or fiber optic cables.

■ **Consumer discretionary** companies are most sensitive to economic cycles, such as automotive, household durable goods, textiles & apparel, leisure equipment, hotels, restaurants, consumer retailing and services.

■ **Consumer staples** companies have businesses that are less sensitive to economic cycles such as manufacturers and distributors of food and beverages, tobacco, and producers of non-durable household goods and personal products.

■ **Energy** companies have businesses that are involved in the construction or provision of oil rigs, drilling equipment, energy related service and equipment or engaged in exploration, production, refining of or transportation of oil and gas products, coal, and other consumable fuels.

■ **Financials** represents companies whose activities include banking, mortgage finance, consumer finance, specialized finance, investment banking, brokerage, asset management and custody, corporate lending, insurance and financial investment.

■ **Health care** companies manufacture health care equipment and supplies or provide healthcare related services. Companies involved in research, development, production and marketing of pharmaceuticals and biotechnology products.

■ **Industrials** companies produce tangible goods including aerospace and defense, construction, engineering, building products, electrical equipment and industrial machinery. Companies that provide commercial services such as printing, employment, office services and environmental services, as well as transportation services including airlines, couriers, marine, road and rail, and transportation infrastructure.

■ **Information technology** companies primarily develop software such as applications, systems, database management, internet, information technology consulting and services, and home entertainment. Companies that manufacture or distribute communications equipment, computers and peripherals, electronic equipment and related instruments, as well as semiconductors and semiconductor equipment manufacturers.

■ **Materials** represents companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products and metals, minerals, and mining companies, including steel producers.

■ **Real estate** represents the sector containing Real estate Management and Development Services and all Real estate Investment Trusts (REITs), with the exception of Mortgage REITs.

■ **Utilities** represents companies that are considered electric, gas, or water utilities or companies that operate as independent producers or distributors of power.

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