**1. Financials**

The financial sector consists of banks, investment funds, insurance companies and real estate firms, among others. In general, the majority of the revenue generated by the sector comes from mortgages and loans that gain value as interest rates rise.

**2. Utilities**

The utilities sector consists of electric, gas and water companies as well as integrated providers. In general, the sector generates consistent recurring income by charging consumers and businesses that provide higher-than-average dividend yields.

**3. Consumer Discretionary**

The consumer discretionary sector consists of retailers, media companies, consumer service providers, apparel companies and consumer durables. In general, these companies benefit from an improving economy when consumer spending accelerates.

**4. Consumer Staples**

The consumer staples sector consists of food and beverage companies as well as companies that create products consumers are unwilling to cut from their budgets. In general, these companies are defensive plays capable of withstanding an economic downturn.

**5. Energy**

The energy sector consists of oil and gas exploration and production companies, as well as integrated power firms, refineries and other operations. In general, these companies generate revenue that’s tied to the price of crude oil, natural gas and other commodities.

**6. Healthcare**

The healthcare sector consists of biotechnology companies, hospital management firms, medical device manufacturers and many others. In general, the sector is considered to be both a growth opportunity and defensive play since people will always require medical aid.

**7. Industrials**

The industrial sector consists of aerospace, defense, machinery, construction, fabrication and manufacturing companies. In general, the industry’s growth is driven by demand for building construction and manufactured products like agricultural equipment.

**8. Technology**

The technology sector consists of electronics manufacturers, software developers and information technology firms. In general, these businesses are driven by upgrade cycles and the general health of the economy, although growth has been robust over the years.

**9. Telecom**

The telecom sector consists of wireless providers, cable companies, internet service providers and satellite companies, among others. In general, these companies generate recurring revenue from consumers, but some subsets of the industry are facing rapid change.

**10. Materials**

The materials sector consists of mining, refining, chemical, forestry and related companies that are focused on discovering and developing raw materials. Since these companies are at the beginning of the supply chain, they are vulnerable to changes in the business cycle.

**11. Real Estate**

The real estate sector consists of companies invested in residential, industrial, and retail real estate. The main source of revenue for these companies comes from rent income and real estate capital appreciation. As a result, this sector is sensitive to interest rate changes.