

## The Select Sector SPDR Trust



Health Care - XLV



Financial - XLF



Utilities - XLU



Energy - XLE



Technology - XLK



Consumer Discretionary - XLY



Consumer Staples - XLP



Materials - XLB



Industrial - XLI

# Semi-Annual Report

March 31, 2011

## SELECT SECTOR SPDR FUNDS

The Select Sector SPDR Trust consists of nine separate investment portfolios (each a "Select Sector SPDR Fund" or a "Fund" and collectively the "Select Sector SPDR Funds" or the "Funds").

Select Sector SPDR Funds are "index funds" that unbundle the benchmark S&P 500<sup>®</sup> and give you ownership in particular sectors or groups of industries that are represented by a specified Select Sector Index. Through a single share, investors can buy or sell any of nine major industry sectors that make up the S&P 500<sup>®</sup>, much as they buy or sell a share of stock. Select Sector SPDR Fund shares are different from the shares of conventional mutual funds. Select Sector SPDR Funds trade on a national securities exchange.

## NINE SELECT SECTOR SPDR FUNDS

Shares are available for exchange trading in the following Funds of The Select Sector SPDR Trust:

<b>The Consumer Discretionary Select Sector SPDR Fund</b>	<b>XLY</b>
<b>The Consumer Staples Select Sector SPDR Fund</b>	<b>XLP</b>
<b>The Energy Select Sector SPDR Fund</b>	<b>XLE</b>
<b>The Financial Select Sector SPDR Fund</b>	<b>XLF</b>
<b>The Health Care Select Sector SPDR Fund</b>	<b>XLV</b>
<b>The Industrial Select Sector SPDR Fund</b>	<b>XLI</b>
<b>The Materials Select Sector SPDR Fund</b>	<b>XLB</b>
<b>The Technology Select Sector SPDR Fund</b>	<b>XLK</b>
<b>The Utilities Select Sector SPDR Fund</b>	<b>XLU</b>

Each of these Funds is designed to, before expenses, correspond generally to the price and yield performance of a Select Sector Index. Each Fund's portfolio is comprised principally of shares of constituent companies in the S&P 500<sup>®</sup>. Each stock in the S&P 500<sup>®</sup> is allocated to only one Select Sector Index. The combined companies of the nine Select Sector Indexes represent all of the companies in the S&P 500<sup>®</sup>. Each Select Sector SPDR Fund can be expected to move up or down in value with its underlying Select Sector Index. Investors cannot invest directly in an index. Funds focused on a single sector generally experience greater price fluctuations than the overall stock market.

## OBJECTIVE

Select Sector SPDR Funds are designed to provide investors with an affordable way to invest in a portfolio of equity securities in a sector or group of industries in a single trade. Select Sector SPDR Funds allow you to custom tailor asset allocations to fit your particular investment needs or goals. One Fund may complement another; individual Select Sector SPDR Funds can be used to increase exposure to certain industries that may be outperforming the market or to hedge other holdings in your portfolio. Although an individual Select Sector SPDR Fund may bear a higher level of risk than a broad-market fund, because of less diversity, sector investments may also offer opportunities for returns greater than an investment in the entire constituents of the S&P 500<sup>®</sup> Index.

## TABLE OF CONTENTS

**Performance and Portfolio Summary**

The Consumer Discretionary Select Sector SPDR Fund (XLY) . . . . .	1
The Consumer Staples Select Sector SPDR Fund (XLP) . . . . .	4
The Energy Select Sector SPDR Fund (XLE) . . . . .	7
The Financial Select Sector SPDR Fund (XLF) . . . . .	10
The Health Care Select Sector SPDR Fund (XLV) . . . . .	13
The Industrial Select Sector SPDR Fund (XLI) . . . . .	16
The Materials Select Sector SPDR Fund (XLB) . . . . .	19
The Technology Select Sector SPDR Fund (XLK) . . . . .	22
The Utilities Select Sector SPDR Fund (XLU) . . . . .	25

**Schedules of Investments**

The Consumer Discretionary Select Sector SPDR Fund (XLY) . . . . .	28
The Consumer Staples Select Sector SPDR Fund (XLP) . . . . .	30
The Energy Select Sector SPDR Fund (XLE) . . . . .	31
The Financial Select Sector SPDR Fund (XLF) . . . . .	32
The Health Care Select Sector SPDR Fund (XLV) . . . . .	34
The Industrial Select Sector SPDR Fund (XLI) . . . . .	35
The Materials Select Sector SPDR Fund (XLB) . . . . .	36
The Technology Select Sector SPDR Fund (XLK) . . . . .	37
The Utilities Select Sector SPDR Fund (XLU) . . . . .	39

<b>Financial Statements</b> . . . . .	40
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<b>Financial Highlights</b> . . . . .	48
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<b>Notes to Financial Statements</b> . . . . .	57
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<b>Other Information</b> . . . . .	66
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THE CONSUMER DISCRETIONARY SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

An index is a statistical measure of a specified financial market or sector. An index does not actually hold a portfolio of securities and therefore does not reflect deductions for fees or expenses. In comparison, the Fund's performance is negatively impacted by these deductions.

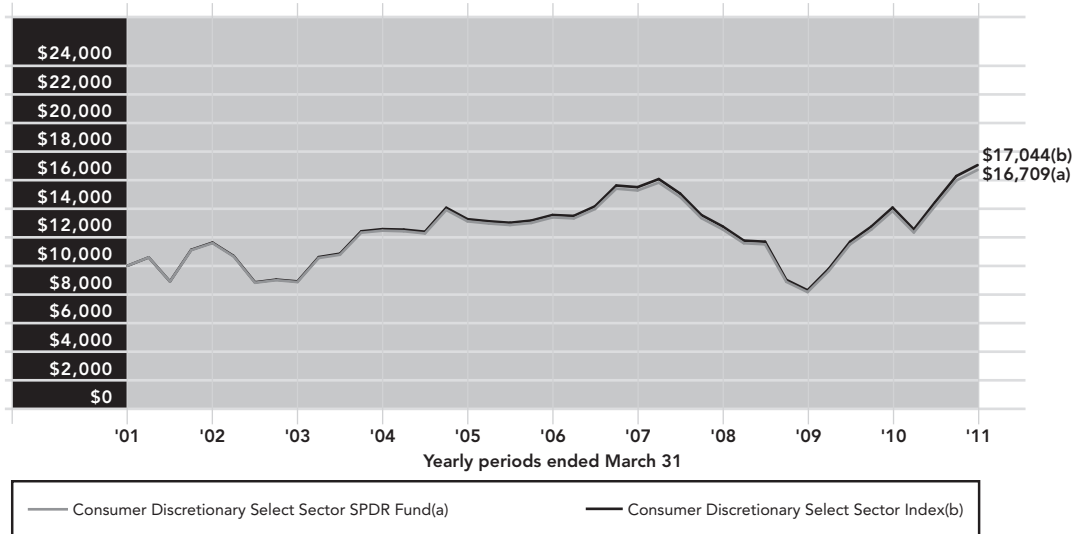
**Performance quoted represents past performance and past performance does not guarantee future results. Current performance may be higher or lower than the performance quoted. For the most recent month end performance information visit [www.sectorspdrs.com](http://www.sectorspdrs.com). Investment in the Fund poses investment risk including the possible loss of principal. The investment return and principal value of an investment will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption or sale of Fund shares. The total expense ratio for The Consumer Discretionary Select Sector SPDR Fund as stated in the Fees and Expenses table of the prospectus dated January 31, 2011 is 0.20%. Fund returns at Net Asset Value shown in the table below reflect the impact of a fee waiver and without this waiver returns would have been lower.**

PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	CONSUMER DISCRETIONARY SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	CONSUMER DISCRETIONARY SELECT SECTOR INDEX
SIX MONTHS	17.80%	17.84%	17.99%	N/A	N/A	N/A
ONE YEAR	20.79%	20.77%	21.10%	20.79%	20.77%	21.10%
THREE YEARS	33.12%	33.13%	33.61%	10.00%	10.01%	10.14%
FIVE YEARS	24.82%	24.79%	25.76%	4.53%	4.53%	4.69%
TEN YEARS	67.09%	67.02%	70.44%	5.27%	5.26%	5.48%

THE CONSUMER DISCRETIONARY SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



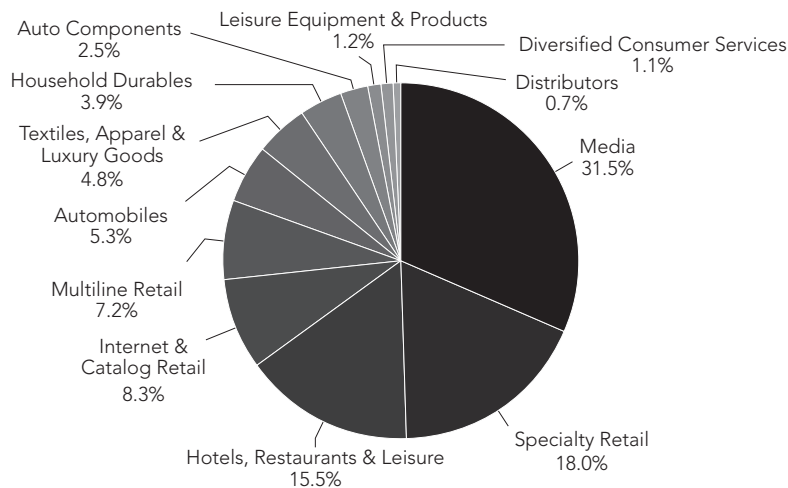
THE CONSUMER DISCRETIONARY SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	THE WALT DISNEY CO.	MCDONALD'S CORP.	COMCAST CORP. (CLASS A)	AMAZON.COM, INC.	THE HOME DEPOT, INC.
MARKET VALUE	\$143,833,170	139,332,127	120,549,206	112,826,407	106,722,831
% OF NET ASSETS	6.5	6.3	5.4	5.1	4.8

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

THE CONSUMER STAPLES SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

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PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	CONSUMER STAPLES SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	CONSUMER STAPLES SELECT SECTOR INDEX
SIX MONTHS	8.86%	8.88%	9.00%	N/A	N/A	N/A
ONE YEAR	10.11%	10.12%	10.34%	10.11%	10.12%	10.34%
THREE YEARS	16.38%	16.46%	16.99%	5.19%	5.21%	5.37%
FIVE YEARS	43.58%	43.52%	45.50%	7.50%	7.49%	7.79%
TEN YEARS	48.34%	49.34%	52.29%	4.02%	4.09%	4.30%

THE CONSUMER STAPLES SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



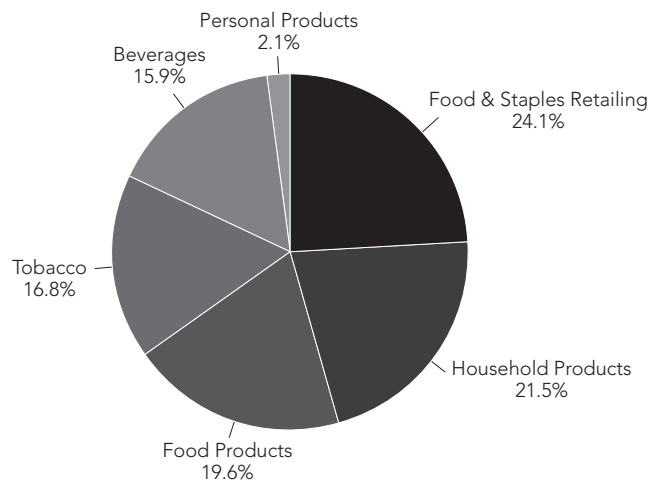
THE CONSUMER STAPLES SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	THE PROCTER & GAMBLE CO.	PHILIP MORRIS INTERNATIONAL, INC.	WAL-MART STORES, INC.	THE COCA-COLA CO.	KRAFT FOODS, INC. (CLASS A)
MARKET VALUE	\$495,829,303	338,968,384	293,050,661	256,325,443	157,623,764
% OF NET ASSETS	14.3	9.8	8.5	7.4	4.6

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

THE ENERGY SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

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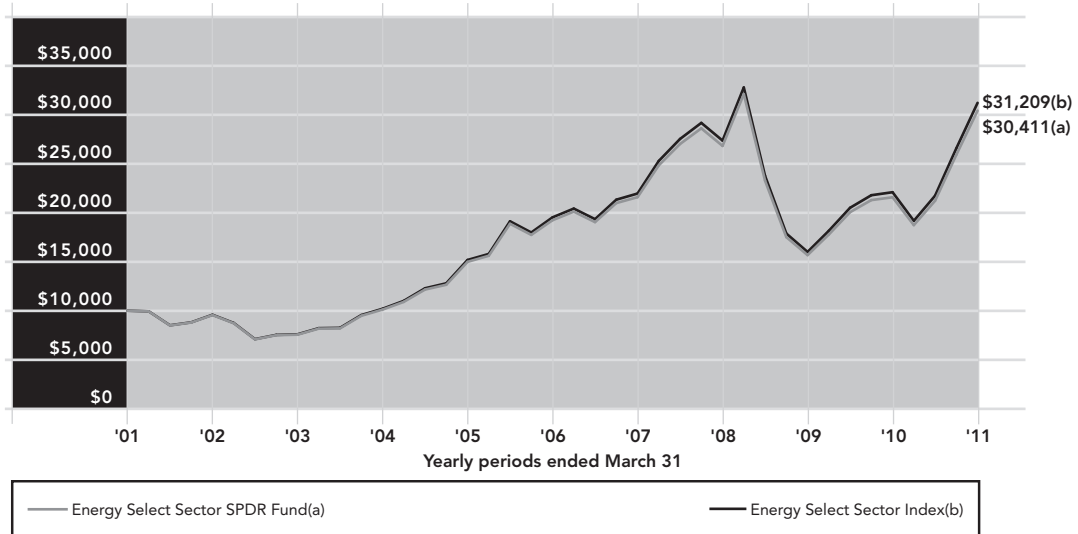
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PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	ENERGY SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	ENERGY SELECT SECTOR INDEX
SIX MONTHS	43.36%	43.39%	43.60%	N/A	N/A	N/A
ONE YEAR	41.00%	41.05%	41.28%	41.00%	41.05%	41.28%
THREE YEARS	13.43%	13.57%	14.08%	4.29%	4.33%	4.49%
FIVE YEARS	58.16%	58.40%	59.85%	9.60%	9.64%	9.84%
TEN YEARS	204.11%	205.10%	212.09%	11.76%	11.80%	12.05%

THE ENERGY SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



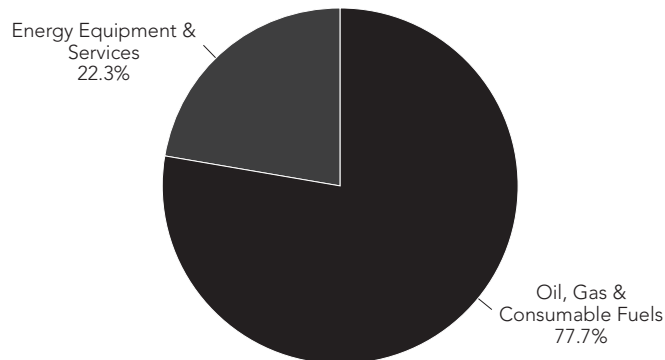
THE ENERGY SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	EXXON MOBIL CORP.	CHEVRON CORP.	SCHLUMBERGER, LTD.	CONOCOPHILLIPS	OCCIDENTAL PETROLEUM CORP.
MARKET VALUE	\$1,835,619,009	1,436,141,106	863,660,809	550,178,540	483,411,700
% OF NET ASSETS	16.8	13.1	7.9	5.0	4.4

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

THE FINANCIAL SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

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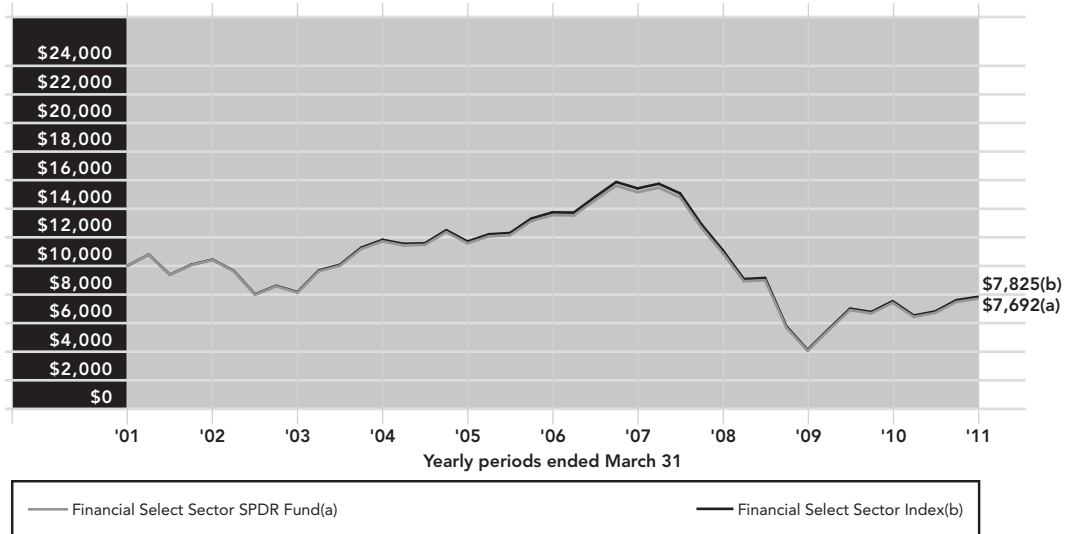
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PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	FINANCIAL SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	FINANCIAL SELECT SECTOR INDEX
SIX MONTHS	14.84%	14.91%	15.01%	N/A	N/A	N/A
ONE YEAR	3.82%	3.85%	3.98%	3.82%	3.85%	3.98%
THREE YEARS	-29.47%	-29.38%	-29.55%	-10.98%	-10.95%	-11.02%
FIVE YEARS	-43.20%	-43.23%	-43.04%	-10.70%	-10.70%	-10.65%
TEN YEARS	-23.08%	-22.95%	-21.75%	-2.59%	-2.57%	-2.42%

THE FINANCIAL SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



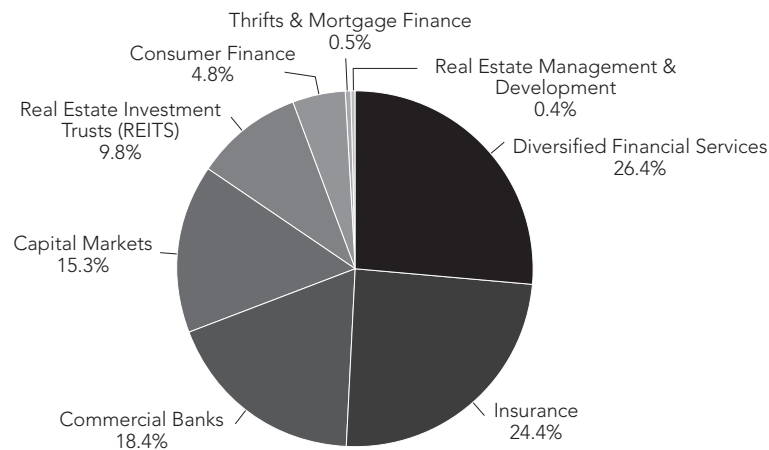
THE FINANCIAL SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	JPMORGAN CHASE & CO.	WELLS FARGO & CO.	BERKSHIRE HATHAWAY, INC. (CLASS B)	BANK OF AMERICA CORP.	CITIGROUP, INC.
MARKET VALUE	\$775,967,140	705,649,449	611,683,703	570,081,471	542,669,478
% OF NET ASSETS	9.6	8.8	7.6	7.1	6.7

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

THE HEALTH CARE SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

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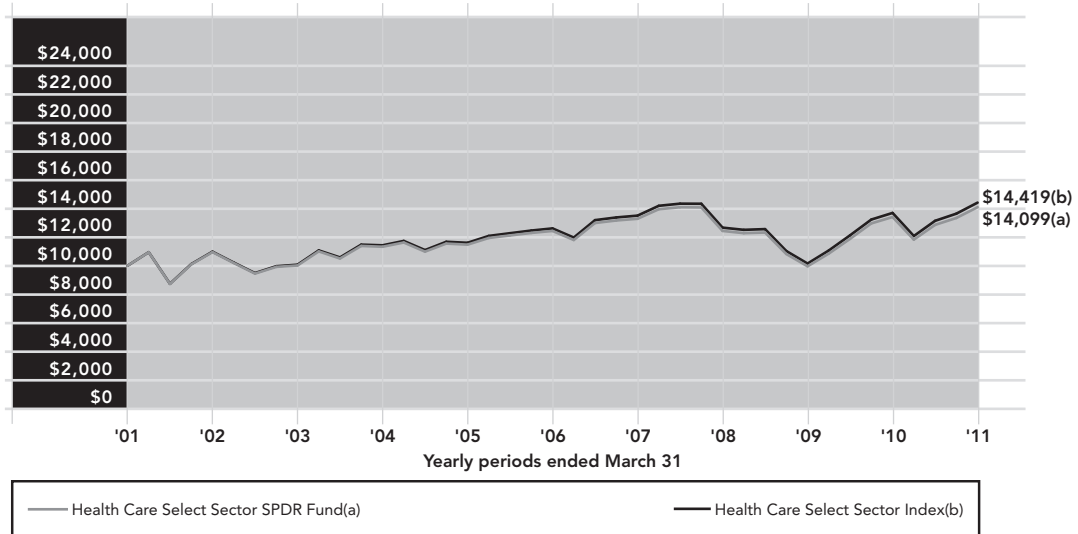
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PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	HEALTH CARE SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	HEALTH CARE SELECT SECTOR INDEX
SIX MONTHS	9.59%	9.64%	9.69%	N/A	N/A	N/A
ONE YEAR	5.09%	5.12%	5.26%	5.09%	5.12%	5.26%
THREE YEARS	13.30%	13.48%	13.81%	4.25%	4.30%	4.41%
FIVE YEARS	13.31%	13.32%	14.30%	2.53%	2.53%	2.71%
TEN YEARS	40.99%	42.00%	44.19%	3.49%	3.57%	3.73%

THE HEALTH CARE SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



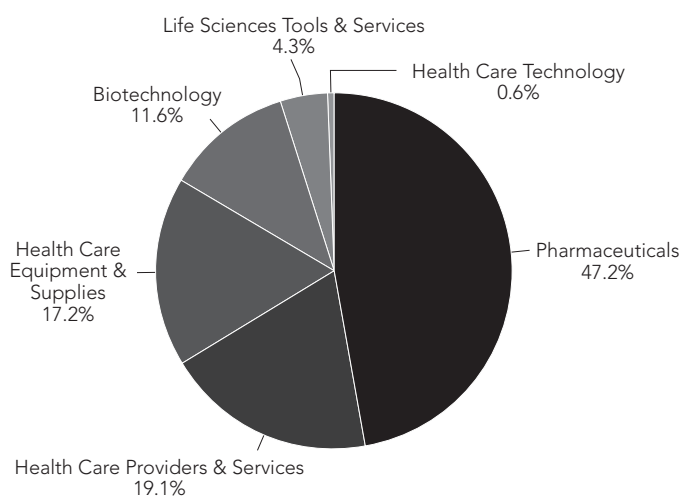
THE HEALTH CARE SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	PFIZER, INC.	JOHNSON & JOHNSON	MERCK & CO., INC.	ABBOTT LABORATORIES	UNITEDHEALTH GROUP, INC.
MARKET VALUE	\$358,148,408	357,441,741	224,467,307	141,916,267	109,930,558
% OF NET ASSETS	12.1	12.1	7.6	4.8	3.7

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

## THE INDUSTRIAL SELECT SECTOR SPDR FUND — PERFORMANCE SUMMARY

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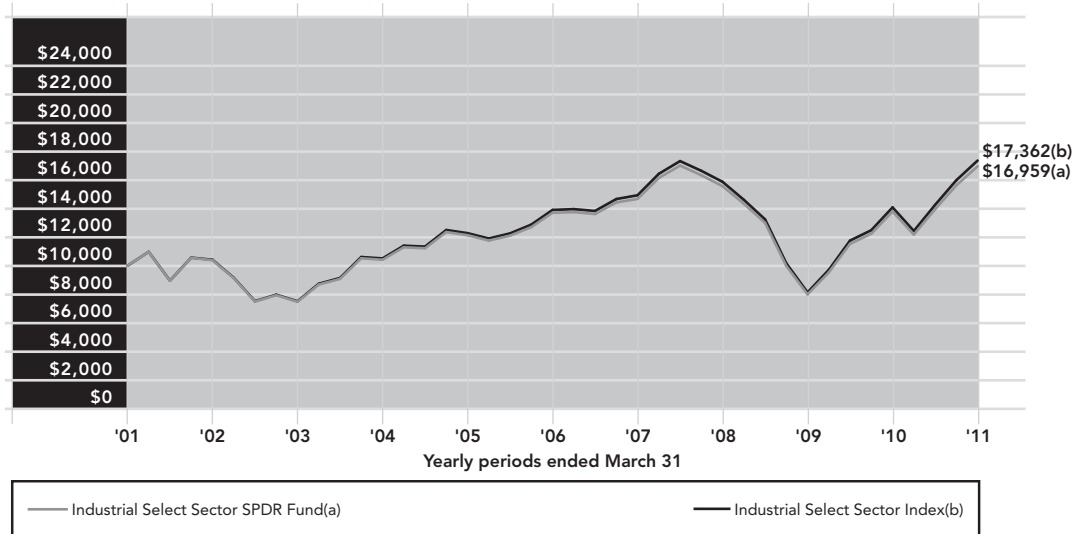
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### PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	INDUSTRIAL SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	INDUSTRIAL SELECT SECTOR INDEX
SIX MONTHS	21.55%	21.55%	21.76%	N/A	N/A	N/A
ONE YEAR	22.97%	22.92%	23.26%	22.97%	22.92%	23.26%
THREE YEARS	8.94%	9.28%	9.37%	2.90%	3.00%	3.03%
FIVE YEARS	23.76%	23.57%	24.84%	4.36%	4.32%	4.54%
TEN YEARS	69.59%	69.23%	73.62%	5.42%	5.40%	5.67%

THE INDUSTRIAL SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



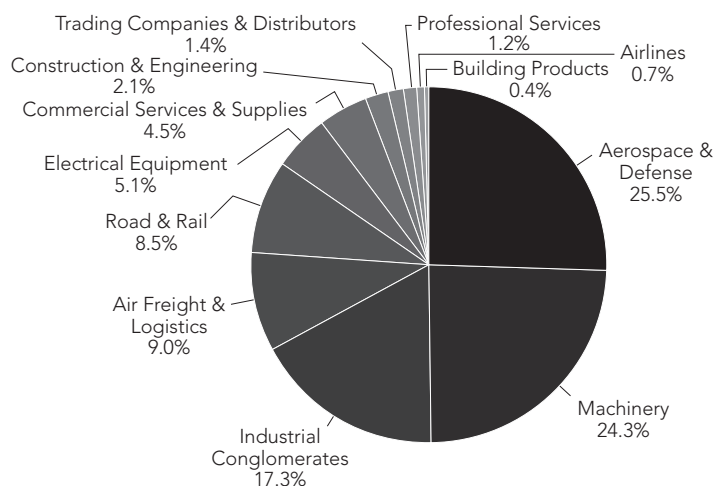
THE INDUSTRIAL SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	GENERAL ELECTRIC CO.	UNITED TECHNOLOGIES CORP.	CATERPILLAR, INC.	UNITED PARCEL SERVICE, INC. (CLASS B)	3M CO.
MARKET VALUE	\$449,122,185	230,633,919	216,154,290	212,810,638	194,436,522
% OF NET ASSETS	11.0	5.6	5.3	5.2	4.8

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

THE MATERIALS SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

An index is a statistical measure of a specified financial market or sector. An index does not actually hold a portfolio of securities and therefore does not reflect deductions for fees or expenses. In comparison, the Fund's performance is negatively impacted by these deductions.

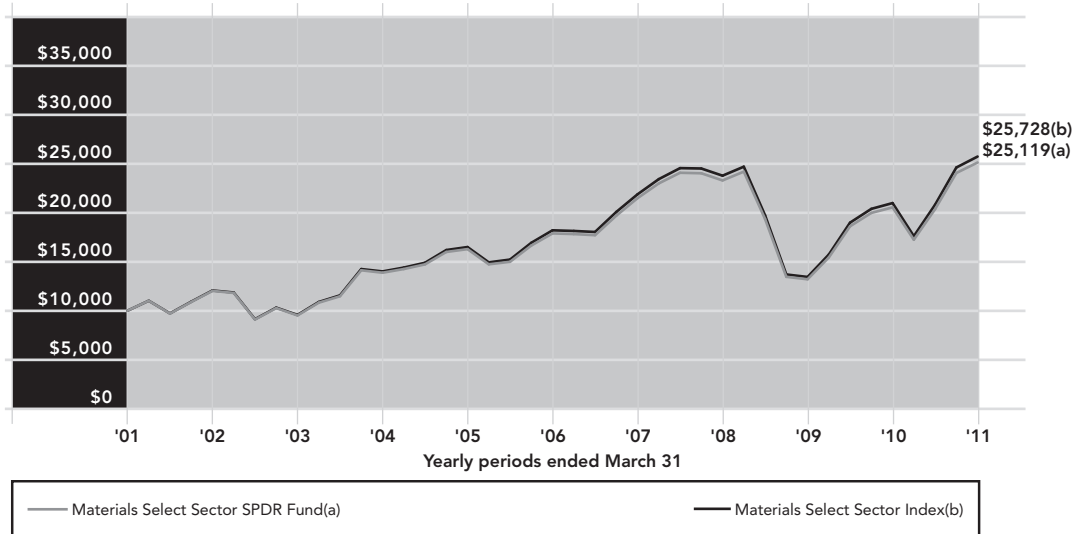
**Performance quoted represents past performance and past performance does not guarantee future results. Current performance may be higher or lower than the performance quoted. For the most recent month end performance information visit [www.sectorspdrs.com](http://www.sectorspdrs.com). Investment in the Fund poses investment risk including the possible loss of principal. The investment return and principal value of an investment will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption or sale of Fund shares. The total expense ratio for The Materials Select Sector SPDR Fund as stated in the Fees and Expenses table of the prospectus dated January 31, 2011 is 0.20%. Fund returns at Net Asset Value shown in the table below reflect the impact of a fee waiver and without this waiver returns would have been lower.**

PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	MATERIALS SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	MATERIALS SELECT SECTOR INDEX
SIX MONTHS	23.41%	23.47%	23.63%	N/A	N/A	N/A
ONE YEAR	22.33%	22.36%	22.62%	22.33%	22.36%	22.62%
THREE YEARS	7.90%	8.02%	8.21%	2.57%	2.60%	2.67%
FIVE YEARS	40.50%	40.23%	41.35%	7.04%	7.00%	7.17%
TEN YEARS	151.19%	152.91%	157.28%	9.65%	9.72%	9.91%

THE MATERIALS SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



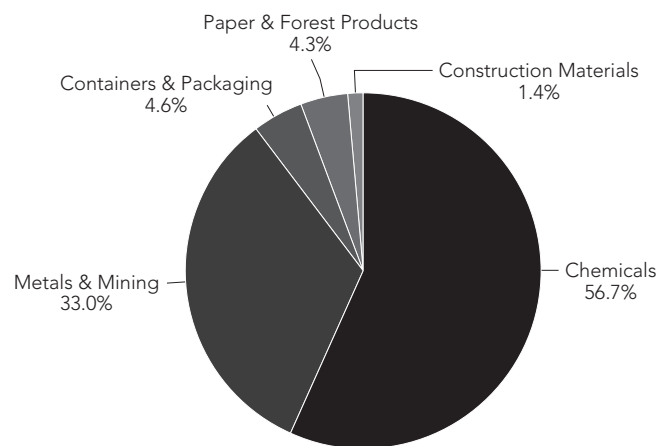
THE MATERIALS SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	FREEPORT-MCMORAN COPPER & GOLD, INC.	E.I. DU PONT DE NEMOURS & CO.	THE DOW CHEMICAL CO.	MONSANTO CO.	NEWMONT MINING CORP.
MARKET VALUE	\$308,135,461	296,902,645	258,385,613	227,282,052	157,780,956
% OF NET ASSETS	11.8	11.3	9.9	8.7	6.0

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

THE TECHNOLOGY SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

An index is a statistical measure of a specified financial market or sector. An index does not actually hold a portfolio of securities and therefore does not reflect deductions for fees or expenses. In comparison, the Fund's performance is negatively impacted by these deductions.

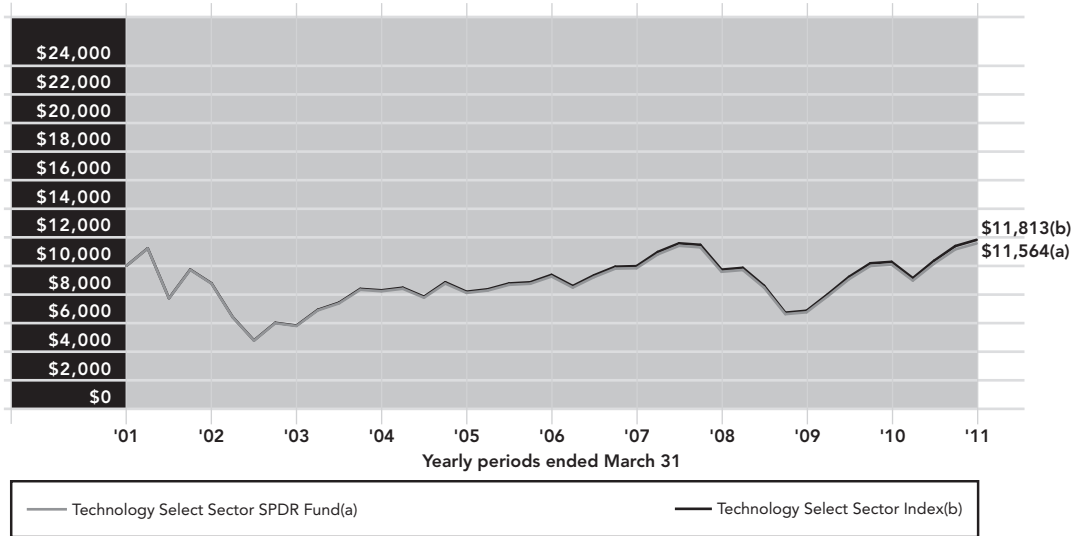
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PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	TECHNOLOGY SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	TECHNOLOGY SELECT SECTOR INDEX
SIX MONTHS	13.94%	14.02%	14.13%	N/A	N/A	N/A
ONE YEAR	14.69%	14.76%	14.97%	14.69%	14.76%	14.97%
THREE YEARS	20.73%	21.09%	21.45%	6.48%	6.59%	6.69%
FIVE YEARS	25.05%	25.01%	26.16%	4.57%	4.57%	4.76%
TEN YEARS	15.64%	15.92%	18.13%	1.46%	1.49%	1.68%

THE TECHNOLOGY SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



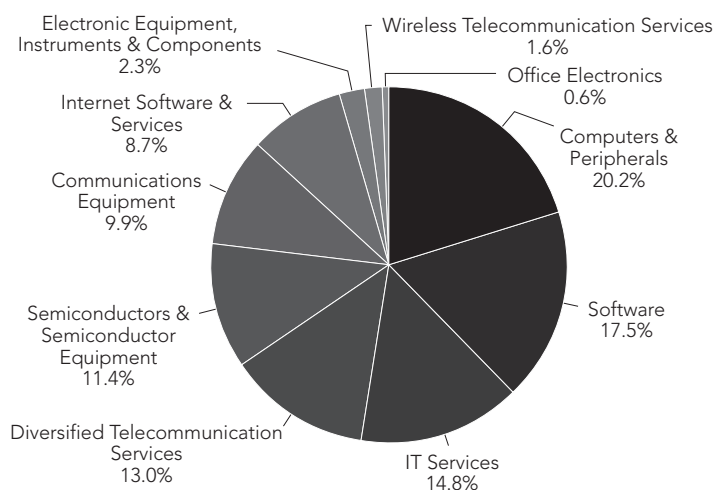
THE TECHNOLOGY SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	APPLE, INC.	INTERNATIONAL BUSINESS MACHINES CORP.	MICROSOFT CORP.	AT&T, INC.	GOOGLE, INC. (CLASS A)
MARKET VALUE	\$871,399,927	539,730,717	508,919,028	490,790,279	399,082,388
% OF NET ASSETS	12.5	7.7	7.3	7.0	5.7

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

THE UTILITIES SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY

The following performance chart of the Fund's total return at net asset value to the total return based on market price and its benchmark index is provided for comparative purposes only and represents the periods noted. The Fund's per share net asset value ("NAV") is the value of one share of the Fund and is calculated by dividing the value of total assets less total liabilities by the number of shares outstanding. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The market price used to calculate the market return is determined by using 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. NAV and market returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV. Market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included market returns would be lower.

An index is a statistical measure of a specified financial market or sector. An index does not actually hold a portfolio of securities and therefore does not reflect deductions for fees or expenses. In comparison, the Fund's performance is negatively impacted by these deductions.

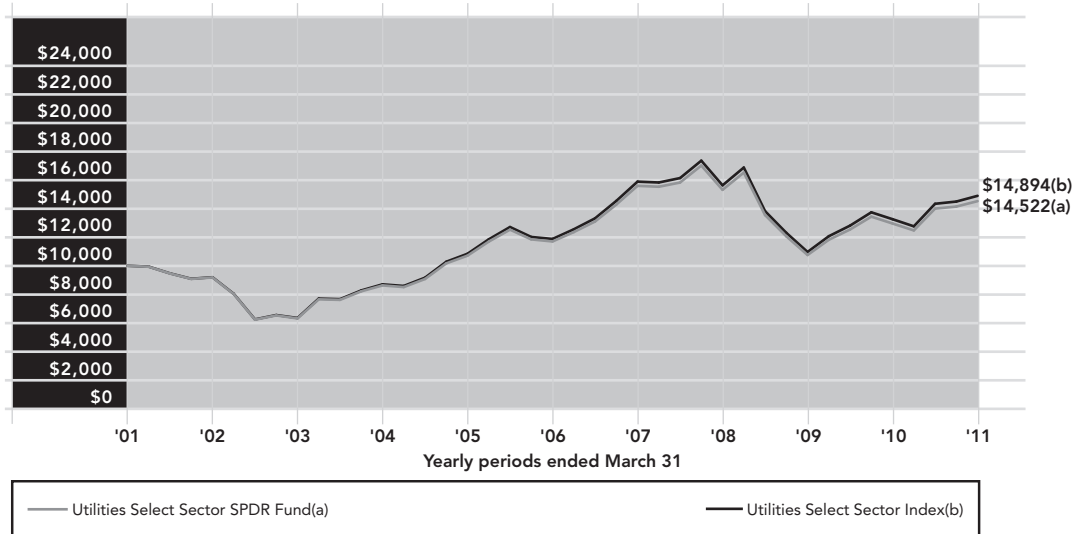
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PERFORMANCE AS OF MARCH 31, 2011

	CUMULATIVE TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	NET ASSET VALUE	MARKET VALUE	UTILITIES SELECT SECTOR INDEX	NET ASSET VALUE	MARKET VALUE	UTILITIES SELECT SECTOR INDEX
SIX MONTHS	3.74%	3.80%	3.90%	N/A	N/A	N/A
ONE YEAR	12.08%	12.13%	12.34%	12.08%	12.13%	12.34%
THREE YEARS	-5.17%	-5.18%	-4.70%	-1.75%	-1.76%	-1.59%
FIVE YEARS	24.13%	24.15%	25.41%	4.42%	4.42%	4.63%
TEN YEARS	45.22%	46.17%	48.94%	3.80%	3.87%	4.06%

THE UTILITIES SELECT SECTOR SPDR FUND —  
PERFORMANCE SUMMARY (CONTINUED)

COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT (BASED ON NET ASSET VALUE)



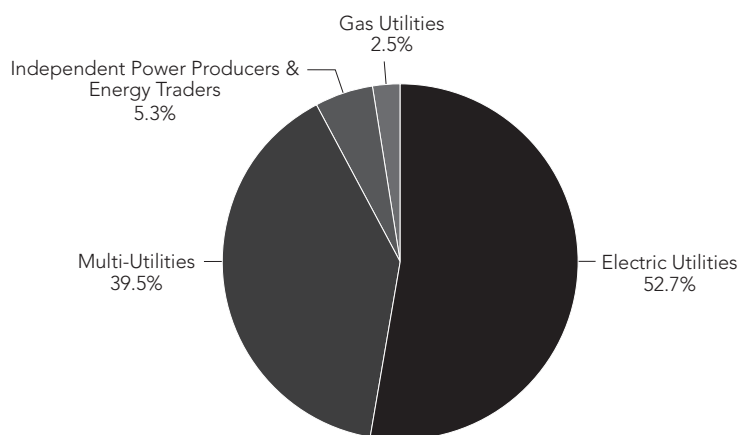
THE UTILITIES SELECT SECTOR SPDR FUND —  
PORTFOLIO SUMMARY

TOP FIVE HOLDINGS AS OF MARCH 31, 2011

DESCRIPTION	SOUTHERN CO.	EXELON CORP.	DOMINION RESOURCES, INC.	NEXTERA ENERGY, INC.	DUKE ENERGY CORP.
MARKET VALUE	\$328,686,212	278,400,683	264,822,379	236,650,554	226,961,866
% OF NET ASSETS	8.4	7.1	6.7	6.0	5.8

(The five largest holdings are subject to change, and there are no guarantees the Fund will continue to remain invested in any particular company.)

INDUSTRY BREAKDOWN AS OF MARCH 31, 2011\*



\* The Fund's industry breakdown is expressed as a percentage of Total Common Stocks and may change over time.

**The Consumer Discretionary Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
*March 31, 2011 (Unaudited)*

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.8%</b>			<b>DIRECTV (Class A) (a) . . . . .</b>		
<b>AUTO COMPONENTS — 2.5%</b>			Discovery Communications, Inc.		
Johnson Controls, Inc. . . . .	1,190,714	\$ 49,497,981	(Class A) (a) (b) . . . . .	496,581	19,813,582
The Goodyear Tire & Rubber Co. (a) . . . . .	426,534	6,389,479	Gannett Co., Inc. (b) . . . . .	417,849	6,363,840
		<u>55,887,460</u>	McGraw-Hill Cos., Inc. . . . .	536,146	21,124,153
<b>AUTOMOBILES — 5.3%</b>			News Corp. (Class A) . . . . .	4,012,938	70,467,191
Ford Motor Co. (a) . . . . .	6,652,973	99,195,827	Omnicom Group, Inc. . . . .	497,860	24,425,012
Harley-Davidson, Inc. . . . .	411,504	17,484,805	<b>Scripps Networks Interactive</b>		
		<u>116,680,632</u>	(Class A) . . . . .	157,510	7,889,676
<b>DISTRIBUTORS — 0.7%</b>			The Interpublic Group of Cos., Inc. . . . .	853,670	10,730,632
Genuine Parts Co. (b) . . . . .	275,181	14,760,709	The Walt Disney Co. . . . .	3,337,971	143,833,170
<b>DIVERSIFIED CONSUMER SERVICES — 1.1%</b>			<b>The Washington Post Co.</b>		
Apollo Group, Inc. (Class A) (a) . . . . .	215,638	8,994,261	(Class B) (b) . . . . .	9,331	4,082,872
DeVry, Inc. . . . .	108,627	5,982,089	Time Warner Cable, Inc. . . . .	601,292	42,896,171
H&R Block, Inc. (b) . . . . .	537,258	8,993,699	Time Warner, Inc. . . . .	1,917,543	68,456,285
		<u>23,970,049</u>	Viacom, Inc. (Class B) . . . . .	1,047,760	48,741,795
<b>HOTELS, RESTAURANTS &amp; LEISURE — 15.5%</b>					<u>697,966,976</u>
Carnival Corp. . . . .	758,555	29,098,170	<b>MULTILINE RETAIL — 7.2%</b>		
Darden Restaurants, Inc. . . . .	241,673	11,873,394	Big Lots, Inc. (a) . . . . .	131,466	5,709,568
International Game Technology (b) . . . . .	520,786	8,452,357	Family Dollar Stores, Inc. . . . .	219,934	11,287,013
Marriott International, Inc.			J.C. Penney Co., Inc. . . . .	412,878	14,826,449
(Class A) (b) . . . . .	511,209	18,188,816	Kohl's Corp. . . . .	513,761	27,249,883
McDonald's Corp. . . . .	1,831,149	139,332,127	Macy's, Inc. . . . .	739,817	17,947,960
Starbucks Corp. . . . .	1,311,701	48,467,352	Nordstrom, Inc. . . . .	293,869	13,188,841
Starwood Hotels & Resorts			Sears Holdings Corp. (a) (b) . . . . .	76,630	6,333,470
Worldwide, Inc. . . . .	337,938	19,640,957	Target Corp. . . . .	1,244,255	62,225,193
Wyndham Worldwide Corp. . . . .	305,637	9,722,313			<u>158,768,377</u>
Wynn Resorts, Ltd. . . . .	133,603	17,000,982	<b>SPECIALTY RETAIL — 17.9%</b>		
Yum! Brands, Inc. . . . .	821,042	42,185,138	Abercrombie & Fitch Co.		
		<u>343,961,606</u>	(Class A) (b) . . . . .	153,340	9,001,058
<b>HOUSEHOLD DURABLES — 3.9%</b>			AutoNation, Inc. (a) (b) . . . . .	110,961	3,924,691
D.R. Horton, Inc. (b) . . . . .	488,726	5,693,658	AutoZone, Inc. (a) . . . . .	47,467	12,985,073
Fortune Brands, Inc. . . . .	269,849	16,700,955	Bed Bath & Beyond, Inc. (a) . . . . .	446,875	21,570,656
Harman International Industries, Inc. . . . .	121,217	5,675,380	Best Buy Co., Inc. . . . .	576,935	16,569,573
Leggett & Platt, Inc. (b) . . . . .	255,041	6,248,504	CarMax, Inc. (a) (b) . . . . .	396,390	12,724,119
Lennar Corp. (Class A) . . . . .	277,128	5,021,559	GameStop Corp. (Class A) (a) (b) . . . . .	263,774	5,940,190
Newell Rubbermaid, Inc. . . . .	506,999	9,698,891	Limited Brands, Inc. . . . .	462,030	15,191,547
Pulte Group, Inc. (a) . . . . .	585,785	4,334,809	Lowe's Cos., Inc. . . . .	2,424,923	64,090,715
Stanley Black & Decker, Inc. . . . .	294,015	22,521,549	O'Reilly Automotive, Inc. (a) . . . . .	248,277	14,265,996
Whirlpool Corp. (b) . . . . .	132,825	11,337,942	RadioShack Corp. (b) . . . . .	185,426	2,783,244
		<u>87,233,247</u>	Ross Stores, Inc. . . . .	210,409	14,964,288
<b>INTERNET &amp; CATALOG RETAIL — 8.2%</b>			Staples, Inc. (b) . . . . .	1,267,679	24,618,326
Amazon.com, Inc. (a) . . . . .	626,361	112,826,407	The Gap, Inc. (b) . . . . .	767,478	17,391,051
Expedia, Inc. (b) . . . . .	353,283	8,005,393	The Home Depot, Inc. . . . .	2,879,731	106,722,831
NetFlix, Inc. (a) . . . . .	77,215	18,325,436	Tiffany & Co. (b) . . . . .	220,813	13,566,751
priceline.com, Inc. (a) (b) . . . . .	86,348	43,730,081	TJX Cos., Inc. . . . .	693,718	34,498,596
		<u>182,887,317</u>	Urban Outfitters, Inc. (a) (b) . . . . .	224,150	6,686,395
<b>LEISURE EQUIPMENT &amp; PRODUCTS — 1.2%</b>					<u>397,495,100</u>
Hasbro, Inc. . . . .	240,950	11,286,098	<b>TEXTILES, APPAREL &amp; LUXURY GOODS — 4.8%</b>		
Mattel, Inc. . . . .	611,077	15,234,150	Coach, Inc. . . . .	519,610	27,040,505
		<u>26,520,248</u>	NIKE, Inc. (Class B) . . . . .	672,709	50,924,071
<b>MEDIA — 31.5%</b>			Polo Ralph Lauren Corp. . . . .	115,027	14,223,089
Cablevision Systems Corp. . . . .	407,443	14,101,602	V.F. Corp. . . . .	152,472	15,023,066
CBS Corp. (Class B) . . . . .	1,180,125	29,550,330			<u>107,210,731</u>
Comcast Corp. (Class A) . . . . .	4,876,586	120,549,206	<b>TOTAL COMMON STOCKS —</b>		
			(Cost \$2,235,620,006) . . . . .		
					<u>2,213,342,452</u>

See accompanying notes to financial statements.

**The Consumer Discretionary Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS (continued)**  
**March 31, 2011 (Unaudited)**

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<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>SHORT TERM INVESTMENTS — 3.0%</b>		
<b>MONEY MARKET FUNDS — 3.0%</b>		
State Street Navigator Securities		
Lending Prime Portfolio (c) (d) . . . .	62,815,201	\$ 62,815,201
State Street Institutional Liquid		
Reserves Fund 0.19% (d) (e) . . . . .	2,681,235	<u>2,681,235</u>
<b>TOTAL SHORT TERM INVESTMENTS —</b>		
(Cost \$65,496,436) . . . . .		<u>65,496,436</u>
<b>TOTAL INVESTMENTS — 102.8% (f)</b>		
(Cost \$2,301,116,442) . . . . .		2,278,838,888
<b>OTHER ASSETS &amp;</b>		
<b>LIABILITIES — (2.8)% . . . . .</b>		<u>(61,656,055)</u>
<b>NET ASSETS — 100.0% . . . . .</b>		<u><u>\$2,217,182,833</u></u>

- (a) Non-income producing security.
- (b) Security, or portion thereof, was on loan at March 31, 2011.
- (c) Investments of cash collateral for securities loaned.
- (d) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)
- (e) The rate shown is the annualized seven-day yield at period end.
- (f) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).

*See accompanying notes to financial statements.*

**The Consumer Staples Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
**March 31, 2011 (Unaudited)**

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.6%</b>			<b>TOBACCO — 16.8%</b>		
<b>BEVERAGES — 15.8%</b>			Altria Group, Inc. . . . . 6,012,647 \$ 156,509,201		
Brown-Forman Corp. (Class B) (a) . . .	429,319	\$ 29,322,488	Lorillard, Inc. (a) . . . . .	418,277	39,740,498
Coca-Cola Enterprises, Inc. . . . .	1,378,159	37,623,741	Philip Morris International, Inc. . . . .	5,164,839	338,968,384
Constellation Brands, Inc.			Reynolds American, Inc. (a) . . . . .	1,284,334	45,632,387
(Class A) (b) . . . . .	766,138	15,537,278			<u>580,850,470</u>
Dr. Pepper Snapple Group, Inc. . . . .	643,667	23,918,666	<b>TOTAL COMMON STOCKS —</b>		
Molson Coors Brewing Co. (Class B) . .	771,984	36,198,330	(Cost \$3,549,571,173) . . . . .		
PepsiCo, Inc. . . . .	2,290,723	147,545,468	<u>3,446,508,446</u>		
The Coca-Cola Co. . . . .	3,863,232	256,325,443	<b>SHORT TERM INVESTMENTS — 2.7%</b>		
		<u>546,471,414</u>	<b>MONEY MARKET FUNDS — 2.7%</b>		
<b>FOOD &amp; STAPLES RETAILING — 24.0%</b>			State Street Navigator Securities		
Costco Wholesale Corp. . . . .	1,393,558	102,175,673	Lending Prime Portfolio (c) (d) . . . .	92,495,429	92,495,429
CVS Caremark Corp. . . . .	4,404,728	151,170,265	State Street Institutional Liquid		
Safeway, Inc. (a) . . . . .	1,317,733	31,019,435	Reserves Fund 0.19% (d) (e) . . . . .	2,285,211	<u>2,285,211</u>
SUPERVALU, Inc. (a) . . . . .	963,217	8,601,528	<b>TOTAL SHORT TERM</b>		
Sysco Corp. (a) . . . . .	1,898,702	52,594,045	<b>INVESTMENTS —</b>		
The Kroger Co. . . . .	2,179,816	52,250,189	(Cost \$94,780,640) . . . . .		
Wal-Mart Stores, Inc. . . . .	5,630,176	293,050,661	<u>94,780,640</u>		
Walgreen Co. . . . .	2,806,017	112,633,522	<b>TOTAL INVESTMENTS — 102.3% (f)</b>		
Whole Foods Market, Inc. . . . .	423,959	27,938,898	(Cost \$3,644,351,813) . . . . .		
		<u>831,434,216</u>	3,541,289,086		
<b>FOOD PRODUCTS — 19.5%</b>			<b>OTHER ASSETS &amp;</b>		
Archer-Daniels-Midland Co. . . . .	2,123,375	76,462,734	<b>LIABILITIES — (2.3)% . . . . .</b>		
Campbell Soup Co. (a) . . . . .	770,626	25,515,427	<u>(79,508,514)</u>		
ConAgra Foods, Inc. . . . .	1,565,056	37,170,080	<b>NET ASSETS — 100.0% . . . . .</b>		
Dean Foods Co. (a) (b) . . . . .	522,947	5,229,470	<u>\$3,461,780,572</u>		
General Mills, Inc. . . . .	2,097,705	76,671,118			
H.J. Heinz Co. . . . .	1,135,142	55,417,632	(a) Security, or portion thereof, was on loan at March 31, 2011.		
Hormel Foods Corp. (a) . . . . .	398,418	11,091,957	(b) Non-income producing security.		
Kellogg Co. . . . .	892,893	48,198,364	(c) Investments of cash collateral for securities loaned.		
Kraft Foods, Inc. (Class A) . . . . .	5,026,268	157,623,764	(d) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)		
McCormick & Co., Inc. (a) . . . . .	629,130	30,091,288	(e) The rate shown is the annualized seven-day yield at period end.		
Mead Johnson Nutrition Co. . . . .	588,302	34,080,335	(f) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).		
Sara Lee Corp. . . . .	2,113,700	37,349,079			
The Hershey Co. . . . .	558,985	30,380,835			
The J.M. Smucker Co. . . . .	342,633	24,460,570			
Tyson Foods, Inc. (Class A) . . . . .	1,377,706	26,438,178			
		<u>676,180,831</u>			
<b>HOUSEHOLD PRODUCTS — 21.4%</b>					
Clorox Co. (a) . . . . .	515,998	36,155,980			
Colgate-Palmolive Co. . . . .	1,549,400	125,129,544			
Kimberly-Clark Corp. . . . .	1,269,746	82,876,321			
The Procter & Gamble Co. . . . .	8,049,177	495,829,303			
		<u>739,991,148</u>			
<b>PERSONAL PRODUCTS — 2.1%</b>					
Avon Products, Inc. (a) . . . . .	1,474,305	39,865,207			
The Estee Lauder Cos., Inc.					
(Class A) . . . . .	329,132	31,715,160			
		<u>71,580,367</u>			

See accompanying notes to financial statements.

**The Energy Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
**March 31, 2011 (Unaudited)**

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.9%</b>		
<b>ENERGY EQUIPMENT &amp; SERVICES — 22.2%</b>		
Baker Hughes, Inc. . . . .	3,752,573	\$ 275,551,435
Cameron International Corp. (a) . . . .	2,558,784	146,106,566
Diamond Offshore Drilling, Inc. (b) . . . . .	747,027	58,043,998
FMC Technologies, Inc. (a) . . . . .	1,410,380	133,252,702
Halliburton Co. . . . .	7,131,427	355,430,322
Helmerich & Payne, Inc. (b) . . . . .	693,655	47,647,162
Nabors Industries, Ltd. (a) . . . . .	3,419,004	103,869,342
National-Oilwell Varco, Inc. . . . .	3,484,126	276,186,668
Noble Corp. (b) . . . . .	1,646,197	75,099,507
Rowan Cos., Inc. (a) . . . . .	2,221,581	98,149,449
Schlumberger, Ltd. . . . .	9,260,785	863,660,809
		<u>2,432,997,960</u>
<b>OIL, GAS &amp; CONSUMABLE FUELS — 77.7%</b>		
Anadarko Petroleum Corp. . . . .	3,767,553	308,637,942
Apache Corp. . . . .	2,877,442	376,714,707
Cabot Oil & Gas Corp. . . . .	1,475,954	78,181,283
Chesapeake Energy Corp. (b) . . . . .	5,707,978	191,331,422
Chevron Corp. . . . .	13,368,157	1,436,141,106
ConocoPhillips . . . . .	6,889,288	550,178,540
CONSOL Energy, Inc. . . . .	2,364,816	126,825,082
Denbury Resources, Inc. (a) . . . . .	5,271,891	128,634,140
Devon Energy Corp. . . . .	3,214,069	294,955,112
El Paso Corp. . . . .	7,231,798	130,172,364
EOG Resources, Inc. . . . .	2,131,913	252,653,010
EQT Corp. . . . .	976,144	48,709,586
Exxon Mobil Corp. . . . .	21,818,840	1,835,619,009
Hess Corp. . . . .	2,435,876	207,560,994
Marathon Oil Corp. . . . .	5,437,565	289,876,590
Massey Energy Co. (b) . . . . .	2,177,366	148,844,740
Murphy Oil Corp. . . . .	1,709,491	125,510,829
Newfield Exploration Co. (a)(b) . . . .	870,736	66,184,643
Noble Energy, Inc. . . . .	1,561,509	150,919,845
Occidental Petroleum Corp. . . . .	4,626,392	483,411,700
Peabody Energy Corp. (b) . . . . .	2,571,632	185,054,639
Pioneer Natural Resources Co. (b) . . .	1,720,756	175,379,451
QEP Resources, Inc. (b) . . . . .	1,149,433	46,598,014
Range Resources Corp. (b) . . . . .	1,635,052	95,585,140
Southwestern Energy Co. (a) . . . . .	2,903,774	124,775,169
Spectra Energy Corp. . . . .	5,685,344	154,527,650
Sunoco, Inc. . . . .	1,868,025	85,163,260
Tesoro Corp. (a)(b) . . . . .	2,936,100	78,775,563
The Williams Cos., Inc. . . . .	5,393,654	168,174,132
Valero Energy Corp. . . . .	5,188,866	154,731,984
		<u>8,499,827,646</u>
<b>TOTAL COMMON STOCKS —</b>		
(Cost \$10,270,511,649) . . . . .		<u>10,932,825,606</u>

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>SHORT TERM INVESTMENTS — 1.7%</b>		
<b>MONEY MARKET FUNDS — 1.7%</b>		
State Street Navigator Securities Lending Prime Portfolio (c)(d) . . .	180,092,943	\$ 180,092,943
State Street Institutional Liquid Reserves Fund 0.19% (d)(e) . . . . .	4,934,698	<u>4,934,698</u>
<b>TOTAL SHORT TERM INVESTMENTS —</b>		
(Cost \$185,027,641) . . . . .		<u>185,027,641</u>
<b>TOTAL INVESTMENTS — 101.6% (f)</b>		
(Cost \$10,455,539,290) . . . . .		11,117,853,247
<b>OTHER ASSETS &amp; LIABILITIES — (1.6%) . . . . .</b>		
		<u>(177,388,024)</u>
<b>NET ASSETS — 100.0% . . . . .</b>		<u>\$10,940,465,223</u>

- (a) Non-income producing security.
- (b) Security, or portion thereof, was on loan at March 31, 2011.
- (c) Investments of cash collateral for securities loaned.
- (d) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)
- (e) The rate shown is the annualized seven-day yield at period end.
- (f) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).

See accompanying notes to financial statements.

**The Financial Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
*March 31, 2011 (Unaudited)*

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.9%</b>			<b>INSURANCE — 24.3%</b>		
<b>CAPITAL MARKETS — 15.2%</b>					
Ameriprise Financial, Inc. . . . .	1,041,992	\$ 63,644,871	ACE, Ltd. (b) . . . . .	1,418,387	\$ 91,769,639
E*TRADE Financial Corp. (a) . . . . .	935,935	14,628,664	AFLAC, Inc. . . . .	1,987,602	104,905,633
Federated Investors, Inc. (Class B) (b) . . . . .	391,810	10,480,918	American International Group, Inc. (a) (b) . . . . .	607,767	21,356,932
Franklin Resources, Inc. . . . .	612,984	76,672,039	Aon Corp. . . . .	1,407,519	74,542,206
Invesco, Ltd. . . . .	1,945,360	49,723,402	Assurant, Inc. . . . .	422,764	16,280,642
Janus Capital Group, Inc. (b) . . . . .	786,894	9,812,568	Berkshire Hathaway, Inc. (Class B) (a) . . . . .	7,314,166	611,683,703
Legg Mason, Inc. . . . .	644,146	23,247,229	Chubb Corp. . . . .	1,247,840	76,505,070
Morgan Stanley . . . . .	6,530,990	178,426,647	Cincinnati Financial Corp. (b) . . . . .	689,556	22,617,437
Northern Trust Corp. (b) . . . . .	1,023,027	51,918,620	Genworth Financial, Inc. (Class A) (a) (b) . . . . .	2,072,939	27,901,759
State Street Corp. (c) . . . . .	2,122,693	95,393,823	Hartford Financial Services Group, Inc. (b) . . . . .	1,879,233	50,607,745
T. Rowe Price Group, Inc. . . . .	1,094,482	72,695,494	Lincoln National Corp. . . . .	1,334,411	40,085,706
The Bank of New York Mellon Corp. . . . .	5,247,358	156,738,584	Loews Corp. . . . .	1,328,589	57,248,900
The Charles Schwab Corp. . . . .	4,220,272	76,091,504	Marsh & McLennan Cos., Inc. . . . .	2,298,994	68,533,011
The Goldman Sachs Group, Inc. . . . .	2,199,367	348,533,689	MetLife, Inc. . . . .	4,458,468	199,427,274
		<u>1,228,008,052</u>	Principal Financial Group, Inc. . . . .	1,355,634	43,529,408
<b>COMMERCIAL BANKS — 18.4%</b>			Prudential Financial, Inc. . . . .	2,053,572	126,458,964
BB&T Corp. (b) . . . . .	2,936,001	80,593,227	The Allstate Corp. . . . .	2,239,294	71,164,763
Comerica, Inc. (b) . . . . .	747,838	27,460,611	The Progressive Corp. . . . .	2,788,979	58,931,126
Fifth Third Bancorp . . . . .	3,877,889	53,825,099	The Travelers Cos., Inc. (b) . . . . .	1,821,952	108,369,705
First Horizon National Corp. (b) . . . . .	1,114,152	12,489,644	Torchmark Corp. (b) . . . . .	329,164	21,882,823
Huntington Bancshares, Inc. . . . .	3,652,977	24,255,767	Unum Group (b) . . . . .	1,308,593	34,350,566
KeyCorp . . . . .	4,018,794	35,686,891	XL Group PLC (b) . . . . .	1,314,140	32,327,844
M & T Bank Corp. . . . .	507,991	44,941,964			<u>1,960,480,856</u>
Marshall & Ilsley Corp. . . . .	2,242,733	17,919,437	<b>REAL ESTATE INVESTMENT TRUSTS (REITS) — 9.8%</b>		
PNC Financial Services Group, Inc. . . . .	2,220,546	139,872,192	Apartment Investment & Management Co. (Class A) . . . . .		
Regions Financial Corp. . . . .	5,314,556	38,583,677	AvalonBay Communities, Inc. (b) . . . . .		
SunTrust Banks, Inc. . . . .	2,263,862	65,289,780	Boston Properties, Inc. (b) . . . . .		
U.S. Bancorp . . . . .	8,121,197	214,643,237	Equity Residential . . . . .		
Wells Fargo & Co. . . . .	22,260,235	705,649,449	HCP, Inc. . . . .		
Zions Bancorporation (b) . . . . .	773,560	17,838,294	Health Care REIT, Inc. . . . .		
		<u>1,479,049,269</u>	Host Hotels & Resorts, Inc. . . . .		
<b>CONSUMER FINANCE — 4.9%</b>			Kimco Realty Corp. (b) . . . . .		
American Express Co. . . . .	4,420,262	199,795,842	Plum Creek Timber Co., Inc. (b) . . . . .		
Capital One Financial Corp. . . . .	1,933,155	100,446,734	ProLogis (b) . . . . .		
Discover Financial Services . . . . .	2,304,058	55,573,879	Public Storage, Inc. . . . .		
SLM Corp. (a) . . . . .	2,226,397	34,063,874	Simon Property Group, Inc. . . . .		
		<u>389,880,329</u>	Ventas, Inc. . . . .		
<b>DIVERSIFIED FINANCIAL SERVICES — 26.4%</b>			Vornado Realty Trust . . . . .		
Bank of America Corp. . . . .	42,766,802	570,081,471	Weyerhaeuser Co. . . . .		
Citigroup, Inc. (a) . . . . .	122,775,900	542,669,478			
CME Group, Inc. . . . .	283,234	85,409,213			
IntercontinentalExchange, Inc. (a) . . . . .	310,014	38,299,129			
JPMorgan Chase & Co. . . . .	16,832,259	775,967,140			
Leucadia National Corp. (b) . . . . .	837,221	31,429,276			
Moody's Corp. (b) . . . . .	843,315	28,596,812			
NYSE Euronext . . . . .	1,103,766	38,819,450			
The Nasdaq OMX Group, Inc. (a) . . . . .	633,446	16,368,245			
		<u>2,127,640,214</u>			
			<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT — 0.4%</b>		
			CB Richard Ellis Group, Inc. (Class A) (a) (b) . . . . .		
			2,230,555		
			<u>32,855,819</u>		
			<b>THRIFTS &amp; MORTGAGE FINANCE — 0.5%</b>		
			Hudson City Bancorp, Inc. (b) . . . . .		
			2,228,801		
			People's United Financial, Inc. (b) . . . . .		
			1,529,602		
			<u>40,817,187</u>		
			<b>TOTAL COMMON STOCKS —</b>		
			(Cost \$8,209,173,853) . . . . .		
			<u>8,049,946,062</u>		

See accompanying notes to financial statements.

**The Financial Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS (continued)**  
**March 31, 2011 (Unaudited)**

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<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>SHORT TERM INVESTMENTS — 2.5%</b>		
<b>MONEY MARKET FUNDS — 2.5%</b>		
State Street Navigator Securities		
Lending Prime Portfolio (d)(e) . . . .	195,763,203	\$ 195,763,203
State Street Institutional Liquid		
Reserves Fund 0.19% (e)(f) . . . . .	4,976,363	<u>4,976,363</u>
<b>TOTAL SHORT TERM INVESTMENTS —</b>		
(Cost \$200,739,566) . . . . .		<u>200,739,566</u>
<b>TOTAL INVESTMENTS — 102.4% (g)</b>		
(Cost \$8,409,913,419) . . . . .		8,250,685,628
<b>OTHER ASSETS &amp;</b>		
<b>LIABILITIES — (2.4)% . . . . .</b>		<u>(191,056,924)</u>
<b>NET ASSETS — 100.0% . . . . .</b>		<u><u>\$8,059,628,704</u></u>

- (a) Non-income producing security.
- (b) Security, or portion thereof, was on loan at March 31, 2011.
- (c) Affiliated Issuer. (Note 3)
- (d) Investments of cash collateral for securities loaned.
- (e) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)
- (f) The rate shown is the annualized seven-day yield at period end.
- (g) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).

See accompanying notes to financial statements.

**The Health Care Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
*March 31, 2011 (Unaudited)*

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.8%</b>			<b>PHARMACEUTICALS — 47.1%</b>		
<b>BIOTECHNOLOGY — 11.5%</b>					
Amgen, Inc. (a) . . . . .	2,056,598	\$ 109,925,163	Abbott Laboratories . . . . .	2,893,298	\$ 141,916,267
Biogen Idec, Inc. (a) . . . . .	543,226	39,867,356	Allergan, Inc. . . . .	693,041	49,219,772
Celgene Corp. (a) . . . . .	1,025,327	58,987,062	Bristol-Myers Squibb Co. . . . .	3,773,917	99,744,626
Cephalon, Inc. (a)(b) . . . . .	166,779	12,638,513	Eli Lilly & Co. . . . .	2,246,883	79,022,875
Genzyme Corp. (a) . . . . .	590,633	44,976,703	Forest Laboratories, Inc. (a) . . . . .	638,487	20,623,130
Gilead Sciences, Inc. (a) . . . . .	1,754,045	74,441,670	Hospira, Inc. (a) . . . . .	367,564	20,289,533
		<u>340,836,467</u>	Johnson & Johnson . . . . .	6,032,772	357,441,741
<b>HEALTH CARE EQUIPMENT &amp; SUPPLIES — 17.2%</b>			Merck & Co., Inc. . . . .	6,799,979	224,467,307
Baxter International, Inc. . . . .	1,296,985	69,738,884	Mylan, Inc. (a) . . . . .	964,010	21,854,107
Becton, Dickinson & Co. . . . .	500,706	39,866,212	Pfizer, Inc. . . . .	17,634,092	358,148,408
Boston Scientific Corp. (a) . . . . .	3,391,738	24,386,596	Watson Pharmaceuticals, Inc. (a) . . . . .	292,880	16,404,209
C.R. Bard, Inc. (b) . . . . .	199,753	19,837,470			<u>1,389,131,975</u>
CareFusion Corp. (a) . . . . .	493,881	13,927,444	<b>TOTAL COMMON STOCKS —</b>		
Covidien PLC . . . . .	1,089,213	56,573,723	(Cost \$3,306,726,082) . . . . .		<u>2,945,943,714</u>
DENTSPLY International, Inc. . . . .	314,656	11,639,125	<b>SHORT TERM INVESTMENTS — 0.9%</b>		
Edwards Lifesciences Corp. (a) . . . . .	252,700	21,984,900	<b>MONEY MARKET FUNDS — 0.9%</b>		
Intuitive Surgical, Inc. (a)(b) . . . . .	85,675	28,569,186	State Street Navigator Securities		
Medtronic, Inc. . . . .	2,369,641	93,245,373	Lending Prime Portfolio (c)(d) . . . . .	25,280,843	25,280,843
St. Jude Medical, Inc. . . . .	736,837	37,770,265	State Street Institutional Liquid		
Stryker Corp. . . . .	754,428	45,869,222	Reserves Fund 0.19% (d)(e) . . . . .	100	100
Varian Medical Systems, Inc. (a) . . . . .	264,737	17,906,811	<b>TOTAL SHORT TERM</b>		
Zimmer Holdings, Inc. (a) . . . . .	430,640	26,066,639	<b>INVESTMENTS —</b>		
		<u>507,381,850</u>	(Cost \$25,280,943) . . . . .		<u>25,280,943</u>
<b>HEALTH CARE PROVIDERS &amp; SERVICES — 19.1%</b>			<b>TOTAL INVESTMENTS — 100.7% (f)</b>		
Aetna, Inc. . . . .	871,045	32,603,214	(Cost \$3,332,007,025) . . . . .		2,971,224,657
AmerisourceBergen Corp. . . . .	627,609	24,828,212	<b>OTHER ASSETS &amp;</b>		
Cardinal Health, Inc. . . . .	779,136	32,045,864	<b>LIABILITIES — (0.7)% . . . . .</b>		
CIGNA Corp. . . . .	618,925	27,405,999			<u>(19,737,213)</u>
Coventry Health Care, Inc. (a) . . . . .	330,367	10,535,404	<b>NET ASSETS — 100.0% . . . . .</b>		
DaVita, Inc. (a) . . . . .	211,772	18,108,624			<u>\$2,951,487,444</u>
Express Scripts, Inc. (a) . . . . .	1,226,723	68,218,066	(a) Non-income producing security.		
Humana, Inc. (a) . . . . .	399,384	27,932,917	(b) Security, or portion thereof, was on loan at March 31, 2011.		
Laboratory Corp. of America			(c) Investments of cash collateral for securities loaned.		
Holdings (a)(b) . . . . .	220,517	20,316,231	(d) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)		
McKesson Corp. . . . .	577,661	45,664,102	(e) The rate shown is the annualized seven-day yield at period end.		
Medco Health Solutions, Inc. (a) . . . . .	917,487	51,526,070	(f) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).		
Patterson Cos., Inc. . . . .	211,147	6,796,822			
Quest Diagnostics, Inc. . . . .	356,350	20,568,522			
Tenet Healthcare Corp. (a) . . . . .	1,115,956	8,313,872			
UnitedHealth Group, Inc. . . . .	2,432,092	109,930,558			
WellPoint, Inc. . . . .	850,267	59,340,134			
		<u>564,134,611</u>			
<b>HEALTH CARE TECHNOLOGY — 0.6%</b>					
Cerner Corp. (a)(b) . . . . .	158,150	17,586,280			
<b>LIFE SCIENCES TOOLS &amp; SERVICES — 4.3%</b>					
Agilent Technologies, Inc. (a) . . . . .	761,217	34,087,297			
Life Technologies Corp. (a) . . . . .	396,967	20,809,010			
PerkinElmer, Inc. . . . .	251,839	6,615,811			
Thermo Fisher Scientific, Inc. (a) . . . . .	861,478	47,855,103			
Waters Corp. (a) . . . . .	201,442	17,505,310			
		<u>126,872,531</u>			

See accompanying notes to financial statements.

**The Industrial Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
*March 31, 2011 (Unaudited)*

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.7%</b>			<b>COMMON STOCKS — 99.7%</b>		
<b>AEROSPACE &amp; DEFENSE — 25.4%</b>			<b>AEROSPACE &amp; DEFENSE — 25.4%</b>		
General Dynamics Corp. . . . .	1,155,593	\$ 88,472,200	Danaher Corp. . . . .	1,729,812	\$ 89,777,243
Goodrich Corp. . . . .	550,805	47,110,352	Deere & Co. . . . .	1,339,340	129,768,653
Honeywell International, Inc. . . . .	2,357,083	140,741,426	Dover Corp. . . . .	643,393	42,296,656
Huntington Ingalls Industries, Inc. (a) . . . . .	6,178	256,387	Eaton Corp. . . . .	1,185,826	65,742,193
ITT Corp. . . . .	635,347	38,152,587	Flowserve Corp. . . . .	158,931	20,470,313
L-3 Communications Holdings, Inc. . . . .	322,231	25,233,910	Illinois Tool Works, Inc. . . . .	1,509,531	81,092,005
Lockheed Martin Corp. . . . .	865,713	69,603,325	Ingersoll-Rand PLC (b) . . . . .	939,197	45,372,607
Northrop Grumman Corp. . . . .	897,845	56,303,860	Joy Global, Inc. . . . .	298,610	29,505,654
Precision Castparts Corp. . . . .	408,810	60,168,656	PACCAR, Inc. (b) . . . . .	1,210,786	63,384,647
Raytheon Co. . . . .	1,121,378	57,044,499	Pall Corp. . . . .	480,491	27,681,087
Rockwell Collins, Inc. . . . .	570,985	37,016,958	Parker-Hannifin Corp. . . . .	581,845	55,089,085
Textron, Inc. (b) . . . . .	978,847	26,810,619	Snap-on, Inc. . . . .	166,308	9,988,458
The Boeing Co. . . . .	2,191,182	161,994,085			<u>990,017,905</u>
United Technologies Corp. . . . .	2,724,559	230,633,919	<b>PROFESSIONAL SERVICES — 1.2%</b>		
		<u>1,039,542,783</u>	Dun & Bradstreet Corp. . . . .	141,747	11,373,779
<b>AIR FREIGHT &amp; LOGISTICS — 9.0%</b>			Equifax, Inc. . . . .	477,917	18,567,076
C.H. Robinson Worldwide, Inc. (b) . . . . .	472,544	35,029,687	Robert Half International, Inc. (b) . . . . .	589,418	18,036,191
Expeditors International of Washington, Inc. . . . .	604,440	30,306,621			<u>47,977,046</u>
FedEx Corp. . . . .	962,316	90,024,662	<b>ROAD &amp; RAIL — 8.5%</b>		
United Parcel Service, Inc. (Class B) . . . . .	2,863,437	212,810,638	CSX Corp. . . . .	1,271,906	99,971,812
		<u>368,171,608</u>	Norfolk Southern Corp. . . . .	1,190,913	82,494,543
<b>AIRLINES — 0.7%</b>			Ryder System, Inc. . . . .	265,028	13,410,417
Southwest Airlines Co. . . . .	2,338,106	29,530,279	Union Pacific Corp. . . . .	1,522,526	149,709,981
<b>BUILDING PRODUCTS — 0.4%</b>					<u>345,586,753</u>
Masco Corp. . . . .	1,140,425	15,874,716	<b>TRADING COMPANIES &amp; DISTRIBUTORS — 1.4%</b>		
<b>COMMERCIAL SERVICES &amp; SUPPLIES — 4.5%</b>			Fastenal Co. (b) . . . . .	419,698	27,209,021
Avery Dennison Corp. . . . .	376,690	15,805,912	W.W. Grainger, Inc. . . . .	217,952	30,007,631
Cintas Corp. (b) . . . . .	436,046	13,199,112			<u>57,216,652</u>
Iron Mountain, Inc. . . . .	572,555	17,880,893	<b>TOTAL COMMON STOCKS —</b>		
Pitney Bowes, Inc. . . . .	663,850	17,054,306	(Cost \$4,089,785,692) . . . . .		<u>4,073,285,594</u>
R.R. Donnelley & Sons Co. . . . .	854,688	16,170,697	<b>SHORT TERM INVESTMENTS — 2.3%</b>		
Republic Services, Inc. . . . .	874,988	26,284,640	<b>MONEY MARKET FUNDS — 2.3%</b>		
Stericycle, Inc. (a) (b) . . . . .	243,662	21,605,510	State Street Navigator Securities Lending Prime Portfolio (c) (d) . . . . .	91,610,387	91,610,387
Waste Management, Inc. (b) . . . . .	1,478,118	55,192,926	State Street Institutional Liquid Reserves Fund 0.19% (d) (e) . . . . .	3,051,213	3,051,213
		<u>183,193,996</u>	<b>TOTAL SHORT TERM INVESTMENTS —</b>		
<b>CONSTRUCTION &amp; ENGINEERING — 2.1%</b>			(Cost \$94,661,600) . . . . .		<u>94,661,600</u>
Fluor Corp. . . . .	731,582	53,888,330	<b>TOTAL INVESTMENTS — 102.0% (f)</b>		
Jacobs Engineering Group, Inc. (a) . . . . .	359,422	18,485,074	(Cost \$4,184,447,292) . . . . .		4,167,947,194
Quanta Services, Inc. (a) . . . . .	613,452	13,759,728	<b>OTHER ASSETS &amp; LIABILITIES — (2.0%) . . . . .</b>		
		<u>86,133,132</u>			<u>(81,471,294)</u>
<b>ELECTRICAL EQUIPMENT — 5.1%</b>			<b>NET ASSETS — 100.0% . . . . .</b>		
Emerson Electric Co. . . . .	2,275,086	132,933,275			<u>\$4,086,475,900</u>
Rockwell Automation, Inc. . . . .	524,664	49,659,448			
Roper Industries, Inc. (b) . . . . .	271,576	23,480,461			
		<u>206,073,184</u>			
<b>INDUSTRIAL CONGLOMERATES — 17.2%</b>					
3M Co. . . . .	2,079,535	194,436,522			
General Electric Co. . . . .	22,400,109	449,122,185			
Tyco International, Ltd. . . . .	1,349,315	60,408,833			
		<u>703,967,540</u>			
<b>MACHINERY — 24.2%</b>					
Caterpillar, Inc. . . . .	1,941,215	216,154,290			
Cummins, Inc. . . . .	1,037,174	113,695,014			

(a) Non-income producing security.  
(b) Security, or portion thereof, was on loan at March 31, 2011.  
(c) Investments of cash collateral for securities loaned.  
(d) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)  
(e) The rate shown is the annualized seven-day yield at period end.  
(f) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).

See accompanying notes to financial statements.

**The Materials Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
**March 31, 2011 (Unaudited)**

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.8%</b>			<b>SHORT TERM INVESTMENTS — 4.7%</b>		
<b>CHEMICALS — 56.6%</b>			<b>MONEY MARKET FUNDS — 4.7%</b>		
Air Products & Chemicals, Inc. . . . .	1,285,698	\$ 115,944,246	State Street Navigator Securities		
Airgas, Inc. . . . .	477,352	31,705,720	Lending Prime Portfolio (c) (d) . . . .	119,179,156	\$ 119,179,156
CF Industries Holdings, Inc. . . . .	435,521	59,574,917	State Street Institutional Liquid		
E.I. du Pont de Nemours & Co. . . . .	5,401,176	296,902,645	Reserves Fund 0.19% (d) (e) . . . . .	3,884,999	<u>3,884,999</u>
Eastman Chemical Co. (a) . . . . .	442,425	43,941,651	<b>TOTAL SHORT TERM</b>		
Ecolab, Inc. . . . .	1,410,844	71,981,261	<b>INVESTMENTS —</b>		
FMC Corp. . . . .	448,306	38,074,628	(Cost \$123,064,155) . . . . .		<u>123,064,155</u>
International Flavors &			<b>TOTAL INVESTMENTS — 104.5% (f)</b>		
Fragrances, Inc. . . . .	513,294	31,978,216	(Cost \$2,733,162,845) . . . . .		2,737,335,613
Monsanto Co. . . . .	3,145,337	227,282,052	<b>OTHER ASSETS &amp;</b>		
PPG Industries, Inc. . . . .	969,042	92,262,489	<b>LIABILITIES — (4.5)% . . . . .</b>		<u>(116,852,455)</u>
Praxair, Inc. . . . .	1,189,244	120,827,190	<b>NET ASSETS — 100.0% . . . . .</b>		<u><u>\$2,620,483,158</u></u>
Sigma-Aldrich Corp. (a) . . . . .	750,132	47,738,400			
The Dow Chemical Co. . . . .	6,844,652	258,385,613			
The Sherwin-Williams Co. . . . .	549,832	46,180,390			
		<u>1,482,779,418</u>			
<b>CONSTRUCTION MATERIALS — 1.4%</b>					
Vulcan Materials Co. (a) . . . . .	809,208	36,899,885			
<b>CONTAINERS &amp; PACKAGING — 4.6%</b>					
Ball Corp. . . . .	1,057,430	37,908,866			
Bemis Co., Inc. . . . .	698,519	22,918,408			
Owens-Illinois, Inc. (b) . . . . .	1,036,612	31,295,316			
Sealed Air Corp. (a) . . . . .	1,026,269	27,360,332			
		<u>119,482,922</u>			
<b>METALS &amp; MINING — 32.9%</b>					
AK Steel Holding Corp. (a) . . . . .	791,483	12,489,602			
Alcoa, Inc. (a) . . . . .	6,390,602	112,794,125			
Allegheny Technologies, Inc. (a) . . . .	620,702	42,033,939			
Cliffs Natural Resources, Inc. (a) . . . .	824,407	81,022,720			
Freeport-McMoRan Copper &					
Gold, Inc. . . . .	5,546,993	308,135,461			
Newmont Mining Corp. . . . .	2,890,820	157,780,956			
Nucor Corp. (a) . . . . .	1,905,155	87,675,233			
Titanium Metals Corp. (a) (b) . . . . .	667,486	12,401,890			
United States Steel Corp. . . . .	883,580	47,660,305			
		<u>861,994,231</u>			
<b>PAPER &amp; FOREST PRODUCTS — 4.3%</b>					
International Paper Co. . . . .	2,664,825	80,424,419			
MeadWestvaco Corp. . . . .	1,077,830	32,690,583			
		<u>113,115,002</u>			
<b>TOTAL COMMON STOCKS —</b>					
(Cost \$2,610,098,690) . . . . .		<u>2,614,271,458</u>			

- (a) Security, or portion thereof, was on loan at March 31, 2011.
- (b) Non-income producing security.
- (c) Investments of cash collateral for securities loaned.
- (d) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)
- (e) The rate shown is the annualized seven-day yield at period end.
- (f) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).

See accompanying notes to financial statements.

**The Technology Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
*March 31, 2011 (Unaudited)*

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.8%</b>			<b>Fidelity National Information</b>		
<b>COMMUNICATIONS EQUIPMENT — 9.9%</b>			Services, Inc. . . . .	790,461	\$ 25,840,170
Cisco Systems, Inc. (a) . . . . .	15,004,972	\$ 257,335,270	Fiserv, Inc. (a) . . . . .	420,623	26,381,475
F5 Networks, Inc. (a) . . . . .	218,121	22,372,671	<b>International Business</b>		
Harris Corp. (b) . . . . .	381,857	18,940,107	Machines Corp. . . . .	3,309,810	539,730,717
JDS Uniphase Corp. (a) . . . . .	785,389	16,367,507	MasterCard, Inc. (Class A) . . . . .	268,647	67,623,823
Juniper Networks, Inc. (a) . . . . .	1,499,260	63,088,861	Paychex, Inc. . . . .	913,431	28,645,196
Motorola Mobility Holdings, Inc. (a) . . . . .	806,968	19,690,019	SAIC, Inc. (a) (b) . . . . .	794,759	13,447,322
Motorola Solutions, Inc. (a) . . . . .	936,119	41,835,158	Teradata Corp. (a) . . . . .	496,799	25,187,709
QUALCOMM, Inc. . . . .	4,489,337	246,150,347	The Western Union Co. . . . .	1,814,004	37,676,863
Tellabs, Inc. (b) . . . . .	1,163,562	6,097,065	Total System Services, Inc. (b) . . . . .	510,582	9,200,688
		<u>691,877,005</u>	Visa, Inc. (Class A) . . . . .	1,315,404	96,840,042
					<u>1,032,789,567</u>
<b>COMPUTERS &amp; PERIPHERALS — 20.2%</b>			<b>OFFICE ELECTRONICS — 0.6%</b>		
Apple, Inc. (a) . . . . .	2,500,789	871,399,927	Xerox Corp. . . . .	4,036,842	42,992,367
Dell, Inc. (a) . . . . .	4,630,859	67,193,764	<b>SEMICONDUCTORS &amp; SEMICONDUCTOR</b>		
EMC Corp. (a) (b) . . . . .	5,690,162	151,073,801	<b>EQUIPMENT — 11.4%</b>		
Hewlett-Packard Co. . . . .	4,897,740	200,660,408	<b>Advanced Micro Devices,</b>		
Lexmark International, Inc. (Class A) (a) . . . . .	269,575	9,985,058	Inc. (a) (b) . . . . .	1,749,113	15,042,372
NetApp, Inc. (a) . . . . .	1,050,856	50,630,242	Altera Corp. . . . .	934,724	41,146,550
SanDisk Corp. (a) . . . . .	697,041	32,126,620	Analog Devices, Inc. . . . .	852,621	33,576,215
Western Digital Corp. (a) . . . . .	663,863	24,755,451	Applied Materials, Inc. . . . .	3,673,015	57,372,494
		<u>1,407,825,271</u>	Broadcom Corp. (Class A) . . . . .	1,337,594	52,674,452
			First Solar, Inc. (a) (b) . . . . .	145,998	23,482,318
<b>DIVERSIFIED TELECOMMUNICATION</b>			Intel Corp. . . . .	12,701,389	256,187,016
<b>SERVICES — 13.0%</b>			KLA-Tencor Corp. (b) . . . . .	488,716	23,150,477
AT&T, Inc. . . . .	16,038,898	490,790,279	Linear Technology Corp. (b) . . . . .	661,630	22,250,617
CenturyLink, Inc. (b) . . . . .	864,190	35,907,095	LSI Corp. (a) . . . . .	1,870,462	12,719,142
Frontier Communications Corp. (b) . . . . .	3,224,552	26,505,817	<b>MEMC Electronic Materials,</b>		
Qwest Communications International, Inc. . . . .	5,107,679	34,885,448	Inc. (a) (b) . . . . .	694,521	9,000,992
Verizon Communications, Inc. . . . .	7,714,104	297,301,568	Microchip Technology, Inc. (b) . . . . .	559,753	21,276,212
Windstream Corp. (b) . . . . .	1,518,200	19,539,234	Micron Technology, Inc. (a) . . . . .	2,464,552	28,243,766
		<u>904,929,441</u>	National Semiconductor Corp. . . . .	735,531	10,547,515
			Novellus Systems, Inc. (a) . . . . .	297,726	11,054,566
<b>ELECTRONIC EQUIPMENT, INSTRUMENTS &amp;</b>			NVIDIA Corp. (a) . . . . .	1,667,485	30,781,773
<b>COMPONENTS — 2.3%</b>			Teradyne, Inc. (a) (b) . . . . .	644,992	11,487,307
Amphenol Corp. (Class A) . . . . .	510,197	27,749,615	Texas Instruments, Inc. . . . .	3,230,201	111,635,747
Corning, Inc. . . . .	4,333,794	89,406,170	Xilinx, Inc. (b) . . . . .	758,972	24,894,282
FLIR Systems, Inc. (b) . . . . .	475,350	16,451,864			<u>796,523,813</u>
Jabil Circuit, Inc. . . . .	641,663	13,109,175	<b>SOFTWARE — 17.4%</b>		
Molex, Inc. (b) . . . . .	436,137	10,955,761	Adobe Systems, Inc. (a) . . . . .	1,410,458	46,770,787
		<u>157,672,585</u>	Autodesk, Inc. (a) . . . . .	666,400	29,394,904
			BMC Software, Inc. (a) . . . . .	516,881	25,709,661
<b>INTERNET SOFTWARE &amp; SERVICES — 8.6%</b>			CA, Inc. . . . .	1,087,924	26,306,002
Akamai Technologies, Inc. (a) . . . . .	575,988	21,887,544	Citrix Systems, Inc. (a) . . . . .	544,703	40,013,882
eBay, Inc. (a) . . . . .	3,161,876	98,144,631	Compuware Corp. (a) . . . . .	756,341	8,735,738
Google, Inc. (Class A) (a) . . . . .	680,784	399,082,388	Electronic Arts, Inc. (a) . . . . .	961,012	18,768,564
Monster Worldwide, Inc. (a) (b) . . . . .	356,402	5,666,792	Intuit, Inc. (a) . . . . .	776,442	41,229,070
VeriSign, Inc. (b) . . . . .	519,514	18,811,602	Microsoft Corp. . . . .	20,067,785	508,919,028
Yahoo!, Inc. (a) . . . . .	3,633,281	60,494,129	Novell, Inc. (a) . . . . .	1,224,830	7,263,242
		<u>604,087,086</u>	Oracle Corp. . . . .	10,619,480	354,372,048
			Red Hat, Inc. (a) . . . . .	564,558	25,625,288
<b>IT SERVICES — 14.8%</b>			Salesforce.com, Inc. (a) (b) . . . . .	343,905	45,938,830
Automatic Data Processing, Inc. . . . .	1,378,625	70,737,249	Symantec Corp. (a) . . . . .	2,144,994	39,768,189
Cognizant Technology Solutions Corp. (Class A) (a) . . . . .	859,428	69,957,439			<u>1,218,815,233</u>
Computer Sciences Corp. . . . .	441,635	21,520,874			

See accompanying notes to financial statements.

**The Technology Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS (continued)**  
**March 31, 2011 (Unaudited)**

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<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>WIRELESS TELECOMMUNICATION SERVICES — 1.6%</b>		
American Tower Corp. (Class A) (a) . . . . .	1,116,696	\$ 57,867,187
MetroPCS Communications, Inc. (a) . . . . .	837,863	13,606,895
Sprint Nextel Corp. (a) . . . . .	8,409,969	39,022,256
		<u>110,496,338</u>
<b>TOTAL COMMON STOCKS —</b>		
(Cost \$6,979,090,795) . . . . .		<u>6,968,008,706</u>
<b>SHORT TERM INVESTMENTS — 1.8%</b>		
<b>MONEY MARKET FUNDS — 1.8%</b>		
State Street Navigator Securities Lending Prime Portfolio (c) (d) . . . .	108,822,209	108,822,209
State Street Institutional Liquid Reserves Fund 0.19% (d) (e) . . . . .	16,514,522	16,514,522
<b>TOTAL SHORT TERM INVESTMENTS —</b>		
(Cost \$125,336,731) . . . . .		<u>125,336,731</u>
<b>TOTAL INVESTMENTS — 101.6% (f)</b>		
(Cost \$7,104,427,526) . . . . .		7,093,345,437
<b>OTHER ASSETS &amp; LIABILITIES — (1.6)% . . . . .</b>		
		<u>(108,465,104)</u>
<b>NET ASSETS — 100.0% . . . . .</b>		
		<u><u>\$6,984,880,333</u></u>

- (a) Non-income producing security.
- (b) Security, or portion thereof, was on loan at March 31, 2011.
- (c) Investments of cash collateral for securities loaned.
- (d) Affiliated Fund managed by SSgA Funds Management, Inc. (Note 3)
- (e) The rate shown is the annualized seven-day yield at period end.
- (f) The values of the securities of the Fund are determined based on Level 1 inputs (Note 2).

*See accompanying notes to financial statements.*

**The Utilities Select Sector SPDR Fund**  
**SCHEDULE OF INVESTMENTS**  
*March 31, 2011 (Unaudited)*

<u>Security Description</u>	<u>Shares</u>	<u>Value</u>	<u>Security Description</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 99.8%</b>			<b>SHORT TERM INVESTMENTS — 3.0%</b>		
<b>ELECTRIC UTILITIES — 52.6%</b>			<b>MONEY MARKET FUNDS — 3.0%</b>		
American Electric Power Co., Inc. . . . .	4,926,472	\$ 173,116,226	State Street Navigator Securities		
Duke Energy Corp. . . . .	12,504,786	226,961,866	Lending Prime Portfolio (c) (d) . . . . .	116,983,704	\$ 116,983,704
Edison International . . . . .	3,337,950	122,135,591	State Street Institutional Liquid		
Entergy Corp. . . . .	1,826,186	122,737,961	Reserves Fund 0.19% (d) (e) . . . . .	1,912,101	<u>1,912,101</u>
Exelon Corp. . . . .	6,750,744	278,400,683	<b>TOTAL SHORT TERM</b>		
FirstEnergy Corp. . . . .	4,265,589	158,210,696	<b>INVESTMENTS —</b>		
NextEra Energy, Inc. . . . .	4,293,370	236,650,554	(Cost \$118,895,805) . . . . .		<u>118,895,805</u>
Northeast Utilities (a) . . . . .	1,800,321	62,291,107	<b>TOTAL INVESTMENTS — 102.8% (f)</b>		
Pepco Holdings, Inc. (a) . . . . .	2,328,614	43,428,651	(Cost \$4,500,964,867) . . . . .		4,039,753,089
Pinnacle West Capital Corp. . . . .	1,135,349	48,581,584	<b>OTHER ASSETS &amp;</b>		
PPL Corp. . . . .	4,959,284	125,469,885	<b>LIABILITIES — (2.8)% . . . . .</b>		<u>(108,589,138)</u>
Progress Energy, Inc. . . . .	3,014,024	139,067,067	<b>NET ASSETS — 100.0% . . . . .</b>		<u><u>\$3,931,163,951</u></u>
Southern Co. . . . .	8,624,671	<u>328,686,212</u>			
		<u>2,065,738,083</u>			
<b>GAS UTILITIES — 2.5%</b>					
Nicor, Inc. (a) . . . . .	482,169	25,892,475	(a) Security, or portion thereof, was on loan at March 31, 2011.		
Oneok, Inc. . . . .	1,091,588	<u>73,005,406</u>	(b) Non-income producing security.		
		<u>98,897,881</u>	(c) Investments of cash collateral for securities loaned.		
			(d) Affiliated Fund managed by SSgA Funds Management, Inc.		
			(Note 3)		
			(e) The rate shown is the annualized seven-day yield at period end.		
			(f) The values of the securities of the Fund are determined based on		
			Level 1 inputs (Note 2).		
<b>INDEPENDENT POWER PRODUCERS &amp; ENERGY</b>					
<b>TRADERS — 5.3%</b>					
Constellation Energy Group, Inc. . . . .	2,048,791	63,778,864			
NRG Energy, Inc. (a) (b) . . . . .	2,524,809	54,384,386			
The AES Corp. (b) . . . . .	6,793,547	<u>88,316,111</u>			
		<u>206,479,361</u>			
<b>MULTI-UTILITIES — 39.4%</b>					
Ameren Corp. (a) . . . . .	2,474,004	69,445,292			
CenterPoint Energy, Inc. . . . .	4,394,809	77,172,846			
CMS Energy Corp. (a) . . . . .	2,627,943	51,612,801			
Consolidated Edison, Inc. (a) . . . . .	2,998,502	152,084,021			
Dominion Resources, Inc. (a) . . . . .	5,924,438	264,822,379			
DTE Energy Co. . . . .	1,746,633	85,515,152			
Integrus Energy Group, Inc. (a) . . . . .	810,571	40,941,941			
NiSource, Inc. (a) . . . . .	2,893,391	55,495,239			
PG&E Corp. . . . .	4,056,778	179,228,452			
Public Service Enterprise					
Group, Inc. . . . .	5,161,427	162,636,565			
SCANA Corp. (a) . . . . .	1,160,975	45,707,586			
Sempra Energy . . . . .	2,466,311	131,947,638			
TECO Energy, Inc. . . . .	2,228,478	41,806,247			
Wisconsin Energy Corp. . . . .	2,384,231	72,719,045			
Xcel Energy, Inc. . . . .	4,964,703	<u>118,606,755</u>			
		<u>1,549,741,959</u>			
<b>TOTAL COMMON STOCKS —</b>					
(Cost \$4,382,069,062) . . . . .		<u>3,920,857,284</u>			

See accompanying notes to financial statements.

**THE SELECT SECTOR SPDR TRUST**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
*March 31, 2011 (Unaudited)*

	The Consumer Discretionary Select Sector SPDR Fund	The Consumer Staples Select Sector SPDR Fund	The Energy Select Sector SPDR Fund	The Financial Select Sector SPDR Fund
<b>ASSETS</b>				
Investments in unaffiliated issuers, at value * (Note 2) . . .	\$2,213,342,452	\$3,446,508,446	\$10,932,825,606	\$7,954,552,239
Investments in affiliated issuers, at value (Note 2 and Note 3) . . . . .	<u>65,496,436</u>	<u>94,780,640</u>	<u>185,027,641</u>	<u>296,133,389</u>
Total investments . . . . .	2,278,838,888	3,541,289,086	11,117,853,247	8,250,685,628
Cash . . . . .	12,856	—	546,314	1,557,107
Receivable for investments sold . . . . .	—	—	—	—
Receivable for income related to Select Sector SPDR shares in-kind transactions . . . . .	—	344,071	—	—
Dividends receivable — unaffiliated issuers (Note 2) . . .	1,808,650	13,534,504	4,885,238	5,024,796
Dividends and securities lending income receivable — affiliated issuers (Note 2) . . . . .	43,914	12,280	33,690	491,117
Prepaid expenses . . . . .	<u>2,686</u>	<u>4,591</u>	<u>17,242</u>	<u>17,705</u>
<b>TOTAL ASSETS</b> . . . . .	<u><u>2,280,706,994</u></u>	<u><u>3,555,184,532</u></u>	<u><u>11,123,335,731</u></u>	<u><u>8,257,776,353</u></u>
<b>LIABILITIES</b>				
Payable upon return of securities loaned . . . . .	62,815,201	92,495,429	180,092,943	195,763,203
Due to custodian . . . . .	—	—	—	—
Payable for investments purchased . . . . .	—	—	—	—
Payable for income related to Select Sector SPDR shares in-kind transactions . . . . .	3,687	—	5,639	11,764
Accrued distribution fees (Note 3) . . . . .	142,667	162,171	534,156	460,701
Accrued advisory fees (Note 3) . . . . .	83,547	116,499	382,132	293,998
Accrued administration, custodian and transfer agent fees (Note 3) . . . . .	68,003	94,825	311,038	239,301
Accrued trustees' fees (Note 3) . . . . .	971	1,414	3,694	3,259
Accrued expenses and other liabilities . . . . .	<u>410,085</u>	<u>533,622</u>	<u>1,540,906</u>	<u>1,375,423</u>
<b>TOTAL LIABILITIES</b> . . . . .	<u>63,524,161</u>	<u>93,403,960</u>	<u>182,870,508</u>	<u>198,147,649</u>
<b>NET ASSETS</b> . . . . .	<u><u>\$2,217,182,833</u></u>	<u><u>\$3,461,780,572</u></u>	<u><u>\$10,940,465,223</u></u>	<u><u>\$8,059,628,704</u></u>
<b>NET ASSETS CONSIST OF:</b>				
Paid in capital (Note 4) . . . . .	\$2,398,574,035	\$3,676,143,467	\$11,644,859,178	\$8,852,357,109
Undistributed (distributions in excess of) net investment income . . . . .	1,053,373	13,117,553	(831,054)	4,117,708
Accumulated net realized gain (loss) on investments . . .	(160,167,021)	(124,417,721)	(1,365,876,858)	(637,618,322)
Net unrealized appreciation (depreciation) on investments . . . . .	<u>(22,277,554)</u>	<u>(103,062,727)</u>	<u>662,313,957</u>	<u>(159,227,791)</u>
<b>NET ASSETS</b> . . . . .	<u><u>\$2,217,182,833</u></u>	<u><u>\$3,461,780,572</u></u>	<u><u>\$10,940,465,223</u></u>	<u><u>\$8,059,628,704</u></u>
<b>NET ASSET VALUE PER SELECT SECTOR SPDR:</b>				
Net asset value per Select Sector SPDR share . . . . .	<u>\$ 39.03</u>	<u>\$ 29.93</u>	<u>\$ 79.76</u>	<u>\$ 16.38</u>
Shares outstanding (unlimited amount authorized, \$0.01 par value) . . . . .	<u>56,803,252</u>	<u>115,671,809</u>	<u>137,174,200</u>	<u>491,995,427</u>
<b>COST OF INVESTMENTS:</b>				
Unaffiliated issuers . . . . .	\$2,235,620,006	\$3,549,571,173	\$10,270,511,649	\$8,110,732,596
Affiliated issuers (Note 3) . . . . .	<u>65,496,436</u>	<u>94,780,640</u>	<u>185,027,641</u>	<u>299,180,823</u>
Total cost of investments . . . . .	<u><u>\$2,301,116,442</u></u>	<u><u>\$3,644,351,813</u></u>	<u><u>\$10,455,539,290</u></u>	<u><u>\$8,409,913,419</u></u>
* Includes investments of securities on loan, at value . . .	<u>\$ 61,539,969</u>	<u>\$ 92,431,361</u>	<u>\$ 173,798,442</u>	<u>\$ 193,855,371</u>

See accompanying notes to financial statements.

The Health Care Select Sector SPDR Fund	The Industrial Select Sector SPDR Fund	The Materials Select Sector SPDR Fund	The Technology Select Sector SPDR Fund	The Utilities Select Sector SPDR Fund
\$2,945,943,714	\$4,073,285,594	\$2,614,271,458	\$ 6,968,008,706	\$3,920,857,284
<u>25,280,943</u>	<u>94,661,600</u>	<u>123,064,155</u>	<u>125,336,731</u>	<u>118,895,805</u>
2,971,224,657	4,167,947,194	2,737,335,613	7,093,345,437	4,039,753,089
—	—	—	—	—
24,083,930	5,551,776	—	—	—
—	18,844	31,614	—	88,064
4,899,164	5,731,127	3,095,242	2,640,175	9,364,466
6,319	15,838	17,184	38,677	23,212
<u>3,414</u>	<u>4,575</u>	<u>4,536</u>	<u>10,549</u>	<u>5,728</u>
<u>3,000,217,484</u>	<u>4,179,269,354</u>	<u>2,740,484,189</u>	<u>7,096,034,838</u>	<u>4,049,234,559</u>
25,280,843	91,610,387	119,179,156	108,822,209	116,983,704
808,189	—	—	—	—
21,984,900	—	—	—	—
40,029	—	—	1,083	—
132,116	194,286	201,012	690,294	226,355
105,366	138,923	93,218	252,246	142,194
85,763	113,077	75,875	205,317	115,740
1,232	1,617	1,065	2,714	1,745
<u>291,602</u>	<u>735,164</u>	<u>450,705</u>	<u>1,180,642</u>	<u>600,870</u>
<u>48,730,040</u>	<u>92,793,454</u>	<u>120,001,031</u>	<u>111,154,505</u>	<u>118,070,608</u>
<u>\$2,951,487,444</u>	<u>\$4,086,475,900</u>	<u>\$2,620,483,158</u>	<u>\$ 6,984,880,333</u>	<u>\$3,931,163,951</u>
\$3,468,231,105	\$4,297,469,534	\$3,099,646,702	\$ 8,060,148,504	\$4,677,323,751
6,798,806	5,673,853	5,215,832	997,268	7,628,925
(162,760,099)	(200,167,389)	(488,552,144)	(1,065,183,350)	(292,576,947)
(360,782,368)	(16,500,098)	4,172,768	(11,082,089)	(461,211,778)
<u>\$2,951,487,444</u>	<u>\$4,086,475,900</u>	<u>\$2,620,483,158</u>	<u>\$ 6,984,880,333</u>	<u>\$3,931,163,951</u>
\$ 33.10	\$ 37.67	\$ 40.02	\$ 26.05	\$ 31.88
<u>89,165,324</u>	<u>108,476,000</u>	<u>65,473,725</u>	<u>268,155,897</u>	<u>123,324,160</u>
\$3,306,726,082	\$4,089,785,692	\$2,610,098,690	\$ 6,979,090,795	\$4,382,069,062
<u>25,280,943</u>	<u>94,661,600</u>	<u>123,064,155</u>	<u>125,336,731</u>	<u>118,895,805</u>
<u>\$3,332,007,025</u>	<u>\$4,184,447,292</u>	<u>\$2,733,162,845</u>	<u>\$ 7,104,427,526</u>	<u>\$4,500,964,867</u>
<u>\$ 24,860,440</u>	<u>\$ 90,346,719</u>	<u>\$ 116,495,499</u>	<u>\$ 106,362,152</u>	<u>\$ 137,076,582</u>

**THE SELECT SECTOR SPDR TRUST**  
**STATEMENTS OF OPERATIONS**  
*For the Six Months Ended March 31, 2011 (Unaudited)*

	<b>The Consumer Discretionary Select Sector SPDR Fund</b>	<b>The Consumer Staples Select Sector SPDR Fund</b>	<b>The Energy Select Sector SPDR Fund</b>	<b>The Financial Select Sector SPDR Fund</b>
<b>INVESTMENT INCOME</b>				
Dividend income — unaffiliated issuers (Note 2) . . . .	\$ 20,247,365	\$ 48,718,182	\$ 68,397,363	\$ 55,167,820
Dividend income — affiliated issuers (Note 2) . . . . .	4,346	5,500	12,672	410,300
Affiliated securities lending income — net (Note 3 and Note 7) . . . . .	<u>269,722</u>	<u>64,246</u>	<u>222,061</u>	<u>371,159</u>
<b>TOTAL INVESTMENT INCOME . . . . .</b>	<u>20,521,433</u>	<u>48,787,928</u>	<u>68,632,096</u>	<u>55,949,279</u>
<b>EXPENSES</b>				
License fees (Note 3) . . . . .	653,865	946,695	2,529,638	2,201,055
Distribution fees (Note 3) . . . . .	588,479	852,026	2,276,674	1,980,949
Advisory fees (Note 3) . . . . .	467,633	677,702	1,807,156	1,571,245
Administrator, custodian and transfer agent fees (Note 3) . . . . .	302,300	438,103	1,172,920	1,011,221
Printing and postage expenses . . . . .	24,545	36,611	95,663	76,370
Professional fees . . . . .	17,056	24,936	63,476	46,393
SEC registration expenses . . . . .	16,042	23,129	62,155	53,352
Trustees' fees (Note 3) . . . . .	12,153	19,153	43,501	39,955
Insurance expense . . . . .	7,263	11,197	27,317	29,901
Miscellaneous expenses . . . . .	<u>16,575</u>	<u>24,829</u>	<u>37,766</u>	<u>47,206</u>
<b>TOTAL EXPENSES BEFORE WAIVERS . . . . .</b>	<u>2,105,911</u>	<u>3,054,381</u>	<u>8,116,266</u>	<u>7,057,647</u>
Fees waived by administrator, custodian and transfer agent (Note 3) . . . . .	<u>(19,379)</u>	<u>(27,921)</u>	<u>(72,930)</u>	<u>(64,245)</u>
<b>NET EXPENSES . . . . .</b>	<u>2,086,532</u>	<u>3,026,460</u>	<u>8,043,336</u>	<u>6,993,402</u>
<b>NET INVESTMENT INCOME . . . . .</b>	<u>18,434,901</u>	<u>45,761,468</u>	<u>60,588,760</u>	<u>48,955,877</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>				
Net realized gain (loss) on:				
Investment transactions — unaffiliated issuers . . . . .	214,684,034	112,179,876	818,641,998	292,178,332
Investment transactions — affiliated issuers (Note 3) . . . . .	—	—	—	1,474,390
Net change in unrealized appreciation (depreciation) on:				
Investment transactions — unaffiliated issuers . . . . .	97,648,210	109,527,387	2,039,018,285	492,728,131
Investment transactions — affiliated issuers (Note 3) . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,628,362</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS . . . . .</b>	<u>312,332,244</u>	<u>221,707,263</u>	<u>2,857,660,283</u>	<u>796,009,215</u>
<b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS . . . . .</b>	<u>\$330,767,145</u>	<u>\$267,468,731</u>	<u>\$2,918,249,043</u>	<u>\$844,965,092</u>

See accompanying notes to financial statements.

<u>The Health Care Select Sector SPDR Fund</u>	<u>The Industrial Select Sector SPDR Fund</u>	<u>The Materials Select Sector SPDR Fund</u>	<u>The Technology Select Sector SPDR Fund</u>	<u>The Utilities Select Sector SPDR Fund</u>
\$ 30,119,163	\$ 38,579,766	\$ 24,952,648	\$ 47,233,041	\$ 85,904,008
4,885	8,878	6,777	19,759	12,198
<u>42,662</u>	<u>104,041</u>	<u>101,354</u>	<u>268,878</u>	<u>181,930</u>
<u>30,166,710</u>	<u>38,692,685</u>	<u>25,060,779</u>	<u>47,521,678</u>	<u>86,098,136</u>
826,765	1,086,477	719,342	1,837,766	1,167,126
744,088	977,829	647,408	1,653,990	1,050,413
591,389	776,400	514,022	1,311,246	835,386
382,629	497,852	331,136	847,096	539,589
28,848	41,835	27,276	69,123	44,862
17,942	29,076	18,471	49,735	32,298
19,901	26,734	17,667	45,305	28,467
16,854	19,300	13,149	32,308	24,009
12,284	11,088	8,452	20,590	14,737
<u>20,782</u>	<u>25,845</u>	<u>17,636</u>	<u>32,961</u>	<u>28,013</u>
<u>2,661,482</u>	<u>3,492,436</u>	<u>2,314,559</u>	<u>5,900,120</u>	<u>3,764,900</u>
<u>(24,310)</u>	<u>(31,700)</u>	<u>(21,016)</u>	<u>(53,418)</u>	<u>(34,356)</u>
<u>2,637,172</u>	<u>3,460,736</u>	<u>2,293,543</u>	<u>5,846,702</u>	<u>3,730,544</u>
<u>27,529,538</u>	<u>35,231,949</u>	<u>22,767,236</u>	<u>41,674,976</u>	<u>82,367,592</u>
15,841,687	242,052,772	289,708,255	163,460,527	45,001,502
—	—	—	—	—
206,128,250	395,405,786	159,751,331	496,782,908	2,613,558
—	—	—	—	—
<u>221,969,937</u>	<u>637,458,558</u>	<u>449,459,586</u>	<u>660,243,435</u>	<u>47,615,060</u>
<u>\$249,499,475</u>	<u>\$672,690,507</u>	<u>\$472,226,822</u>	<u>\$701,918,411</u>	<u>\$129,982,652</u>

**THE SELECT SECTOR SPDR TRUST**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	The Consumer Discretionary Select Sector SPDR Fund		The Consumer Staples Select Sector SPDR Fund	
	For the Six Months Ended 3/31/11 (Unaudited)	Year Ended 9/30/10	For the Six Months Ended 3/31/11 (Unaudited)	Year Ended 9/30/10
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:</b>				
Net investment income . . . . .	\$ 18,434,901	\$ 23,415,762	\$ 45,761,468	\$ 75,030,237
Net realized gain (loss) on investment transactions . . . . .	214,684,034	181,724,989	112,179,876	78,779,516
Net change in unrealized appreciation (depreciation) on investments . . . . .	97,648,210	114,945,672	109,527,387	141,824,426
<b>Net increase (decrease) in net assets resulting from operations . . . . .</b>	<b>330,767,145</b>	<b>320,086,423</b>	<b>267,468,731</b>	<b>295,634,179</b>
Net equalization credits and charges . . . . .	994,726	(5,150,340)	(333,916)	(4,040,776)
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>				
Net investment income . . . . .	(22,979,136)	(18,180,345)	(45,534,438)	(68,230,784)
<b>FROM SELECT SECTOR SPDR SHARE TRANSACTIONS:</b>				
Proceeds from sale of shares . . . . .	3,014,403,331	6,841,360,976	2,680,571,910	8,412,080,751
Cost of shares repurchased . . . . .	(2,825,455,432)	(6,691,115,011)	(2,695,270,077)	(7,270,300,974)
Net income equalization (Note 2) . . . . .	(994,726)	5,150,340	333,916	4,040,776
<b>Net increase (decrease) in net assets from SPDR share transactions (Note 4) . . . . .</b>	<b>187,953,173</b>	<b>155,396,305</b>	<b>(14,364,251)</b>	<b>1,145,820,553</b>
Net increase (decrease) in net assets during period . . . . .	496,735,908	452,152,043	207,236,126	1,369,183,172
Net assets at beginning of period . . . . .	1,720,446,925	1,268,294,882	3,254,544,446	1,885,361,274
<b>NET ASSETS END OF PERIOD (1) . . . . .</b>	<b>\$ 2,217,182,833</b>	<b>\$ 1,720,446,925</b>	<b>\$ 3,461,780,572</b>	<b>\$ 3,254,544,446</b>
<b>SELECT SECTOR SPDR SHARES:</b>				
Shares sold . . . . .	80,800,000	220,050,000	91,550,000	313,150,000
Shares redeemed . . . . .	(75,450,000)	(214,750,000)	(92,600,000)	(270,400,000)
<b>Net increase (decrease) . . . . .</b>	<b>5,350,000</b>	<b>5,300,000</b>	<b>(1,050,000)</b>	<b>42,750,000</b>
(1) Including undistributed (distribution in excess of) net investment income . . . . .	\$ 1,053,373	\$ 5,597,608	\$ 13,117,553	\$ 12,890,523

See accompanying notes to financial statements.

<b>The Energy Select Sector SPDR Fund</b>		<b>The Financial Select Sector SPDR Fund</b>		<b>The Health Care Select Sector SPDR Fund</b>	
<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>
\$ 60,588,760	\$ 105,620,281	\$ 48,955,877	\$ 64,666,487	\$ 27,529,538	\$ 50,871,117
818,641,998	202,206,694	293,652,722	1,405,865,395	15,841,687	117,616,368
<u>2,039,018,285</u>	<u>31,402,721</u>	<u>502,356,493</u>	<u>(1,754,474,330)</u>	<u>206,128,250</u>	<u>21,588,504</u>
<u>2,918,249,043</u>	<u>339,229,696</u>	<u>844,965,092</u>	<u>(283,942,448)</u>	<u>249,499,475</u>	<u>190,075,989</u>
<u>1,799,810</u>	<u>(6,416,062)</u>	<u>(1,070,357)</u>	<u>(2,787,690)</u>	<u>408,730</u>	<u>(1,485,551)</u>
<u>(71,820,979)</u>	<u>(99,524,372)</u>	<u>(44,838,169)</u>	<u>(62,836,724)</u>	<u>(27,099,669)</u>	<u>(48,977,135)</u>
9,881,864,940	17,310,969,196	12,972,764,069	25,449,983,064	2,747,309,658	8,561,923,574
(8,464,915,518)	(16,092,584,368)	(11,092,036,535)	(27,218,542,250)	(2,715,892,037)	(7,984,944,681)
<u>(1,799,810)</u>	<u>6,416,062</u>	<u>1,070,357</u>	<u>2,787,690</u>	<u>(408,730)</u>	<u>1,485,551</u>
<u>1,415,149,612</u>	<u>1,224,800,890</u>	<u>1,881,797,891</u>	<u>(1,765,771,496)</u>	<u>31,008,891</u>	<u>578,464,444</u>
4,263,377,486	1,458,090,152	2,680,854,457	(2,115,338,358)	253,817,427	718,077,747
<u>6,677,087,737</u>	<u>5,218,997,585</u>	<u>5,378,774,247</u>	<u>7,494,112,605</u>	<u>2,697,670,017</u>	<u>1,979,592,270</u>
<u>\$10,940,465,223</u>	<u>\$ 6,677,087,737</u>	<u>\$ 8,059,628,704</u>	<u>\$ 5,378,774,247</u>	<u>\$ 2,951,487,444</u>	<u>\$ 2,697,670,017</u>
141,550,000	308,650,000	823,150,000	1,709,050,000	86,300,000	283,000,000
<u>(123,500,000)</u>	<u>(286,250,000)</u>	<u>(705,950,000)</u>	<u>(1,835,800,000)</u>	<u>(85,600,000)</u>	<u>(263,450,000)</u>
<u>18,050,000</u>	<u>22,400,000</u>	<u>117,200,000</u>	<u>(126,750,000)</u>	<u>700,000</u>	<u>19,550,000</u>
<u>\$ (831,054)</u>	<u>\$ 10,401,165</u>	<u>\$ 4,117,708</u>	<u>\$ —</u>	<u>\$ 6,798,806</u>	<u>\$ 6,368,937</u>

**THE SELECT SECTOR SPDR TRUST**  
**STATEMENTS OF CHANGES IN NET ASSETS (continued)**

	<b>The Industrial Select Sector SPDR Fund</b>		<b>The Materials Select Sector SPDR Fund</b>	
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:</b>				
Net investment income . . . . .	\$ 35,231,949	\$ 53,392,175	\$ 22,767,236	\$ 60,280,205
Net realized gain (loss) on investment transactions . . . . .	242,052,772	182,659,302	289,708,255	8,631,922
Net change in unrealized appreciation (depreciation) on investments . . . . .	395,405,786	126,340,343	159,751,331	63,746,633
<b>Net increase (decrease) in net assets resulting from operations . . . . .</b>	<u>672,690,507</u>	<u>362,391,820</u>	<u>472,226,822</u>	<u>132,658,760</u>
Net equalization credits and charges . . . . .	552,065	(4,225,424)	579,359	(7,403,155)
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>				
Net investment income . . . . .	(35,498,344)	(48,881,772)	(28,846,143)	(51,927,379)
<b>FROM SELECT SECTOR SPDR SHARE TRANSACTIONS:</b>				
Proceeds from sale of shares . . . . .	4,916,760,346	12,163,210,765	3,930,963,262	8,321,679,557
Cost of shares repurchased . . . . .	(4,386,914,476)	(11,567,575,681)	(3,849,846,369)	(8,031,479,283)
Net income equalization (Note 2) . . . . .	(552,065)	4,225,424	(579,359)	7,403,155
<b>Net increase (decrease) in net assets from SPDR share transactions (Note 4) . . . . .</b>	<u>529,293,805</u>	<u>599,860,508</u>	<u>80,537,534</u>	<u>297,603,429</u>
Net increase (decrease) in net assets during period . . . . .	1,167,038,033	909,145,132	524,497,572	370,931,655
Net assets at beginning of period . . . . .	2,919,437,867	2,010,292,735	2,095,985,586	1,725,053,931
<b>NET ASSETS END OF PERIOD (1) . . . . .</b>	<u>\$ 4,086,475,900</u>	<u>\$ 2,919,437,867</u>	<u>\$ 2,620,483,158</u>	<u>\$ 2,095,985,586</u>
<b>SELECT SECTOR SPDR SHARES:</b>				
Shares sold . . . . .	141,650,000	409,700,000	104,800,000	258,450,000
Shares redeemed . . . . .	(126,500,000)	(392,550,000)	(103,250,000)	(250,250,000)
<b>Net increase (decrease) . . . . .</b>	<u>15,150,000</u>	<u>17,150,000</u>	<u>1,550,000</u>	<u>8,200,000</u>
(1) Including undistributed (distribution in excess of) net investment income . . . . .	<u>\$ 5,673,853</u>	<u>\$ 5,940,248</u>	<u>\$ 5,215,832</u>	<u>\$ 11,294,739</u>

See accompanying notes to financial statements.

<b>The Technology Select Sector SPDR Fund</b>		<b>The Utilities Select Sector SPDR Fund</b>	
<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>
\$ 41,674,976	\$ 61,052,059	\$ 82,367,592	\$ 137,854,645
163,460,527	363,605,233	45,001,502	(12,414,945)
<u>496,782,908</u>	<u>(50,168,912)</u>	<u>2,613,558</u>	<u>191,904,115</u>
<u>701,918,411</u>	<u>374,488,380</u>	<u>129,982,652</u>	<u>317,343,815</u>
<u>2,569,034</u>	<u>(2,486,809)</u>	<u>(3,345,040)</u>	<u>930,361</u>
<u>(43,289,632)</u>	<u>(58,440,127)</u>	<u>(80,150,270)</u>	<u>(136,689,541)</u>
4,056,236,060	9,388,308,859	1,994,086,959	7,173,181,952
(2,092,786,866)	(9,195,720,218)	(2,229,529,859)	(5,699,786,534)
<u>(2,569,034)</u>	<u>2,486,809</u>	<u>3,345,040</u>	<u>(930,361)</u>
<u>1,960,880,160</u>	<u>195,075,450</u>	<u>(232,097,860)</u>	<u>1,472,465,057</u>
2,622,077,973	508,636,894	(185,610,518)	1,654,049,692
<u>4,362,802,360</u>	<u>3,854,165,466</u>	<u>4,116,774,469</u>	<u>2,462,724,777</u>
<u>\$ 6,984,880,333</u>	<u>\$ 4,362,802,360</u>	<u>\$ 3,931,163,951</u>	<u>\$ 4,116,774,469</u>
161,200,000	423,450,000	62,850,000	236,800,000
<u>(82,600,000)</u>	<u>(418,800,000)</u>	<u>(70,700,000)</u>	<u>(189,650,000)</u>
<u>78,600,000</u>	<u>4,650,000</u>	<u>(7,850,000)</u>	<u>47,150,000</u>
<u>\$ 997,268</u>	<u>\$ 2,611,924</u>	<u>\$ 7,628,925</u>	<u>\$ 5,411,603</u>

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Consumer Discretionary Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Net asset value, beginning of period . . . . .	\$ 33.44	\$ 27.48	\$ 28.05	\$ 36.74	\$ 34.95	\$ 32.46
<b>Income (loss) from investment operations:</b>						
Net investment income . . . . .	0.31(1)	0.44(1)	0.45(1)	0.46(1)	0.37	0.32(1)
Net realized and unrealized gain (loss) (2) . . . . .	5.61	6.05	(0.51)	(8.57)	1.80	2.53
Total from investment operations . . . . .	5.92	6.49	(0.06)	(8.11)	2.17	2.85
Net equalization credits and charges (1) . . . . .	0.02	(0.10)	(0.06)	(0.09)	(0.03)	(0.05)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.35)	(0.43)	(0.45)	(0.49)	(0.35)	(0.31)
Net asset value, end of period . . . . .	\$ 39.03	\$ 33.44	\$ 27.48	\$ 28.05	\$ 36.74	\$ 34.95
Total return (3) . . . . .	17.80%	23.39%	(0.04)%	(22.39)%	6.07%	8.70%
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$2,217,183	\$1,720,447	\$1,268,295	\$995,833	\$729,341	\$429,980
Ratio of expenses to average net assets . . . . .	0.19%(4)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(4)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets . . . . .	1.69%(4)	1.42%	1.99%	1.44%	0.93%	0.98%
Portfolio turnover rate (5) . . . . .	3.23%	8.29%	4.21%	8.56%	5.65%	12.06%

- (1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.
- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (4) Annualized.
- (5) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Consumer Staples Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Net asset value, beginning of period . . . . .	\$ 27.88	\$ 25.49	\$ 27.42	\$ 27.94	\$ 25.34	\$ 23.28
<b>Income (loss) from investment operations:</b>						
Net investment income . . . . .	0.42(1)	0.80(1)	0.71(1)	0.59	0.59	0.50(1)
Net realized and unrealized gain (loss) (2) . . . . .	2.05	2.39	(1.91)	(0.53)	2.60	2.04
Total from investment operations . . . . .	2.47	3.19	(1.20)	0.06	3.19	2.54
Net equalization credits and charges (1) . . . . .	(0.00)(3)	(0.04)	(0.05)	0.02	(0.01)	0.02
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.42)	(0.76)	(0.68)	(0.60)	(0.58)	(0.50)
Net asset value, end of period . . . . .	\$ 29.93	\$ 27.88	\$ 25.49	\$ 27.42	\$ 27.94	\$ 25.34
Total return (4) . . . . .	8.86%	12.50%	(4.37)%	0.28%	12.69%	11.13%
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$3,461,781	\$3,254,544	\$1,885,361	\$2,916,858	\$2,090,505	\$1,480,041
Ratio of expenses to average net assets. . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets. . . . .	2.90%(5)	2.95%	3.05%	2.22%	2.18%	2.10%
Portfolio turnover rate (6) . . . . .	1.52%	5.07%	14.41%	3.20%	5.76%	7.55%

- (1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.
- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Less than \$0.005 per share.
- (4) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (5) Annualized.
- (6) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Energy Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Net asset value, beginning of period . . . . .	\$ 56.05	\$ 53.96	\$ 63.87	\$ 74.99	\$ 53.48	\$ 53.65
<b>Income (loss) from investment operations:</b>						
Net investment income . . . . .	0.49(1)	1.01(1)	0.96(1)	0.93	0.78	0.64
Net realized and unrealized gain (loss) (2) . . . . .	23.76	2.15	(9.85)	(11.07)	21.49	(0.14)
Total from investment operations . . . . .	24.25	3.16	(8.89)	(10.14)	22.27	0.50
Net equalization credits and charges (1) . . . . .	0.01	(0.06)	(0.05)	(0.13)	0.01	0.00(3)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.55)	(1.01)	(0.97)	(0.85)	(0.77)	(0.67)
Net asset value, end of period . . . . .	<u>\$ 79.76</u>	<u>\$ 56.05</u>	<u>\$ 53.96</u>	<u>\$ 63.87</u>	<u>\$ 74.99</u>	<u>\$ 53.48</u>
Total return (4) . . . . .	<u>43.36%</u>	<u>5.80%</u>	<u>(13.81)%</u>	<u>(13.87)%</u>	<u>41.87%</u>	<u>0.87%</u>
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$10,940,465	\$6,677,088	\$5,218,998	\$6,617,777	\$4,882,544	\$4,014,453
Ratio of expenses to average net assets. . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets. . . . .	1.44%(5)	1.80%	1.98%	1.08%	1.19%	1.18%
Portfolio turnover rate (6) . . . . .	2.09%	7.68%	24.39%	6.87%	7.00%	18.00%

- (1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.
- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Less than \$0.005 per share.
- (4) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (5) Annualized.
- (6) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Financial Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Net asset value, beginning of period . . . . .	\$ 14.35	\$ 14.94	\$ 20.09	\$ 34.28	\$ 34.64	\$ 29.50
<b>Income (loss) from investment operations:</b>						
Net investment income . . . . .	0.11(1)	0.15(1)	0.35(1)	0.86	0.84(1)	0.77
Net realized and unrealized gain (loss) (2) . . . . .	2.02	(0.58)	(5.12)	(14.48)	(0.53)	5.22
Total from investment operations . . . . .	2.13	(0.43)	(4.77)	(13.62)	0.31	5.99
Net equalization credits and charges (1) . . . . .	(0.00)(3)	(0.01)	0.00(3)	0.28	0.22	(0.08)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.10)	(0.15)	(0.38)	(0.85)	(0.89)	(0.77)
Net asset value, end of period . . . . .	<u>\$ 16.38</u>	<u>\$ 14.35</u>	<u>\$ 14.94</u>	<u>\$ 20.09</u>	<u>\$ 34.28</u>	<u>\$ 34.64</u>
Total return (4) . . . . .	<u>14.84%</u>	<u>(2.95)%</u>	<u>(23.21)%</u>	<u>(39.24)%</u>	<u>1.41%</u>	<u>20.16%</u>
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$8,059,629	\$5,378,774	\$7,494,113	\$11,898,718	\$2,831,956	\$1,952,484
Ratio of expenses to average net assets . . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets . . . . .	1.33%(5)	1.01%	2.95%	3.20%	2.35%	2.42%
Portfolio turnover rate (6) . . . . .	3.31%	15.57%	16.74%	18.24%	14.57%	10.93%

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- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Less than \$0.005 per share.
- (4) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (5) Annualized.
- (6) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Health Care Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Net asset value, beginning of period . . . . .	\$ 30.49	\$ 28.72	\$ 30.43	\$ 35.41	\$ 33.17	\$ 31.37
<b>Income (loss) from investment operations:</b>						
Net investment income (1) . . . . .	0.32	0.59	0.58	0.55	0.56	0.44
Net realized and unrealized gain (loss) (2) . . . . .	2.60	1.78	(1.69)	(4.97)	2.27	1.81
Total from investment operations . . . . .	2.92	2.37	(1.11)	(4.42)	2.83	2.25
Net equalization credits and charges (1) . . . . .	0.00	(0.02)	(0.04)	(0.01)	(0.03)	(0.02)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.31)	(0.58)	(0.56)	(0.55)	(0.56)	(0.43)
Net asset value, end of period . . . . .	\$ 33.10	\$ 30.49	\$ 28.72	\$ 30.43	\$ 35.41	\$ 33.17
Total return (3) . . . . .	9.59%	8.21%	(3.58)%	(12.55)%	8.49%	7.17%
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$2,951,487	\$2,697,670	\$1,979,592	\$2,377,145	\$2,075,363	\$1,948,747
Ratio of expenses to average net assets. . . . .	0.19%(4)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(4)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets. . . . .	2.00%(4)	1.96%	2.22%	1.68%	1.64%	1.40%
Portfolio turnover rate (5) . . . . .	5.24%	4.38%	5.61%	3.69%	10.15%	3.81%

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- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (4) Annualized.
- (5) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Industrial Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
	<b>Net asset value, beginning of period</b> . . . . .	\$ 31.28	\$ 26.39	\$ 30.66	\$ 40.92	\$ 33.35
<b>Income (loss) from investment operations:</b>						
Net investment income . . . . .	0.34(1)	0.60(1)	0.67(1)	0.69(1)	0.63(1)	0.56
Net realized and unrealized gain (loss) (2) . . . . .	6.37	4.93	(4.25)	(10.21)	7.60	3.23
Total from investment operations . . . . .	6.71	5.53	(3.58)	(9.52)	8.23	3.79
Net equalization credits and charges (1) . . . . .	0.01	(0.05)	(0.01)	(0.05)	0.00(3)	(0.04)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.33)	(0.59)	(0.68)	(0.69)	(0.66)	(0.54)
<b>Net asset value, end of period</b> . . . . .	<u>\$ 37.67</u>	<u>\$ 31.28</u>	<u>\$ 26.39</u>	<u>\$ 30.66</u>	<u>\$ 40.92</u>	<u>\$ 33.35</u>
<b>Total return (4)</b> . . . . .	<u>21.55%</u>	<u>20.94%</u>	<u>(11.25)%</u>	<u>(23.55)%</u>	<u>24.88%</u>	<u>12.51%</u>
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$4,086,476	\$2,919,438	\$2,010,293	\$1,663,838	\$1,989,147	\$1,095,912
Ratio of expenses to average net assets. . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets. . . . .	1.95%(5)	2.04%	2.96%	1.85%	1.69%	1.67%
Portfolio turnover rate (6) . . . . .	2.03%	8.82%	9.51%	4.27%	7.12%	3.01%

- (1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.
- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Less than \$0.005 per share.
- (4) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (5) Annualized.
- (6) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	The Materials Select Sector SPDR Fund					
	For the Six Months Ended 3/31/11 (Unaudited)	Year Ended 9/30/10	Year Ended 9/30/09	Year Ended 9/30/08	Year Ended 9/30/07	Year Ended 9/30/06
	Net asset value, beginning of period . . . . .	\$ 32.79	\$ 30.96	\$ 33.10	\$ 42.15	\$ 31.67
<b>Income (loss) from investment operations:</b>						
Net investment income (1) . . . . .	0.35	1.08(2)	0.64	0.94	0.85	0.80
Net realized and unrealized gain (loss) (3) . . . . .	7.30	1.93	(2.05)	(8.78)	10.46	4.30
Total from investment operations . . . . .	7.65	3.01	(1.41)	(7.84)	11.31	5.10
Net equalization credits and charges (1) . . . . .	0.01	(0.13)	(0.05)	(0.28)	(0.03)	(0.12)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.43)	(1.05)	(0.68)	(0.93)	(0.80)	(0.78)
Net asset value, end of period . . . . .	\$ 40.02	\$ 32.79	\$ 30.96	\$ 33.10	\$ 42.15	\$ 31.67
Total return (4) . . . . .	23.41%	9.39%	(3.85)%	(19.58)%	35.97%	18.13%
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$2,620,483	\$2,095,986	\$1,725,054	\$1,395,939	\$1,724,848	\$703,475
Ratio of expenses to average net assets . . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(5)	0.21%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets . . . . .	1.90%(5)	3.35%	2.54%	2.27%	2.26%	2.57%
Portfolio turnover rate (6) . . . . .	5.39%	13.98%	35.67%	12.03%	8.94%	6.24%

- (1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.
- (2) Net investment income per share and the ratio of net investment income to average net assets reflect a special one time dividend from a portfolio holding (Weyerhaeuser Co.). The resulting increase to net investment income amounted to \$0.52 per share and 1.61% of average net assets.
- (3) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (4) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (5) Annualized.
- (6) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Technology Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Net asset value, beginning of period . . . . .	\$ 23.02	\$ 20.84	\$ 19.83	\$ 27.00	\$ 21.99	\$ 20.89
<b>Income (loss) from investment operations:</b>						
Net investment income . . . . .	0.17(1)	0.32(1)	0.30(1)	0.27(1)	0.20	0.19(1)
Net realized and unrealized gain (loss) (2) . . . . .	3.02	2.18	1.01	(7.16)	5.02	1.10
Total from investment operations . . . . .	3.19	2.50	1.31	(6.89)	5.22	1.29
Net equalization credits and charges (1) . . . . .	0.01	(0.01)	0.02	(0.01)	0.00(3)	0.00(3)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.17)	(0.31)	(0.32)	(0.27)	(0.21)	(0.19)
Net asset value, end of period . . . . .	\$ 26.05	\$ 23.02	\$ 20.84	\$ 19.83	\$ 27.00	\$ 21.99
<b>Total return (4) . . . . .</b>	<b>13.94%</b>	<b>11.97%</b>	<b>7.01%</b>	<b>(25.68)%</b>	<b>23.79%</b>	<b>6.20%</b>
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$6,984,880	\$4,362,802	\$3,854,165	\$2,436,742	\$2,726,921	\$1,817,902
Ratio of expenses to average net assets. . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(5)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets. . . . .	1.36%(5)	1.43%	1.75%	1.12%	0.85%	0.91%
Portfolio turnover rate (6) . . . . .	2.31%	4.77%	7.38%	9.31%	12.83%	11.30%

- (1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.
- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Less than \$0.005 per share.
- (4) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (5) Annualized.
- (6) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST  
FINANCIAL HIGHLIGHTS**

*Selected data for a Select Sector SPDR share outstanding throughout each period*

	<b>The Utilities Select Sector SPDR Fund</b>					
	<b>For the Six Months Ended 3/31/11 (Unaudited)</b>	<b>Year Ended 9/30/10</b>	<b>Year Ended 9/30/09</b>	<b>Year Ended 9/30/08</b>	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Net asset value, beginning of period . . . . .	\$ 31.38	\$ 29.31	\$ 33.11	\$ 39.90	\$ 33.97	\$ 33.58
<b>Income (loss) from investment operations:</b>						
Net investment income (1) . . . . .	0.67	1.28	1.25	1.19	1.10	1.08
Net realized and unrealized gain (loss) (2) . . . . .	0.53	2.05	(3.80)	(6.63)	6.06	0.39
Total from investment operations . . . . .	1.20	3.33	(2.55)	(5.44)	7.16	1.47
Net equalization credits and charges (1) . . . . .	(0.03)	0.01	0.01	(0.15)	(0.13)	(0.01)
<b>Distributions to shareholders from:</b>						
Net investment income . . . . .	(0.67)	(1.27)	(1.26)	(1.20)	(1.10)	(1.07)
Net asset value, end of period . . . . .	<u>\$ 31.88</u>	<u>\$ 31.38</u>	<u>\$ 29.31</u>	<u>\$ 33.11</u>	<u>\$ 39.90</u>	<u>\$ 33.97</u>
Total return (3) . . . . .	<u>3.74%</u>	<u>11.64%</u>	<u>(7.43)%</u>	<u>(14.39)%</u>	<u>20.83%</u>	<u>4.49%</u>
<b>Ratios and supplemental data:</b>						
Net assets, end of period (in 000's) . . . . .	\$3,931,164	\$4,116,774	\$2,462,725	\$2,218,518	\$2,734,750	\$2,993,688
Ratio of expenses to average net assets. . . . .	0.19%(4)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of expenses to average net assets before waivers . . . . .	0.19%(4)	0.20%	0.22%	0.22%	0.23%	0.24%
Ratio of net investment income (loss) to average net assets. . . . .	4.23%(4)	4.25%	4.49%	2.97%	2.85%	3.34%
Portfolio turnover rate (5) . . . . .	1.42%	10.84%	9.63%	3.83%	9.80%	2.13%

- (1) Per share numbers have been calculated using the average shares method, which more appropriately presents the per share data for the period.
- (2) The amounts shown at this caption for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period because of the timing of sales and repurchases of Fund shares in relation to fluctuating market values for the Fund.
- (3) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Fund. Total return for a period of less than one year is not annualized. Broker commission charges are not included in the calculation.
- (4) Annualized.
- (5) Portfolio turnover rate excludes securities received or delivered from processing creations or redemptions on Select Sector SPDR shares.

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
*March 31, 2011 (Unaudited)*

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**1. Organization**

The Select Sector SPDR Trust (the “Trust”) was organized in the Commonwealth of Massachusetts on June 10, 1998 and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust was created to provide investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities consisting of substantially all of the common stocks in substantially the same weighting, in a particular sector or group of industries as specified by a specified market sector index (each a “Select Sector Index”). Each of the nine Select Sector Indices represents a basket of equity securities of public companies that are components of the S&P 500. The Trust is comprised of the following Funds: The Consumer Discretionary Select Sector SPDR Fund, The Consumer Staples Select Sector SPDR Fund, The Energy Select Sector SPDR Fund, The Financial Select Sector SPDR Fund, The Health Care Select Sector SPDR Fund, The Industrial Select Sector SPDR Fund, The Materials Select Sector SPDR Fund, The Technology Select Sector SPDR Fund and The Utilities Select Sector SPDR Fund (each a “Fund” or “Select Sector SPDR Fund” and collectively the “Funds” or “Select Sector SPDR Funds”). Each Fund operates as a non-diversified investment company. The investment objective of each Fund is to provide investment results that, before expenses and fees, correspond generally to the price and yield performance of a specific Select Sector Index.

Under the Trust’s organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts that contain general indemnification clauses. The Trust’s maximum exposure under these arrangements is unknown as this could involve future claims that may be made against the Trust that have not yet occurred. However, based on experience, the Trust expects the risk of loss to be remote.

Each Fund’s investments are exposed to risks, such as market risk. Due to the level of risk associated with certain investments it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

An investment in a Fund involves risks similar to those of investing in any fund of equity securities, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock prices. The value of each Fund’s shares will decline, more or less, in correlation with any decline in the value of the relevant Select Sector Index. The values of equity securities could decline generally or could underperform other investments. Generally, a Fund will not sell an equity security because the security’s issuer is in financial trouble, unless that security is removed from the relevant Select Sector Index. Each of the Select Sector SPDR Funds concentrates its investments in certain industries, subjecting them to greater risk than funds that invest in a wider range of industries.

**2. Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies followed by the Trust in the preparation of its financial statements:

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**Security Valuation**

The value of each Fund’s portfolio securities is based on the market price of the securities, which generally means a valuation obtained from an exchange or other market (or based on a price quotation or other equivalent indication of value supplied by an exchange or other market) or a valuation obtained from an independent pricing service. Investments in open-end investment companies are valued at their net asset value each business day. If a security’s market price is not readily available or does not otherwise accurately reflect the fair value of the security, the security will be valued by another method that the Board of Trustees of the Trust (the “Board”) believes will better reflect fair value in accordance with the Trust’s valuation policies and procedures. The Board has delegated the process of valuing securities for which market quotations are not readily available or do not otherwise accurately reflect the fair value of the security to the Pricing and Investment Committee (the “Committee”). The Committee, subject to oversight by the

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
*March 31, 2011 (Unaudited)*

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Board, may use fair value pricing in a variety of circumstances, including but not limited to, situations when trading in a security has been suspended or halted. Accordingly, a Fund's net asset value may reflect certain portfolio securities' fair values rather than their market prices. Fair value pricing involves subjective judgments and it is possible that the fair value determination for a security is materially different than the value that could be received on the sale of the security.

The Funds continue to follow the authoritative guidance for fair value measurements and the fair value option for financial assets and financial liabilities. The guidance for the fair value option for financial assets and financial liabilities provides funds the irrevocable option to measure many financial assets and liabilities at fair value with changes in fair value recognized in earnings. The guidance also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 — quoted prices in active markets for identical investments
- Level 2 — other significant observable inputs (including, but not limited to, quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Funds' own assumptions in determining the fair value of investments)

Investments that use Level 2 or Level 3 inputs may include, but are not limited to: (i) an unlisted security related to corporate actions; (ii) a restricted security (e.g., one that may not be publicly sold without registration under the Securities Act of 1933, as amended); (iii) a security whose trading has been suspended or which has been de-listed from its primary trading exchange; (iv) a security that is thinly traded; (v) a security in default or bankruptcy proceedings for which there is no current market quotation; (vi) a security affected by currency controls or restrictions; and (vii) a security affected by a significant event (e.g., an event that occurs after the close of the markets on which the security is traded but before the time as of which the Funds' net assets are computed and that may materially affect the value of the Funds' investments). Examples of events that may be "significant events" are government actions, natural disasters, armed conflict, acts of terrorism, and significant market fluctuations.

Fair value pricing could result in a difference between the prices used to calculate a Fund's net asset value and the prices used by the Fund's respective Select Sector Index, which, in turn, could result in a difference between the Fund's performance and the performance of the Fund's respective Select Sector Index. The inputs or methodology used for valuation are not necessarily an indication of the risk associated with investing in those investments. The type of inputs used to value each security is identified in the Schedule of Investments, which also includes a breakdown of the Funds' investments by industry.

#### **Investment Income**

Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The value of additional securities received as dividend payments is recorded as income and as an increase to the cost basis of such securities.

#### **Expenses**

Expenses of the Trust, which are directly identifiable to a specific Fund, are applied to that Fund. Trustees' fees and other expenses which cannot be attributed to a specific Fund are allocated in such a manner as deemed equitable, taking into consideration the nature and type of expense and the relative net assets of the Funds.

#### **Distributions**

Each Fund declares and distributes dividends from net investment income to its shareholders quarterly. Each Fund declares and distributes net realized capital gains, if any, at least annually.

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
*March 31, 2011 (Unaudited)*

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**Equalization**

The Funds follow the accounting practice known as “Equalization” by which a portion of the proceeds from sales and costs of reacquiring Select Sector SPDR shares, equivalent on a per share basis to the amount of distributable net investment income on the date of the transaction, is credited or charged to undistributed net investment income. As a result, undistributed net investment income per share is unaffected by sales or reacquisitions of Select Sector SPDR shares. Amounts related to Equalization can be found on the Statements of Changes.

**Investment Transactions**

Investment transactions are recorded on the trade date. Realized gains and losses from the sale or disposition of securities are recorded on the identified cost basis. Corporate actions (including cash dividends) are recorded net of nonreclaimable foreign tax withholdings on the ex-dividend date.

**Subsequent Events**

Management has determined there are no subsequent events or transactions that would have materially impacted the Funds’ financial statements as presented.

**Federal Income Tax**

Each Fund has qualified and intends to continue to qualify for and elect treatment as a “regulated investment company” under Subchapter M of the Internal Revenue Code of 1986, as amended. By so qualifying and electing, each Fund will not be subject to federal income taxes to the extent it distributes its taxable income, including any net realized capital gains, for each fiscal year. In addition, by distributing during each calendar year substantially all of their net investment income and capital gains, if any, the Funds will not be subject to federal excise tax. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. generally accepted accounting principles. These book-tax differences are primarily due to differing treatments for tax equalization, in-kind transactions, Real Estate Investment Trusts (REITs) and losses deferred due to wash sales. Net investment income per share calculations in the Financial Highlights for all periods presented exclude these differences.

The Funds have reviewed the tax positions for the open tax years as of September 30, 2010 and have determined that no provision for income tax is required in the Funds’ financial statements. The Funds’ federal tax returns for the prior three fiscal years remain subject to examination by the Funds’ major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

For the six months ended March 31, 2011, the Funds reclassified non-taxable security gains and losses realized on the in-kind redemption of Creation Units (See Note 4) as an increase or decrease to paid in capital in the Statements of Assets and Liabilities as follows:

	<b>Net Gain Reclassified to Paid in Capital</b>
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$233,317,017
Consumer Staples Select Sector SPDR Fund . . . . .	112,441,497
Energy Select Sector SPDR Fund . . . . .	869,235,962
Financial Select Sector SPDR Fund . . . . .	323,402,377
Health Care Select Sector SPDR Fund . . . . .	62,582,950
Industrial Select Sector SPDR Fund . . . . .	263,635,359
Materials Select Sector SPDR Fund . . . . .	297,097,878
Technology Select Sector SPDR Fund . . . . .	182,440,254
Utilities Select Sector SPDR Fund . . . . .	67,662,440

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**March 31, 2011 (Unaudited)**

At September 30, 2010, the Funds had the following capital loss carryforwards, which may be utilized to offset any net realized capital gains, expiring September 30:

	2011	2012	2013	2014	2015	2016	2017	2018
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$ 13,927,450	\$ 2,502,233	\$ 997,052	\$ 9,450,752	\$ 7,544,551	\$ 4,343,910	\$ 17,652,701	\$ 44,152,294
Consumer Staples Select Sector SPDR Fund . . . . .	53,558,106	23,758,907	799,804	23,679,427	175,734	2,872,408	—	3,835,906
Energy Select Sector SPDR Fund . . . . .	65,879,072	6,684,065	821,860	50,406	94,186,580	16,887,031	46,397,013	932,038,288
Financial Select Sector SPDR Fund . . . . .	19,148,460	8,078,713	4,176,362	9,961,554	10,349,660	41,633,377	423,127,850	90,848,829
Health Care Select Sector SPDR Fund . . . . .	17,808,907	1,306,855	6,333,060	7,166,786	3,362,549	1,330,406	21,726,896	29,635,140
Industrial Select Sector SPDR Fund . . . . .	29,450,669	6,331,812	1,389,592	4,968,985	7,287,655	5,756,566	15,013,076	80,582,108
Materials Select Sector SPDR Fund . . . . .	6,349,204	2,359,563	1,867,693	3,631,452	400,900	2,396,678	34,304,196	254,329,658
Technology Select Sector SPDR Fund . . . . .	305,114,554	123,285,364	9,613,457	52,407,581	149,073,403	64,942,837	121,713,434	135,090,209
Utilities Select Sector SPDR Fund . . . . .	18,897,010	15,559,181	400,327	2,962,529	4,942,581	—	23,780,627	83,031,840

Under current tax laws, capital losses realized after October 31, may be deferred and treated as occurring on the first day of the following fiscal year. The Funds incurred the following losses during the period November 1, 2009 through September 30, 2010 that have been deferred for tax purposes until fiscal year 2011:

	<u>Deferred Losses</u>
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$ 40,829,134
Consumer Staples Select Sector SPDR Fund . . . . .	13,115,872
Energy Select Sector SPDR Fund . . . . .	120,300,080
Financial Select Sector SPDR Fund . . . . .	—
Health Care Select Sector SPDR Fund . . . . .	22,933,364
Industrial Select Sector SPDR Fund . . . . .	27,687,839
Materials Select Sector SPDR Fund . . . . .	159,773,879
Technology Select Sector SPDR Fund . . . . .	61,133,352
Utilities Select Sector SPDR Fund . . . . .	104,752,494

**3. Related Party Fees and Transactions**

**Adviser Fees**

The Trust, on behalf of each Fund, has entered into an investment advisory agreement (“Investment Advisory Agreement” or “Agreement”) with SSgA Funds Management, Inc. (the “Adviser” or “SSgA FM”). As compensation for the services provided to each Fund under its Investment Advisory Agreement, each Fund pays the Adviser a fee accrued daily and paid monthly. The advisory fee is calculated based upon the average daily net assets of the Trust and allocated pro rata to each Select Sector SPDR Fund based on the relative net assets of each Fund. As of February 1, 2011, the advisory fee is a sliding fee scale calculated as follows: (i) 0.05% of average daily net assets of the Trust up to the first \$12.5 billion of net assets; (ii) 0.04% of average daily net assets of the Trust up to the next \$17.5 billion of net assets; (iii) 0.035% of average daily net assets of the Trust up to the next \$20.0 billion of net assets; and (iv) 0.03% of average daily net assets on the remainder of net assets. Prior to February 1, 2011, the advisory fee was a sliding scale fee calculated as follows: (i) 0.05% of average daily net assets of the Trust up to the first \$12.5 billion of net assets and (ii) 0.04% on the remainder of net assets. From time to time, the Adviser may waive all or a portion of its fees. The Adviser did not waive any of its fees in the current period.

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**March 31, 2011 (Unaudited)**

**Unitary Fee**

A “unitary” fee is paid by each Fund to State Street Bank and Trust Company (“State Street”) for the Administration, Custody and Transfer Agency services it provides to the Funds. The unitary fee is calculated based upon the average daily net assets of the Trust and allocated pro rata to each Select Sector SPDR Fund based upon the relative net assets of each Fund. As of February 1, 2011, the unitary fee is a sliding scale fee calculated as follows: (i) 0.07% of average daily net assets of the Trust up to the first \$4.5 billion of net assets; (ii) 0.05% of average daily net assets up to the next \$4.5 billion of net assets of the Trust; (iii) 0.03% of average daily net assets of the next \$3.5 billion of net assets of the Trust; (iv) 0.015% of average daily net assets of the next \$10.0 billion of net assets of the Trust; and (v) 0.01% of average daily net assets on the remainder of net assets. Prior to February 1, 2011, the unitary fee was a sliding scale fee calculated as follows: (i) 0.07% of average daily net assets of the Trust up to the first \$4.5 billion of net assets; (ii) 0.05% of average daily net assets up to the next \$4.5 billion of net assets of the Trust; (iii) 0.03% of average daily net assets of the next \$3.5 billion of net assets of the Trust; (iv) 0.015% of average daily net assets on the remainder of net assets. As of February 1, 2011, State Street has voluntarily undertaken to waive 0.0025% of its unitary fee on net assets of the Trust over \$22.5 billion through January 31, 2012. Prior to February 1, 2011, State Street had voluntarily undertaken to waive 0.005% of its unitary fee on net assets of the Trust over \$22.5 billion. State Street has not entered into an agreement with the Trust to recapture waived fees in subsequent periods.

The waiver amounts for each Fund’s allocation of the unitary fee for the period ended March 31, 2011 were as follows:

	<u>Waiver Amount</u>
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$19,379
Consumer Staples Select Sector SPDR Fund . . . . .	27,921
Energy Select Sector SPDR Fund . . . . .	72,930
Financial Select Sector SPDR Fund . . . . .	64,245
Health Care Select Sector SPDR Fund . . . . .	24,310
Industrial Select Sector SPDR Fund . . . . .	31,700
Materials Select Sector SPDR Fund . . . . .	21,016
Technology Select Sector SPDR Fund . . . . .	53,418
Utilities Select Sector SPDR Fund . . . . .	34,356

State Street also acts as the securities lending agent for the Funds and receives a portion of any lending income. In addition, cash collateral from lending activities is invested in the State Street Navigator Securities Lending Prime Portfolio (“Prime Portfolio”) for which SSgA FM serves as investment adviser. Prime Portfolio is a series of State Street Navigator Securities Lending Trust, a registered investment company under the 1940 Act, and operates as a money market fund in compliance with Rule 2a-7 under the 1940 Act. See Note 7 for additional information regarding securities lending.

For the period ended March 31, 2011, State Street earned securities lending agent fees as follows:

	<u>Securities Lending Agent Fees</u>
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$47,585
Consumer Staples Select Sector SPDR Fund . . . . .	11,336
Energy Select Sector SPDR Fund . . . . .	39,181
Financial Select Sector SPDR Fund . . . . .	65,491
Health Care Select Sector SPDR Fund . . . . .	7,527
Industrial Select Sector SPDR Fund . . . . .	18,358
Materials Select Sector SPDR Fund . . . . .	17,881
Technology Select Sector SPDR Fund . . . . .	47,444
Utilities Select Sector SPDR Fund . . . . .	32,097

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**March 31, 2011 (Unaudited)**

**Distributor**

ALPS Distributors, Inc. (the “Distributor”) serves as the distributor of the shares of each Fund. Pursuant to a Distribution and Service Plan adopted in accordance with Rule 12b-1 under the 1940 Act, each Fund is authorized to pay fees, including fees to the Distributor, at an annualized rate of 0.25% of the average daily net assets of the Fund. The Board has limited each Fund’s 12b-1 fee to 0.054% of its average daily net assets beginning on February 1, 2010 through at least January 31, 2012. Prior to February 1, 2010, the fee limitation was 0.06% of each Fund’s average daily net assets.

**Trustees’ Fees**

The Trust pays each Trustee who is not an “interested person” of the Trust within the meaning of the 1940 Act (each an “Independent Trustee” and collectively, the “Independent Trustees”) an annual fee of \$72,000 plus a per meeting fee of \$5,000 for scheduled quarterly meetings of the Board attended by the Trustee and \$1,500 for each special telephonic meeting, if applicable. The Chairman of the Board receives an additional fee of \$20,000 per year. Independent Trustees who serve on the Trust’s Audit Committee (“Audit Committee”) also receive \$2,500 per Audit Committee meeting attended. The Audit Committee Chairperson receives an additional fee of \$4,000 per year. The Trust also reimburses each Trustee for travel and other out-of-pocket expenses incurred by him/her in connection with attending such meetings and in connection with attending industry seminars and meetings.

**Additional Expenses**

Standard and Poor’s Financial Services LLC, an affiliate of The McGraw-Hill Companies (“S&P”), NYSE Arca, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) have entered into a license agreement with respect to each Select Sector Index. The Trust has entered into a sub-license agreement whereby the Trust agrees to pay a sub-license fee per annum (i) to S&P equal to the greater of 0.03% of the aggregate net assets of the Trust or \$450,000 (the “Minimum Annual Fee”), and (ii) to Merrill Lynch equal to 0.03% of the aggregate net assets of the Trust up to \$35 billion, 0.02% of the aggregate net assets of the Trust from \$35 billion up to and including \$50 billion and 0.01% on the remainder of net assets of the Trust. The fees to S&P and Merrill Lynch are payable on a quarterly basis. Each Select Sector SPDR Fund will pay its proportionate share of the annual sub-license fees based on the relative net assets of each Fund.

**Transactions with Affiliated Issuers**

The Financial Select Sector SPDR Fund has invested in an affiliated company, State Street Corp. Amounts relating to this investment at March 31, 2011, and for the period then ended are:

Number of Shares Held at 9/30/10	Cost at 9/30/10	Value at 9/30/10	Purchased		Sold		Number of Shares Held at 3/31/11	Value at 3/31/11	Dividend Income	Realized Gain (Loss)
			Cost	Shares	Proceeds	Shares				
1,666,585	\$75,439,387	\$62,763,591	\$99,806,303	2,228,214	\$78,278,823	1,772,106	2,122,693	\$95,393,823	\$404,080	\$1,474,390

Each Fund may invest in certain money market funds managed by the Adviser, including the State Street Institutional Liquid Reserves Fund — Institutional Class (“Liquid Reserves Fund”), a series of State Street Institutional Investment Trust. The Liquid Reserves Fund is a feeder fund in a master/feeder fund structure that invests substantially all of its assets in the State Street Money Market Portfolio (“Master Portfolio”). The Liquid Reserves Fund does not pay an investment advisory fee to the Adviser, but the Master Portfolio in which it invests pays an investment advisory fee to the Adviser. The Liquid Reserves Fund intends to declare dividends on shares from net investment income daily and pay them as of the last business day of each month. All income distributions earned by a Fund from affiliated money market funds are recorded as dividend income on securities of affiliated issuers in the accompanying Statements of Operations. In addition, cash collateral from lending activities is invested in Prime Portfolio, for which SSgA FM serves as the investment adviser.

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**March 31, 2011 (Unaudited)**

Amounts related to investments in Prime Portfolio and/or Liquid Reserves Fund at March 31, 2011 and for the period then ended are:

Prime Portfolio	Value at 9/30/10	Purchased		Sold		Value at 3/31/11	Income
		Cost	Shares	Proceeds	Shares		
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$ 85,033,032	\$ 642,637,799	642,637,799	\$ 664,855,630	664,855,630	\$ 62,815,201	\$261,624
Consumer Staples Select Sector SPDR Fund . . . . .	60,577,909	811,893,664	811,893,664	779,976,144	779,976,144	92,495,429	63,756
Energy Select Sector SPDR Fund . . . . .	140,985,855	1,355,728,869	1,355,728,869	1,316,621,781	1,316,621,781	180,092,943	221,022
Financial Select Sector SPDR Fund . . . . .	146,608,012	1,007,506,866	1,007,506,866	958,351,675	958,351,675	195,763,203	368,814
Health Care Select Sector SPDR Fund . . . . .	42,959,573	511,986,918	511,986,918	529,665,648	529,665,648	25,280,843	42,662
Industrial Select Sector SPDR Fund . . . . .	87,663,997	451,185,675	451,185,675	447,239,285	447,239,285	91,610,387	104,041
Materials Select Sector SPDR Fund . . . . .	119,707,221	585,361,025	585,361,025	585,889,090	585,889,090	119,179,156	101,187
Technology Select Sector SPDR Fund . . . . .	118,590,835	1,435,892,178	1,435,892,178	1,445,660,804	1,445,660,804	108,822,209	267,297
Utilities Select Sector SPDR Fund . . . . .	454,407,124	1,256,660,362	1,256,660,362	1,594,083,782	1,594,083,782	116,983,704	180,681

Amounts related to investments in Liquid Reserves Fund at March 31, 2011 and for the period then ended are:

Liquid Reserves Fund	Value at 9/30/10	Purchased		Sold		Value at 3/31/11	Income
		Cost	Shares	Proceeds	Shares		
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$ 2,701,851	\$ 41,852,913	41,852,913	\$ 41,873,529	41,873,529	\$ 2,681,235	\$ 4,346
Consumer Staples Select Sector SPDR Fund . . . . .	2,213,172	109,661,668	109,661,668	109,589,629	109,589,629	2,285,211	5,500
Energy Select Sector SPDR Fund . . . . .	6,573,284	90,503,578	90,503,578	92,142,164	92,142,164	4,934,698	12,672
Financial Select Sector SPDR Fund . . . . .	5,160,133	92,079,122	92,079,122	92,262,892	92,262,892	4,976,363	6,220
Health Care Select Sector SPDR Fund . . . . .	100	43,144,816	43,144,816	43,144,816	43,144,816	100	4,885
Industrial Select Sector SPDR Fund . . . . .	3,826,816	52,846,200	52,846,200	53,621,803	53,621,803	3,051,213	8,878
Materials Select Sector SPDR Fund . . . . .	6,549,899	72,332,838	72,332,838	74,997,738	74,997,738	3,884,999	6,777
Technology Select Sector SPDR Fund . . . . .	16,628,906	133,071,394	133,071,394	133,185,778	133,185,778	16,514,522	19,759
Utilities Select Sector SPDR Fund . . . . .	11,764,089	129,498,664	129,498,664	139,350,652	139,350,652	1,912,101	12,198

**4. Shareholder Transactions**

Select Sector SPDR Fund shares are issued and redeemed by a Fund only in Creation Unit size aggregations of 50,000 shares. Such transactions are generally permitted on an in-kind basis only, with a separate cash payment which is equivalent to the undistributed net investment income per share (income equalization) and a balancing cash component to equate the transaction to the net asset value per unit of the Fund on the transaction date. Transaction fees at scheduled amounts ranging from \$500 to \$2,000 per Creation Unit are charged to those persons creating or redeeming Creation Units. Transaction fees are received by the Funds' custodian and are used to defray related expenses.

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**March 31, 2011 (Unaudited)**

**5. Aggregate Unrealized Appreciation and Depreciation**

The identified cost of investments in securities owned by each Fund for federal income tax purposes was substantially the same as the cost for financial reporting purposes. Accordingly, gross unrealized appreciation and depreciation at March 31, 2011 were as follows:

	<u>Identified Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$ 2,301,116,442	\$ 80,373,975	\$102,651,529	\$ (22,277,554)
Consumer Staples Select Sector SPDR Fund . . . . .	3,644,351,813	101,296,751	204,359,478	(103,062,727)
Energy Select Sector SPDR Fund . . . . .	10,455,539,290	790,340,267	128,026,310	662,313,957
Financial Select Sector SPDR Fund. . . . .	8,409,913,419	174,958,234	334,186,025	(159,227,791)
Health Care Select Sector SPDR Fund . . . . .	3,332,007,025	40,500,861	401,283,229	(360,782,368)
Industrial Select Sector SPDR Fund . . . . .	4,184,447,292	197,677,585	214,177,683	(16,500,098)
Materials Select Sector SPDR Fund . . . . .	2,733,162,845	87,134,986	82,962,218	4,172,768
Technology Select Sector SPDR Fund . . . . .	7,104,427,526	505,345,360	516,427,449	(11,082,089)
Utilities Select Sector SPDR Fund . . . . .	4,500,964,867	61,380,116	522,591,894	(461,211,778)

**6. Investment Transactions**

For the six months ended March 31, 2011, the Trust had in-kind contributions, in-kind redemptions and in-kind net realized gain as follows:

	<u>Contributions</u>	<u>Redemptions</u>	<u>Realized Gain</u>
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$2,456,996,438	\$2,270,103,198	\$233,317,017
Consumer Staples Select Sector SPDR Fund . . . . .	2,128,348,560	2,142,710,811	112,441,497
Energy Select Sector SPDR Fund . . . . .	7,565,441,535	6,153,452,581	869,235,962
Financial Select Sector SPDR Fund . . . . .	8,024,249,927	6,142,735,915	323,402,377
Health Care Select Sector SPDR Fund. . . . .	1,913,611,150	1,882,369,497	62,582,950
Industrial Select Sector SPDR Fund. . . . .	3,570,976,611	3,041,636,970	263,635,359
Materials Select Sector SPDR Fund . . . . .	3,220,896,244	3,140,821,790	297,097,878
Technology Select Sector SPDR Fund . . . . .	3,203,579,495	1,242,422,897	182,440,254
Utilities Select Sector SPDR Fund . . . . .	1,369,587,551	1,601,655,435	67,662,440

The in-kind contributions and in-kind redemptions in this table may not accord with the beneficial interest transactions on the Statements of Changes. The table represents the accumulation of the Funds' daily net shareholder transactions while the Statements of Changes reflects gross shareholder transactions including any income equalization or cash component of the transactions.

**THE SELECT SECTOR SPDR TRUST**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**March 31, 2011 (Unaudited)**

For the six months ended March 31, 2011, the Trust had purchases and sales of investment securities as follows:

	<u>Purchases</u>	<u>Sales</u>
Consumer Discretionary Select Sector SPDR Fund . . . . .	\$ 68,143,172	\$ 70,730,322
Consumer Staples Select Sector SPDR Fund . . . . .	59,997,430	48,229,541
Energy Select Sector SPDR Fund . . . . .	180,286,822	185,382,492
Financial Select Sector SPDR Fund . . . . .	234,127,309	238,960,278
Health Care Select Sector SPDR Fund . . . . .	146,763,031	145,648,894
Industrial Select Sector SPDR Fund . . . . .	71,923,135	77,596,880
Materials Select Sector SPDR Fund . . . . .	127,204,433	130,305,108
Technology Select Sector SPDR Fund . . . . .	138,843,938	160,085,060
Utilities Select Sector SPDR Fund . . . . .	64,538,393	55,711,064

**7. Securities Lending**

Each Fund may lend securities up to 33 1/3% of its total assets to qualified broker-dealers or institutional investors. The loans are secured at all times by cash, cash equivalents or U.S. government securities in an amount at least equal to the market value of the securities loaned, plus accrued interest and dividends, determined on a daily basis and adjusted accordingly. The value of the collateral held with respect to a loaned security may be temporarily more or less than the value of a security on loan due to market fluctuation of security values. With respect to each loan, if on any business day the aggregate market value of securities collateral plus cash collateral held is less than the aggregate market value of the securities which are the subject of such loan, the borrower will be notified to provide additional collateral. The Funds will regain record ownership of loaned securities to exercise certain beneficial rights; however, the Funds may bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower fail financially. In addition, a Fund will bear the risk of loss of any cash collateral that it may invest. Each Fund receives compensation for lending its securities from interest or dividends earned on the cash, cash equivalents or U.S. government securities held as collateral, net of fee rebates paid to the borrower and net of fees paid to State Street as lending agent. Proceeds collected by State Street on investment of cash collateral or any fee income is partially allocated to State Street as compensation for its lending services.

The market value of securities on loan as of March 31, 2011 and the value of the related collateral are disclosed in the Statements of Assets and Liabilities. Securities lending income, as disclosed in the Funds' Statements of Operations, represents the income earned from the investment of cash collateral, net of fee rebates paid to the borrower and net of fees paid to State Street as lending agent.

**THE SELECT SECTOR SPDR TRUST**  
**OTHER INFORMATION**  
*March 31, 2011 (Unaudited)*

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**Shareholder Expense Example**

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, which may include creation and redemption fees or brokerage charges and (2) ongoing costs, including management fees, distribution (12b-1) fees, administration, custodian and transfer agent fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other funds. It is based on an investment of \$1,000 invested at October 1, 2010 and held for the six months ended March 31, 2011.

**Actual Expenses**

The first table below provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first table under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

**Hypothetical Example for Comparison Purposes**

The second table below provides information about hypothetical account values and hypothetical expenses based on a Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not a Fund’s actual return. Thus, you should not use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are provided to enable you to compare the ongoing costs of investing in a Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Transaction fees at scheduled amounts ranging from \$500 to \$2,000 per Creation Unit are charged to those persons creating or redeeming Creation Units. If you buy or sell Select Sector SPDR Fund shares in the secondary market, you will incur customary brokerage commissions and charges.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as creation and redemption fees, or brokerage charges. Therefore, the second table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

**THE SELECT SECTOR SPDR TRUST**  
**OTHER INFORMATION (continued)**  
*March 31, 2011 (Unaudited)*

	<u>Annualized Expense Ratio</u>	<u>Beginning Account Value 10/1/10</u>	<u>Ending Account Value 3/31/11</u>	<u>Expenses Paid During Period* 10/1/10 to 3/31/11</u>
<b>Actual</b>				
Consumer Discretionary Select Sector SPDR Fund . . .	0.19%	\$1,000	\$1,178.00	\$1.03
Consumer Staples Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,088.60	\$0.99
Energy Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,433.60	\$1.15
Financial Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,148.40	\$1.02
Health Care Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,095.90	\$0.99
Industrial Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,215.50	\$1.05
Materials Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,234.10	\$1.06
Technology Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,139.40	\$1.01
Utilities Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,037.40	\$0.97
<b>Hypothetical</b> (assuming a 5% return before expenses)				
Consumer Discretionary Select Sector SPDR Fund . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Consumer Staples Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Energy Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Financial Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Health Care Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Industrial Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Materials Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Technology Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96
Utilities Select Sector SPDR Fund . . . . .	0.19%	\$1,000	\$1,023.98	\$0.96

\* Expenses are equal to each Fund's annualized expense ratio multiplied by the average account value of the period, multiplied by the number of days in the most recent six-month period, then divided by 365.

**Proxy Voting Policies and Procedures and Records**

A description of the Trust's proxy voting policies and procedures that are used by the Adviser to vote proxies relating to the Funds' portfolio of securities are available (i) without charge, upon request by calling 1-866-787-2257 (toll free) or (ii) on the website of the Securities and Exchange Commission ("SEC"), at [www.sec.gov](http://www.sec.gov).

Information regarding how proxies were voted relating to the Funds' portfolio securities for the prior 12-months period ended June 30 is available by August 31 of each year by calling the same number above (toll free) and on the SEC's website, at [www.sec.gov](http://www.sec.gov), and on the Fund website at [www.sectorspdrs.com](http://www.sectorspdrs.com).

**Quarterly Portfolio Schedule**

The Funds file a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The information on the Form N-Q is available upon request, without charge, by calling 1-866-Sector-ETF (toll free).

**THE SELECT SECTOR SPDR TRUST**  
**OTHER INFORMATION (continued)**  
*March 31, 2011 (Unaudited)*

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**Advisory Contract Renewal**

At an in-person meeting held on November 9, 2010, the Trustees of the Trust considered the renewal of the Investment Advisory Agreement between the Trust and the Adviser with respect to the Funds. The Independent Trustees also met separately on October 12, 2010 with their counsel to consider the Agreement and the materials provided by the Adviser and State Street in response to a request from independent legal counsel on their behalf. This meeting was preceded by a presentation by representatives of the Adviser and State Street. In deciding whether to renew the Agreement, the Trustees considered various factors, including (i) the nature, extent and quality of the services provided by the Adviser under the Agreement, (ii) the investment performance of the Funds, (iii) the costs to the Adviser of its services and the profits realized by the Adviser and its affiliate, State Street, from their relationship with the Trust, and (iv) the extent to which economies of scale would be realized if and as the Funds grow and whether the fee levels in the Agreement reflect these economies of scale.

**Nature, Extent and Quality of Services**

In considering the nature, extent and quality of the services provided by the Adviser, the Trustees relied on their prior experience as Trustees of the Trust as well as on the materials provided at the meeting. They noted that under the Agreement the Adviser is responsible for managing the investment operations of each of the Funds in accordance with the Fund's investment objective and policies, applicable legal and regulatory requirements, and the instructions of the Trustees, for providing necessary and appropriate reports and information to the Trustees, for maintaining all necessary books and records pertaining to the Trust's securities transactions, and for furnishing each Fund with the assistance, cooperation, and information necessary for the Fund to meet various legal requirements regarding registration and reporting. They noted the distinctive nature of the Funds, as exchange-traded funds ("ETFs") investing in sectors of the S&P 500 Index, and the experience and expertise appropriate in an adviser to such funds. The Trustees reviewed the background and experience of the Adviser's senior management, including those individuals responsible for the investment and compliance operations of the Trust, and the responsibilities of the latter with respect to the Funds. They also considered the resources, operational structures and practices of the Adviser in managing the Funds' portfolios, in monitoring and securing each Fund's compliance with its investment objective and policies and with applicable law and regulations, and in seeking best execution of portfolio transactions. Drawing upon the materials provided and their general knowledge of the business of the Adviser and its parent, State Street Global Advisors ("SSgA"), with which the Adviser shares all of its senior personnel, the Trustees took into account the experience, resources and strength of the Adviser and its affiliates in the areas of indexed products generally and ETFs in particular. On the basis of this review, the Trustees determined that the nature and extent of the services provided by the Adviser to the Trust were appropriate, had been of uniformly high quality, and could be expected to remain so.

**Investment Performance of the Funds**

The Trustees noted that, in view of the distinctive investment objective of the Funds, the investment performance of the Funds in absolute terms was not of the importance that normally attaches to the performance of actively managed funds. Of more importance to the Trustees was the extent to which each Fund achieved its objective to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in its applicable index. Drawing upon information provided at the meeting and upon reports provided to the Trustees by the Adviser throughout the preceding year, they determined that the Funds had in fact tracked their sector indexes within an acceptable range; they further concluded, on the basis of the data available (see discussion in "Comparison of Fees and Expense Ratios" below), that the expense ratios of the Funds were lower than those of all of their direct competitors. Moreover, none of the Funds generated any taxable gain during the most recent fiscal year. Accordingly, they concluded that the performance of each Fund was satisfactory.

**Profitability to the Adviser and its Affiliates**

The Trustees considered the profitability of the advisory arrangement with the Funds to the Adviser and of the Trust's relationship with the Adviser's affiliate, State Street, in its role as Administrator, Transfer Agent and Custodian. The Trustees also considered the profitability from the fees received and income earned by State Street as Securities Lending Agent for the Trust. The Trustees had been provided with data on the Funds' profitability to the Adviser for each of the preceding five years through a recent date, as well as data on the Trust's profitability to State Street for the same periods,

**THE SELECT SECTOR SPDR TRUST**  
**OTHER INFORMATION (continued)**  
*March 31, 2011 (Unaudited)*

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together in both cases with profitability estimates for the coming year at several hypothetical asset levels. The Trustees also had been provided with information from both the Adviser and State Street discussing the methods by which expenses were allocated to the Trust and to each of the Funds. On the basis of this information and discussions at the October 12, 2010 meeting and the November 9, 2010 meeting with representatives of the Adviser and State Street, the Trustees concluded that, to the extent that the Adviser's and State Street's relationships with the Trust had been profitable to either or both of those entities, the profitability at current asset levels was not such as to render the advisory fee excessive.

**Other Benefits to the Adviser**

In considering whether the Adviser benefits in other ways from its relationship with the Trust, the Trustees noted that the Adviser does not currently use the Funds' assets for, or participate in, third party soft dollar arrangements, although the Adviser may receive proprietary research from various full service brokers, the cost of which is bundled with the cost of the broker's execution services. It was further noted that the Trust's brokerage transactions are not effected through the Adviser or any of its affiliates. The Trustees concluded that, to the extent that the Adviser or its affiliates derive other benefits from their relationship with the Trust, those benefits are not such as to render the Adviser's fees excessive.

**Economies of Scale**

On the basis of their discussions with management and their analysis of information provided at and prior to the meeting, the Trustees determined that the nature of the Funds and their operations is such that the Adviser is likely to realize economies of scale in the management of the Funds as they grow in size. They were also of the view that these economies of scale were being shared with the Funds by virtue of an advisory fee, set at a relatively low level since the inception of the Trust, that subsumed economies of scale in the fee itself. Furthermore, the Trustees took into consideration the fact that, in order to ensure that if and as the Funds grow in size the economies of scale resulting from this growth would be shared with the Funds, the Adviser and State Street had each previously agreed to institute one or more breakpoints in their respective fee schedules. In this regard, in light of the recent growth of the Funds and further anticipated economies of scale, the Independent Trustees asked the Adviser to agree to a further breakpoint in its advisory fee, and the Adviser agreed to amend the Agreement effective February 1, 2011, to add a breakpoint at \$30 billion of 0.035% and a breakpoint at \$50 billion of 0.03%.

In addition, the Independent Trustees noted that, effective January 1, 2008, State Street had voluntarily agreed to waive a portion of its unitary fee for services as the Trust's Administrator, Transfer Agent and Custodian for Trust assets over \$22.5 billion. The Independent Trustees asked State Street to agree to amend its contracts with the Trust to reflect this as a contractual breakpoint, and to consider another breakpoint at a higher asset level. In response to this request, State Street agreed to amend its contracts with the Trust effective February 1, 2011 to add a breakpoint on Trust assets over \$22.5 billion of 0.01%, and to voluntarily waive one-quarter of its fee on Trust assets over \$22.5 billion, so that the effective fee on Trust assets over \$22.5 billion is 0.0075% through January 31, 2012.

**Comparison of Fees and Expense Ratios**

In order better to evaluate the Funds' advisory fee, the Independent Trustees requested information with respect to expense ratios and advisory fees of comparable funds, and the Adviser provided (1) data for all domestic ETFs tracking sector indexes and (2) data obtained from a Lipper database of sector peer funds, including both ETFs tracking indexes as well as mutual funds. The Independent Trustees also requested, and the Adviser provided, information on the advisory fees charged to other clients with comparable investment objectives, and reviewed the differences in services provided to the Adviser's institutional accounts. The Trustees found that, because of the distinctive nature of the Funds, the universe of comparable funds was limited. Moreover, they noted that because many ETFs paid a unitary advisory fee, encompassing all or virtually all of the ETFs' operating expenses, in many cases a Fund's advisory fee, which covered only advisory services, would be misleadingly low relative to its competitors'. The Trustees then reviewed expense ratios and noted that the overall expense ratio of each Fund was lower than that of all of its domestic sector ETF peers, but also noted that each Fund was significantly larger than all of its ETF sector peers. The Independent Trustees therefore requested, as noted above, that new breakpoints be added to the fee schedules of both the Agreement and the unitary fee payable under the Administration Agreement, Custodian Agreement and Transfer Agency Agreement, and noted that the Adviser and State Street agreed to additional changes to the fee schedules for the benefit of shareholders, as noted above. The Trustees concluded that the data available provided some indirect

**THE SELECT SECTOR SPDR TRUST**  
**OTHER INFORMATION (continued)**  
*March 31, 2011 (Unaudited)*

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confirmation of the reasonableness of the Adviser's fees, particularly in light of the new breakpoints to which the Adviser agreed.

**Conclusion**

The Trustees, including the Independent Trustees, approved the continuance of the Agreement, as so amended, after weighing the foregoing factors, none of which was dispositive in itself. They reasoned that, considered in themselves, the nature and extent of the services provided by the Adviser were appropriate, that the performance of the Funds had been satisfactory, and that the Adviser could be expected to provide services of high quality. As to the Adviser's fees for each Fund, the Trustees determined that the fees, considered in relation to the services provided, were fair and reasonable, that the Trust's relationship with the Adviser and State Street was not so profitable as to render the fees at current asset levels excessive, that any additional benefits to the Adviser and/or State Street were not of a magnitude to materially affect the outcome of the Trustees' conclusions, and that, especially in light of the breakpoints in the Adviser's and State Street's fee schedules, the fees adequately shared economies of scale with the Funds.

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SPDR S&P 400 Mid Cap Value ETF (MDYV)  
SPDR S&P 600 Small Cap ETF (SLY)  
SPDR S&P 600 Small Cap Growth ETF (SLYG)  
SPDR S&P 600 Small Cap Value ETF (SLYV)  
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SPDR S&P Oil & Gas Equipment & Services ETF (XES)  
SPDR S&P Oil & Gas Exploration & Production ETF (XOP)  
SPDR S&P Pharmaceuticals ETF (XPH)  
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SPDR S&P International Small Cap ETF (GWX)  
SPDR Dow Jones International Real Estate ETF (RWX)  
SPDR FTSE/Macquarie Global Infrastructure 100 ETF (GII)  
SPDR S&P Global Natural Resources ETF (GNR)  
SPDR MSCI ACWI ex-US ETF (CWI)  
SPDR Russell/Nomura PRIME Japan ETF (JPP)  
SPDR Russell/Nomura Small Cap Japan ETF (JSC)  
SPDR S&P International Dividend ETF (DWX)  
SPDR S&P International Mid Cap ETF (MDD)  
SPDR S&P Emerging Markets Small Cap ETF (EWX)  
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