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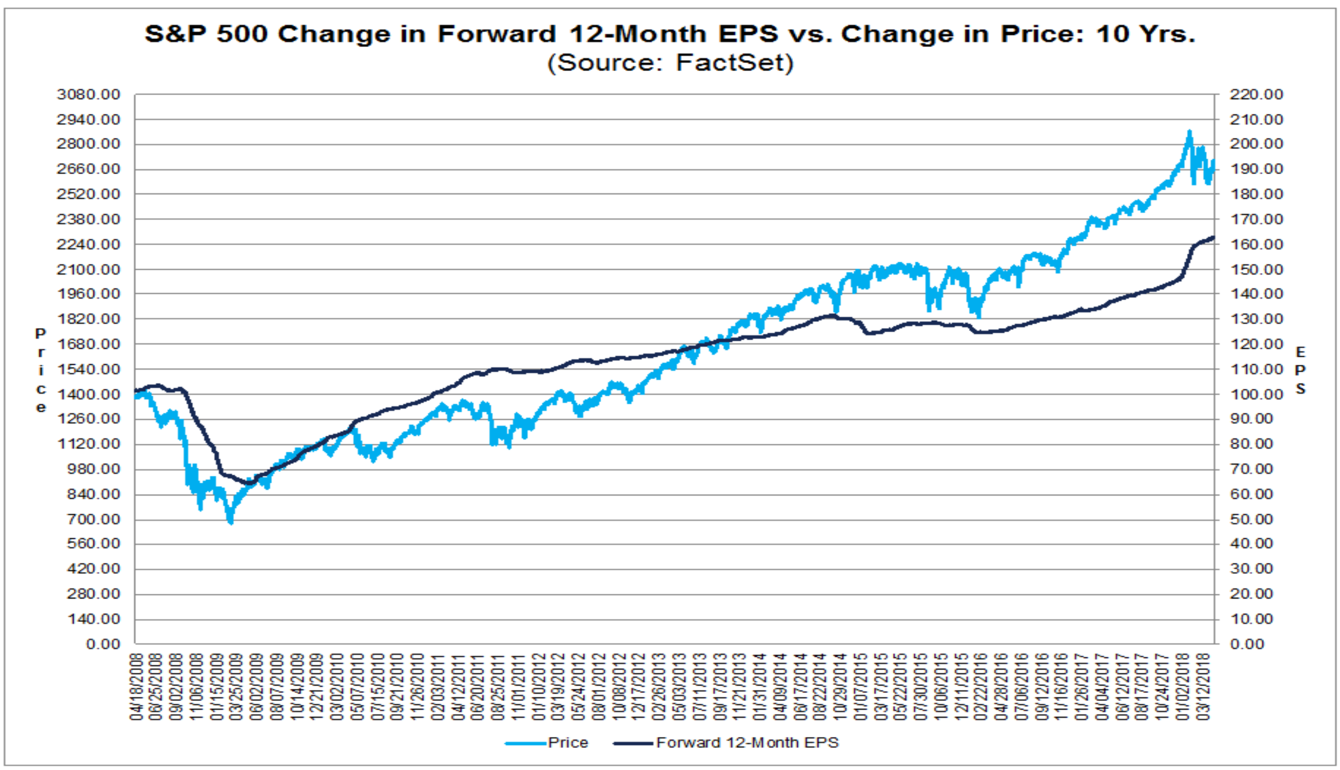
Key Metrics

- **Earnings Scorecard:** For Q1 2018 (with 17% of the companies in the S&P 500 reporting actual results for the quarter), 80% of S&P 500 companies have reported a positive EPS surprise and 72% have reported a positive sales surprise.
- **Earnings Growth:** For Q1 2018, the blended earnings growth rate for the S&P 500 is 18.3%. If 18.3% is the actual growth rate for the quarter, it will mark the highest earnings growth since Q1 2011 (19.5%).
- **Earnings Revisions:** On March 31, the estimated earnings growth rate for Q1 2018 was 17.1%. Six sectors have higher growth rates today (compared to March 31) due to positive earnings surprises, led by the Financials sector.
- **Earnings Guidance:** For Q2 2018, 4 S&P 500 companies have issued negative EPS guidance and 7 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.6. This P/E ratio is above the 5-year average (16.1) and above the 10-year average (14.3).



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Topic of the Week:

S&P 500 Reporting Record-High Net Profit Margin for Q1 2018

The blended (combines actual results for companies that have reported and estimated results for companies yet to report) earnings growth rate for the S&P 500 for Q1 2018 is 18.3%, and the blended revenue growth rate for the index is 7.6%.

During this earnings season, a number of companies in the S&P 500 have discussed wage increases and other rising costs during their earnings calls. Given these concerns, what is the S&P 500 reporting for a net profit margin for the first quarter?

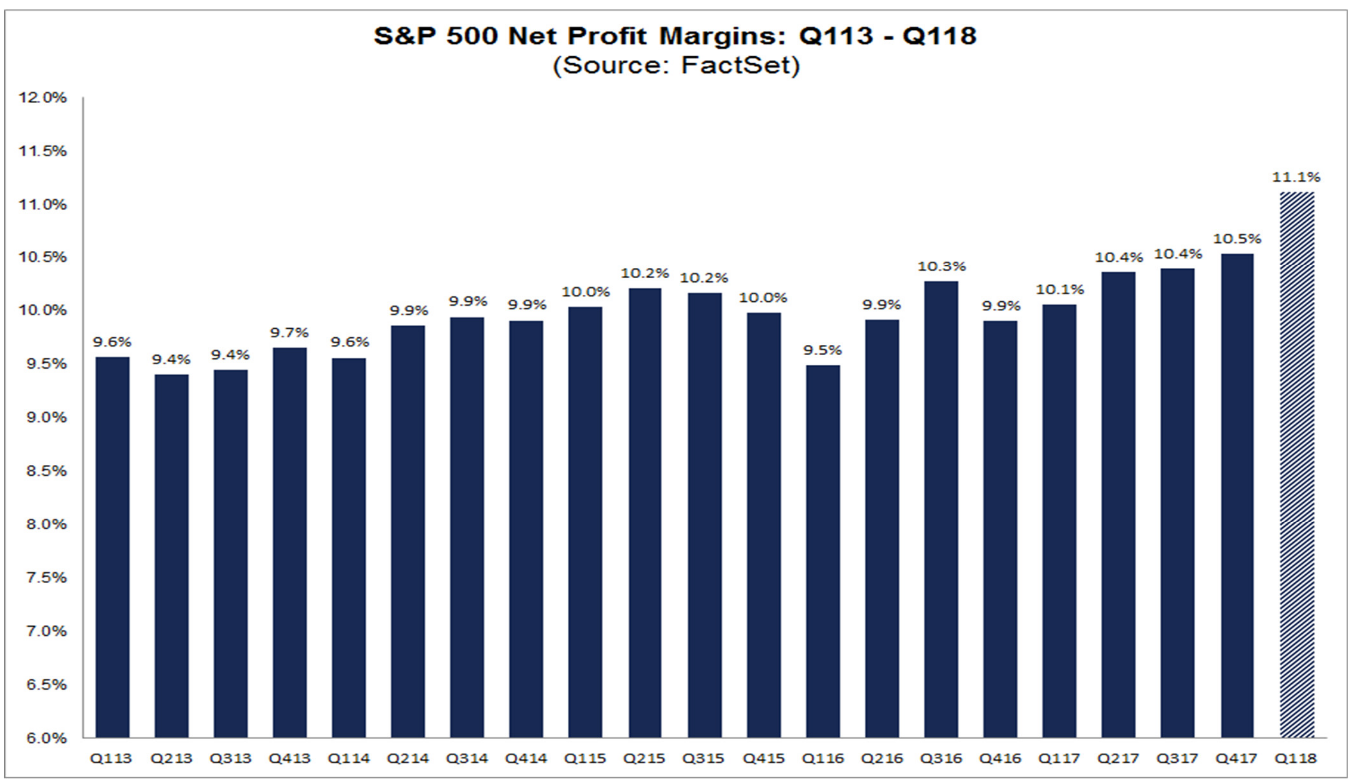
The blended net profit margin for the S&P 500 for Q1 2018 is 11.1%. If 11.1% is the actual net profit margin for the quarter, it will mark the highest net profit margin for the S&P 500 since FactSet began tracking this data in Q3 2008.

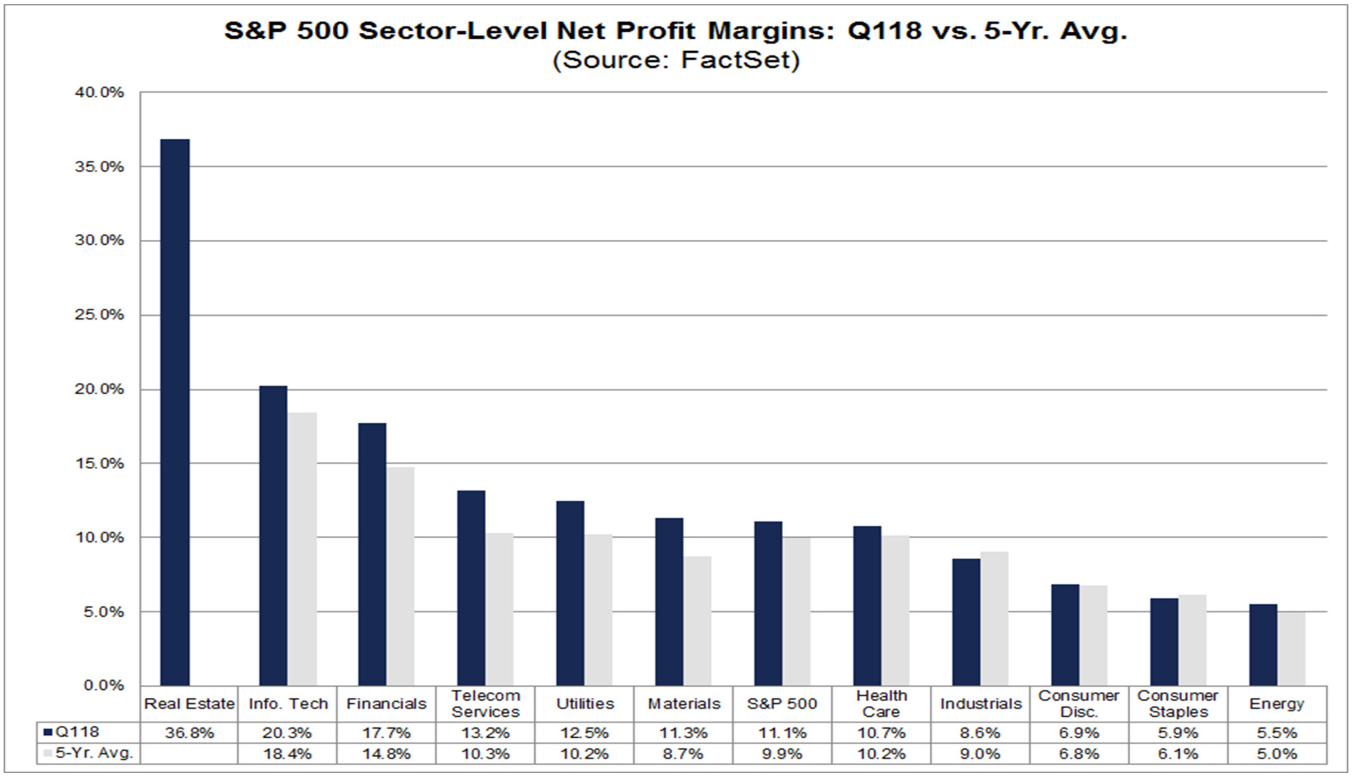
At the sector level, eight of the ten sectors are reporting net profit margins for the first quarter that are above their 5-year averages. Three sectors are reporting their highest net profit margins since FactSet began tracking this data in Q3 2008: Financials (17.7%), Health Care (10.7%), and Materials (11.3%).

What is driving the higher net profit margins for the index? The reduction in the corporate tax rate due to the recently passed tax law is likely a significant factor, as the lower tax rate has boosted earnings for companies in the index for the quarter. Although it is important to note that net profit margins were improving on a sequential basis during all of 2017, prior to the tax bill becoming law. In any event, it appears the lower tax rate is more than offsetting any impact of higher wages and other rising costs, resulting in a record-level net profit margin for the index for the first quarter.

It is interesting to note that analysts expect even higher net profit margins for the remainder of 2018 for the S&P 500. Based on current earnings and revenues estimates, the estimated net profit margins for the second, third, and fourth quarter of 2018 are 11.5%, 11.8%, and 11.7%, respectively.

To maintain consistency, the earnings and revenue numbers used to calculate the earnings and revenue growth rates published in this report were also used to calculate the index-level and sector-level net profit margins for this analysis.




S&P 500 Sector-Level Net Profit Margins: Q118 vs. 5-Yr. Avg.
(Source: FactSet)
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Real Estate
Info. Tech
Financials
Telecom Services
Utilities
Materials
S&P 500
Health Care
Industrials
Consumer Disc.
Consumer Staples
Energy
Q118: 36.8% 20.3% 17.7% 13.2% 12.5% 11.3% 11.1% 10.7% 8.6% 6.9% 5.9% 5.5%
5-Yr. Avg.: 18.4% 14.8% 10.3% 10.2% 8.7% 9.9% 10.2% 9.0% 6.8% 6.1% 5.0%

Q1 2018 Earnings Season: By the Numbers

Overview

To date, 17% of the companies in the S&P 500 have reported actual results for Q1 2018. In terms of earnings, more companies are reporting actual EPS above estimates (80%) compared to the 5-year average. In aggregate, companies are reporting earnings that are 5.9% above the estimates, which is also above the 5-year average. In terms of sales, more companies (72%) are reporting actual sales above estimates compared to the 5-year average. In aggregate, companies are reporting sales that are 1.6% above estimates, which is also above the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report), year-over-year earnings growth rate for the first quarter is 18.3% today, which is higher than the earnings growth rate of 17.4% last week. Positive earnings surprises reported by companies in the Financials sector were mainly responsible for the increase in the earnings growth rate for the index during the past week. All eleven sectors are reporting or are predicted to report year-over-year earnings growth. Seven sectors are reporting or are expected to report double-digit earnings growth, led by the Energy, Materials, Financials, and Information Technology sectors.

The blended, year-over-year sales growth rate for the third quarter is 7.6% today, which is slightly higher than the growth rate of 7.5% last week. Positive revenue surprises reported by companies in the Financials sector were mainly responsible for the small increase in the revenue growth rate for the index during the past week. All eleven sectors are reporting or are projected to report year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Energy, Materials, and Information Technology.

As of today, all eleven sectors are reporting or are expected to report both earnings and revenue growth for the second straight quarter.

Looking at future quarters, analysts currently project earnings growth to continue at double-digit levels through 2018.

The forward 12-month P/E ratio is 16.6, which is above the 5-year average and the 10-year average.

During the upcoming week, 179 S&P 500 companies (including 12 Dow 30 components) are scheduled to report results for the first quarter.

Scorecard: More Companies Beating EPS & Revenue Estimates than Average

Percentage of Companies Beating EPS Estimates (80%) is Above 5-Year Average

Overall, 17% of the companies in the S&P 500 have reported earnings to date for the first quarter. Of these companies, 80% have reported actual EPS above the mean EPS estimate, 7% have reported actual EPS equal to the mean EPS estimate, and 13% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year (74%) average and above the 5-year (70%) average.

At the sector level, the Health Care (100%), Energy (100%), and Real Estate (100%) sectors have the highest percentages of companies reporting earnings (FFO for Real Estate) above estimates, while the Materials (33%) and Consumer Discretionary (56%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+5.9%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 5.9% above expectations. This surprise percentage is above the 1-year (+5.1%) average and above the 5-year (+4.3%) average.

The Industrials (+9.3%) sector is reporting the largest upside aggregate difference between actual earnings and estimated earnings. Within this sector, Textron ($0.72 vs. $0.48), W.W. Grainger ($4.18 vs. $3.42), FedEx ($3.72 vs. $3.11) and CSX ($0.78 vs. $0.65) have reported the largest upside differences between actual EPS and estimated EPS. On the other hand, the Materials sector (-0.5%) is reporting the largest downside aggregate difference between actual earnings and estimated earnings. Within this sector, Monsanto ($3.22 vs. $3.30) has reported the largest downside difference between actual EPS and estimated EPS.

Market Not Rewarding Earnings Beats and Not Punishing Earnings Misses

To date, the market is rewarding upside earnings surprises less than average and punishing downside earnings surprises less than average.

Companies that have reported upside earnings surprises for Q1 2018 have seen an average price increase of 0.1% two days before the earnings release through two days after the earnings. This percentage increase is well below the 5-year average price increase of +1.1% during this same window for companies reporting upside earnings surprises.

Companies that have reported downside earnings surprises for Q1 2018 have seen an average price decrease of -0.9% two days before the earnings release through two days after the earnings. This percentage decrease is much smaller than the 5-year average price decrease of -2.4% during this same window for companies reporting downside earnings surprises.

Percentage of Companies Beating Revenue Estimates (72%) is Above 5-Year Average

In terms of revenues, 72% of companies have reported actual sales above estimated sales and 28% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is above the 1- year average (70%) and well above the 5-year average (57%).

At the sector level, the Industrials (84%) and Health Care (83%) sectors have the highest percentages of companies reporting revenues above estimates, while the Real Estate (33%) and Energy (33%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.6%) is Above 5-Year Average

In aggregate, companies are reporting sales that are 1.6% above expectations. This surprise percentage is above the 1-year (+1.1%) average and above the 5-year (+0.6%) average.

The Financials (+2.7%) and Industrials (+2.0%) sectors are reporting the largest upside aggregate differences between actual sales and estimated sales, while the Real Estate (-2.9%) sector is reporting the largest aggregate downside difference between actual sales and estimated sales.

Increase in Blended Earnings Growth This Week Due to Financials

Increase in Blended Earnings Growth This Week Due to Financials

The blended, year-over-year earnings growth rate for the first quarter is 18.3% today, which is higher than the earnings growth rate of 17.4% last week. Positive earnings surprises reported by companies in the Financials sector were mainly responsible for the increase in the earnings growth rate for the index during the past week.

In the Financials sector, the positive earnings surprises reported by Goldman Sachs ($6.95 vs. $5.58), Morgan Stanley ($1.45 vs. $1.26), and Bank of America ($0.62 vs. $0.59) were the largest contributors to the increase in the overall earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Financials sector increased to 24.8% from 21.5% during this period.

Slight Increase in Blended Revenue Growth This Week

The blended, year-over-year sales growth rate for the first quarter is 7.6% today, which is slightly higher than the sales growth rate of 7.5% last week. Positive revenue surprises reported by companies in the Financials sector were mainly responsible for the small increase in the revenue growth rate for the index during the past week.

Financials Sector Has Seen Largest Increase in Earnings Growth since March 31

The blended, year-over-year earnings growth rate for Q1 2018 of 18.3% is above the estimate of 17.1% at the end of the first quarter (March 31). Six sectors have recorded an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Financials (to 24.8% from 19.7%) sector. Four sectors have recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Energy (to 77.7% from 79.5%) sector. One sector (Information Technology) has recorded no change in earnings growth (22.0%) since March 31.

Financials Sector Has Seen Largest Increase in Revenue Growth since March 31

The blended, year-over-year sales growth rate for Q1 2018 of 7.6% is above the estimate of 7.3% at the end of the first quarter (March 31). Five sectors have recorded an increase in sales growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Financials (to 3.9% from 2.4%) sectors. Two sectors have recorded a decrease in sales growth during this time due to downward revisions to revenue estimates and negative revenue surprises, led by the Utilities (to 0.3% from 1.9%) sector. Four sectors have recorded no change in sales growth since March 31.

Highest Earnings Growth (18.3%) Since Q1 2011

The blended (year-over-year) earnings growth rate for Q1 2018 is 18.3%. If 18.3% is the final growth rate for the quarter, it will mark the highest earnings growth reported by the index since Q1 2011 (19.5%). It will also mark the fourth time in the past five quarters that the index has reported double-digit earnings growth. All eleven sectors are reporting or are expected to report year-over-year growth in earnings. Seven sectors are reporting or are expected to report double-digit earnings growth, led by the Energy, Materials, Financials, and Information Technology sectors.

Energy: Highest Earnings Growth on Easy Comparison to Low Year-Ago Earnings

The Energy sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 77.7%. At the sub-industry level, all six sub-industries in the sector are reporting or are predicted to report earnings growth for the quarter: Oil & Gas Drilling (N/A due to year-ago loss), Oil & Gas Exploration & Production (2,838%), Oil & Gas Equipment & Services (91%), Oil & Gas Refining & Marketing (54%), Oil & Gas Storage & Transportation (54%), and Integrated Oil & Gas (32%).

The unusually high growth rate for the sector is due to both a significant year-over-year increase in oil prices and a comparison to unusually low earnings in the year-ago quarter. The average price of oil in Q1 2018 ($62.89) was 21.5% higher than the average price of oil in Q1 2017 ($51.78). On a dollar-level basis, the Energy sector is reporting earnings of $14.2 billion in Q1 2018, compared to earnings of $8.0 billion in Q1 2017. The only sector with lower dollar-level earnings in the year-ago quarter is the Materials sector ($7.3 billion).

Materials: DowDuPont Leads Growth on Easy Comparison to Standalone EPS for Dow Chemical

The Materials sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 41.4%. At the industry level, three of the four industries in the sector are reporting or are predicted to report earnings growth: Metals & Mining (96%), Chemicals (37%), and Containers & Packaging (33%).

At the company level, DowDuPont is predicted to be the largest contributor to earnings growth for the sector. However, the estimated earnings for Q1 2018 ($2.6 billion) reflect the combined DowDuPont company, while the actual earnings for Q1 2017 ($1.3 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont is projected to be the largest contributor to earnings growth for the sector. If this company were excluded, the blended earnings growth rate for the sector would fall to 28.3% from 41.4%.

Financials: All 5 Industries Reporting Double-Digit Earnings Growth

The Financials sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 24.8%. At the industry level, all five industries in this sector are reporting or are predicted to report double-digit growth in earnings: Diversified Financial Services (36%), Consumer Finance (33%) Banks (29%), Capital Markets (28%), and Insurance (10%).

Information Technology: 5 of 7 Industries Reporting Double-Digit Earnings Growth

The Information Technology sector is reporting the fourth highest (year-over-year) earnings growth of all eleven sectors at 22.0%. At the industry level, all seven of the industries in this sector are reporting or are predicted to report earnings growth. Five of these seven industries are reporting or are predicted to report double-digit earnings growth: Semiconductor & Semiconductor Equipment (31%), Technology Hardware, Storage, & Peripherals (24%), Internet Software & Services (22%), Software (21%), and IT Services (19%).

Revenue Growth: 7.6%

The blended (year-over-year) revenue growth rate for Q1 2018 is 7.6%. All eleven sectors are reporting or are expected to report year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Materials, Energy, and Information Technology.

Materials: DowDuPont Leads Growth on Easy Comparison to Standalone Revenue for Dow Chemical

The Materials sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 21.0%. At the industry level, all four industries in this sector are reporting or are expected to report revenue growth, led by the Chemicals (26%) and Metals & Mining (26%) industries.

At the company level, DowDuPont is predicted to be the largest contributor to revenue growth for the sector. However, the estimated revenues for Q1 2018 ($21.4 billion) reflect the combined DowDuPont company, while the actual revenues for Q1 2017 ($13.2 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont is projected to be the largest contributor to revenue growth for the sector. If this company were excluded, the blended revenue growth rate for the sector would fall to 12.3% from 21.0%.

Energy: 5 of 6 Sub-Industries Reporting Double-Digit Growth

The Energy sector is reporting the second highest (year-over-year) revenue growth of all eleven sectors at 14.9%. At the sub-industry level, all six sub-industries in the sector are reporting or are predicted to report revenue growth: Oil & Gas Drilling (40%), Oil & Gas Equipment & Services (29%), Oil & Gas Refining & Marketing (22%), Oil & Gas Storage & Transportation (13%), Integrated Oil & Gas (10%), and Oil & Gas Exploration & Production (5%).

Information Technology: 5 of 7 Industries Reporting Double-Digit Growth

The Information Technology sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 14.2%. At the industry level, all seven industries in this sector are reporting or are predicted to report revenue growth. Five of these seven industries are reporting or are projected to report double-digit revenue growth: Internet Software & Services (24%), IT Services (16%), Semiconductor & Semiconductor Equipment (15%), Technology Hardware, Storage, & Peripherals (12%), and Software (10%).

Looking Ahead: Forward Estimates and Valuation

Earnings Guidance: More Companies Issuing Positive EPS Guidance For Q2 2018

The term “guidance” (or “preannouncement”) is defined as a projection or estimate for EPS provided by a company in advance of the company reporting actual results. Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued. Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

At this point in time, 11 companies in the index have issued EPS guidance for Q2 2018. Of these 11 companies, 4 have issued negative EPS guidance and 7 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 36% (4 out of 11), which is well below the 5-year average of 74%.

Double-Digit Earnings Growth Expected For All of 2018

For the first quarter, companies are reporting earnings growth of 18.3% and revenue growth of 7.6%. Analysts currently expect earnings to grow at double-digit levels for the remainder 2018.

For Q2 2018, analysts are projecting earnings growth of 19.0% and revenue growth of 7.8%.

For Q3 2018, analysts are projecting earnings growth of 21.0% and revenue growth of 6.5%.

For Q4 2018, analysts are projecting earnings growth of 16.9% and revenue growth of 5.7%.

For all of 2018, analysts are projecting earnings growth of 18.5% and revenue growth of 6.8%.

Valuation: Forward P/E Ratio is 16.6, above the 10-Year Average (14.3)

The forward 12-month P/E ratio is 16.6. This P/E ratio is above the 5-year average of 16.1 and above the 10-year average of 14.3. It is also above the forward 12-month P/E ratio of 16.4 recorded at the start of the second quarter (March 31). Since the start of the second quarter, the price of the index has increased by 2.0%, while the forward 12-month EPS estimate has increased by 0.8%.

At the sector level, the Energy (20.6) and Consumer Discretionary (20.1) sectors have the highest forward 12-month P/E ratios, while the Telecom Services (10.5) and Financials (13.0) sectors have the lowest forward 12-month P/E ratios. Nine sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Information Technology (18.2 vs. 14.5) sector. The Telecom Services (10.5 vs. 14.1) sector is the only sector with a forward 12-month P/E ratio below the 10-year average.

Targets & Ratings: Analysts Project 14% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 3082.13, which is 14.4% above the closing price of 2693.13. At the sector level, the Consumer Staples (+17.6%) and Health Care (+16.6%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Utilities (+5.2%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

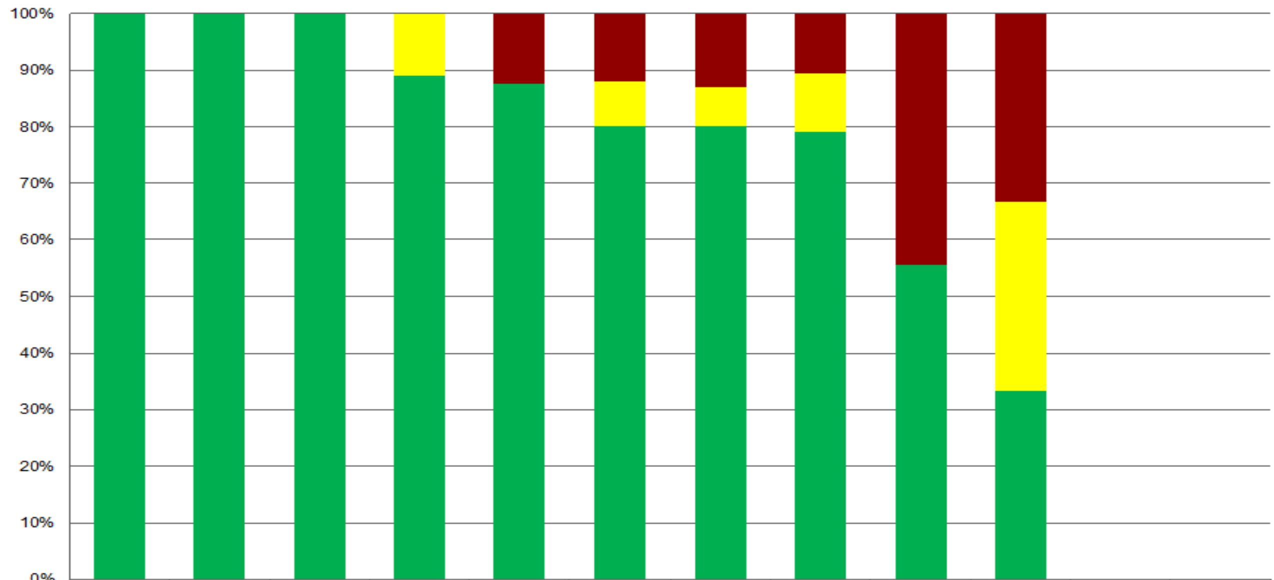
Overall, there are 11,119 ratings on stocks in the S&P 500. Of these 11,119 ratings, 52.7% are Buy ratings, 42.4% are Hold ratings, and 4.8% are Sell ratings. At the sector level, the Information Technology (61%), Energy (59%), and Health Care (59%) sectors have the highest percentages of Buy ratings, while the Telecom Services (36%) and Utilities (41%) sectors have the lowest percentages of Buy ratings.

Companies Reporting Next Week: 179

During the upcoming week, 179 S&P 500 companies (including 12 Dow 30 components) are scheduled to report results for the first quarter.

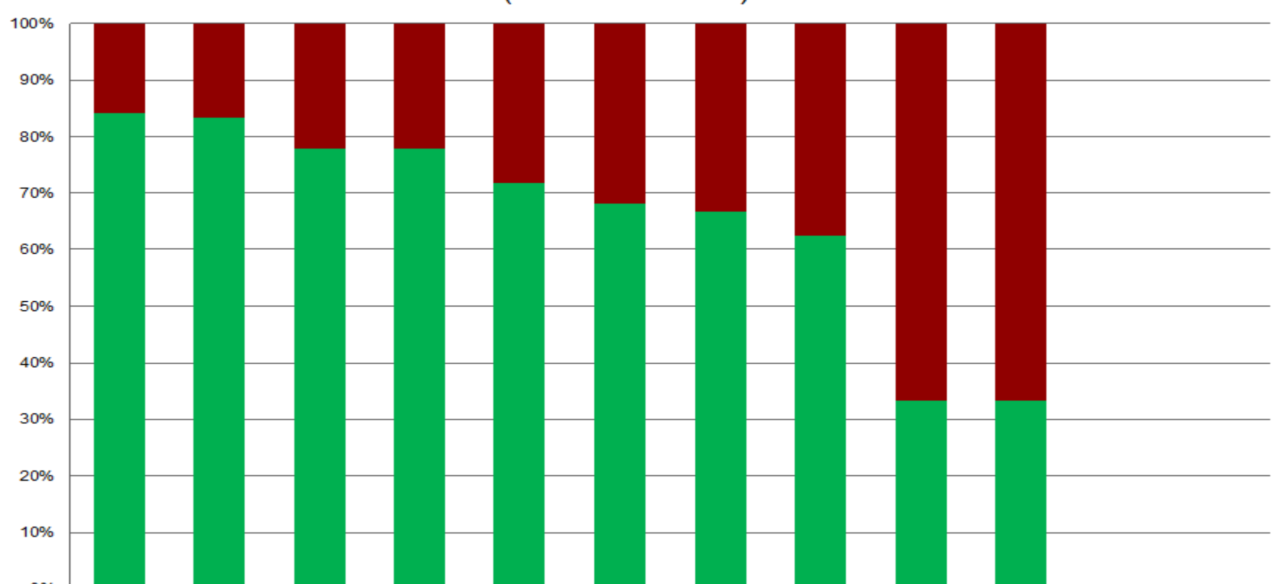
Q1 2018: Scorecard

S&P 500 Earnings Above, In-Line, Below Estimates: Q1 2018
(Source: FactSet)



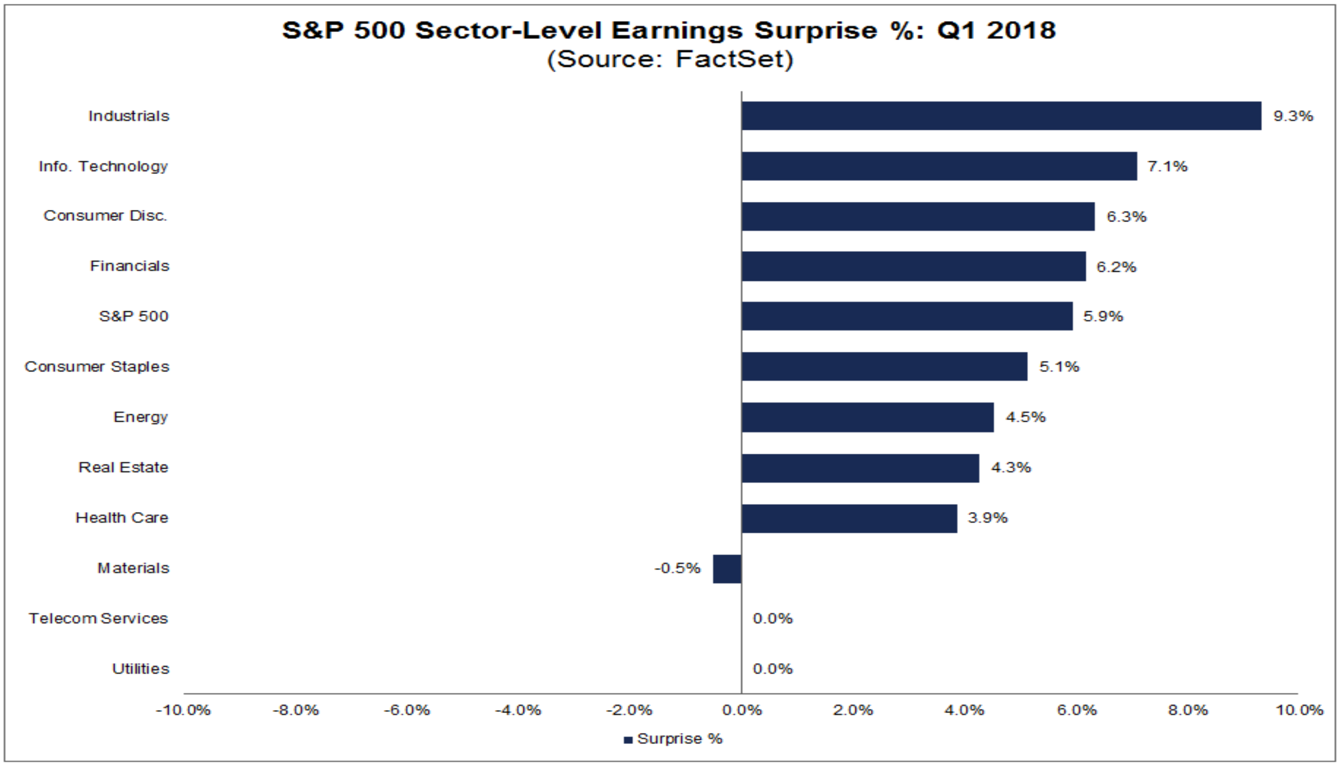
	Health Care	Energy	Real Estate	Info. Technology	Consumer Staples	Financials	S&P 500	Industrials	Consumer Disc.	Materials	Utilities	Telecom Services
Below	0%	0%	0%	0%	13%	12%	13%	11%	44%	33%	0%	0%
In-Line	0%	0%	0%	11%	0%	8%	7%	11%	0%	33%	0%	0%
Above	100%	100%	100%	89%	88%	80%	80%	79%	56%	33%	0%	0%

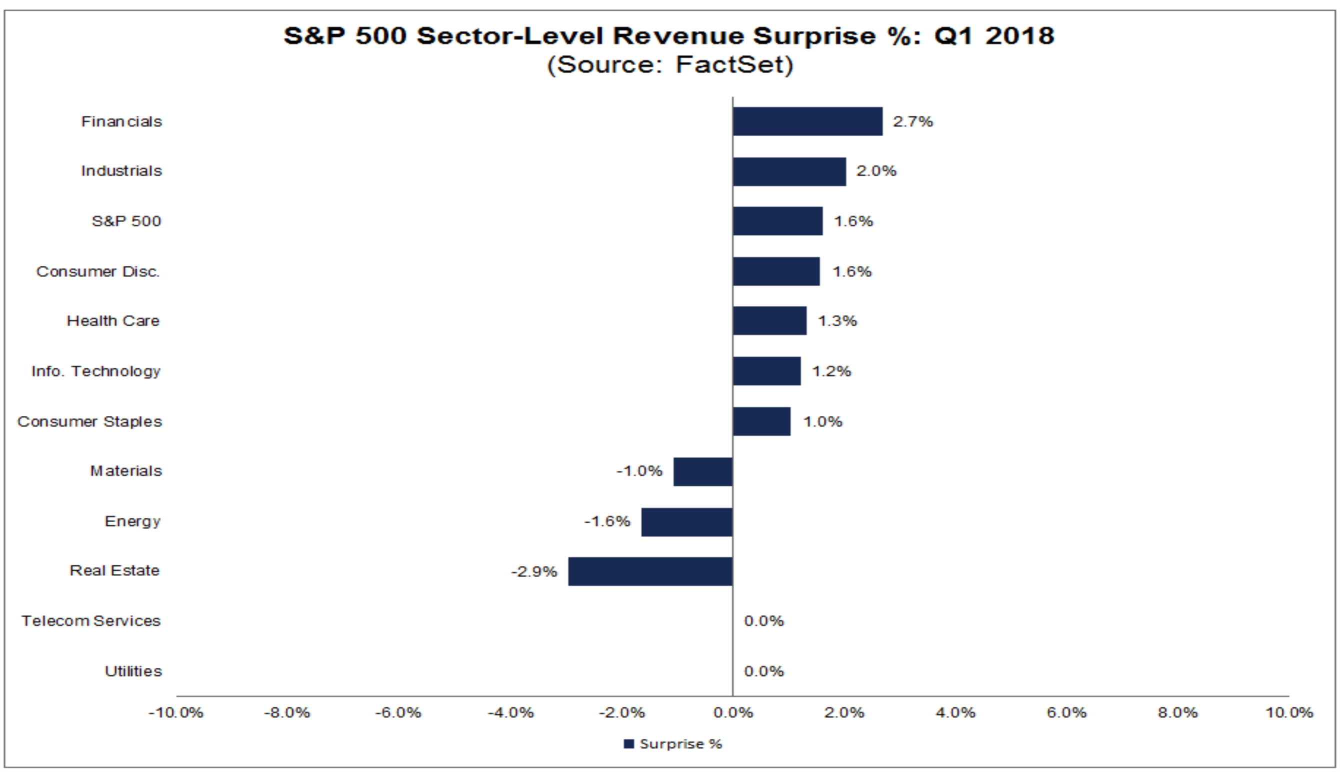
S&P 500 Revenues Above, In-Line, Below Estimates: Q1 2018
(Source: FactSet)



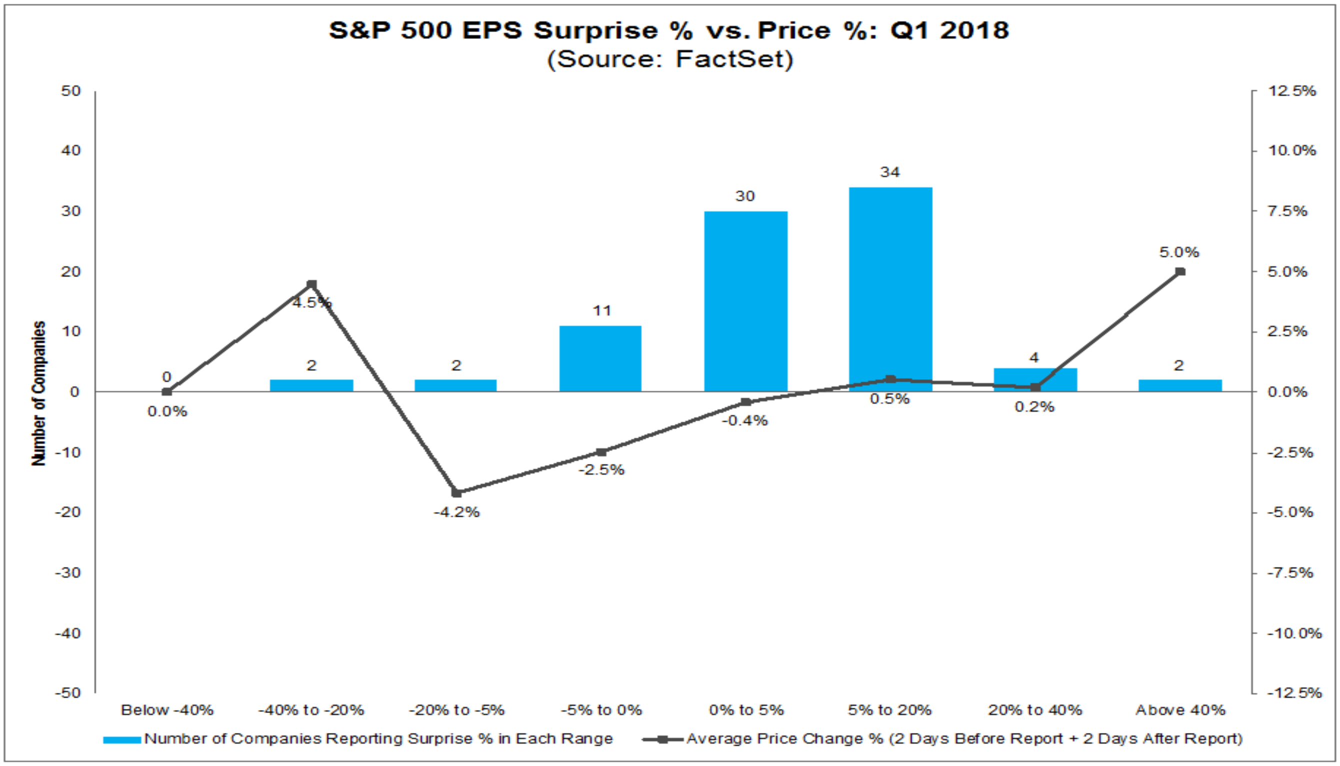
	Industrials	Health Care	Info. Technology	Consumer Disc.	S&P 500	Financials	Materials	Consumer Staples	Energy	Real Estate	Telecom Services	Utilities
Below	16%	17%	22%	22%	28%	32%	33%	38%	67%	67%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	84%	83%	78%	78%	72%	68%	67%	63%	33%	33%	0%	0%

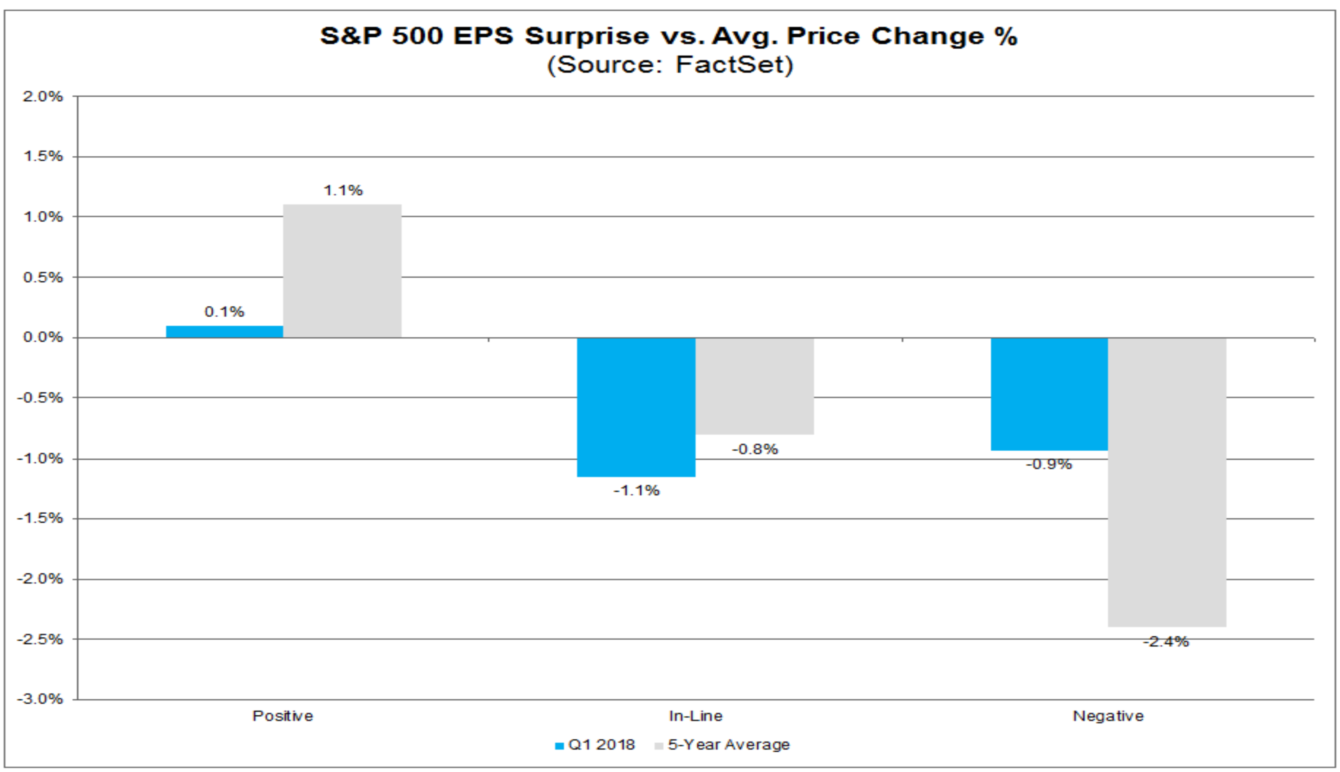
Q1 2018: Scorecard



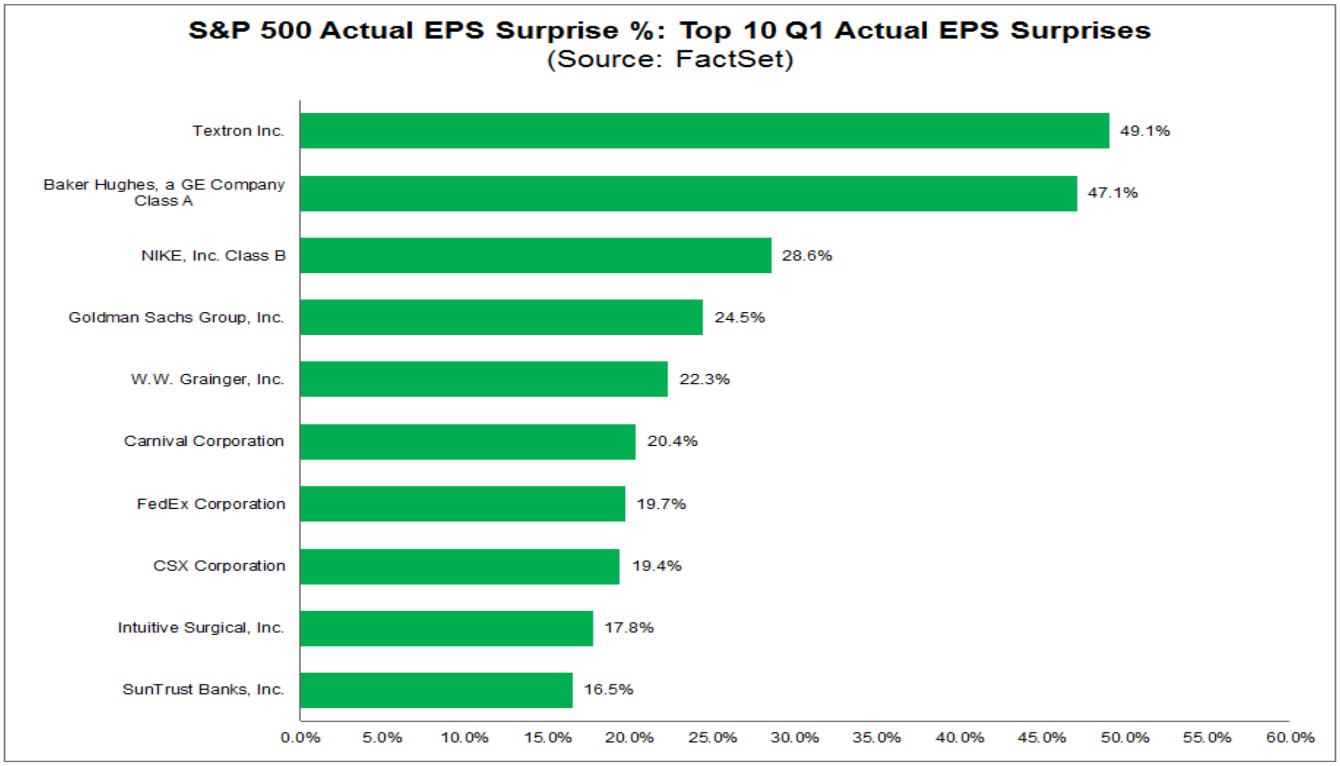


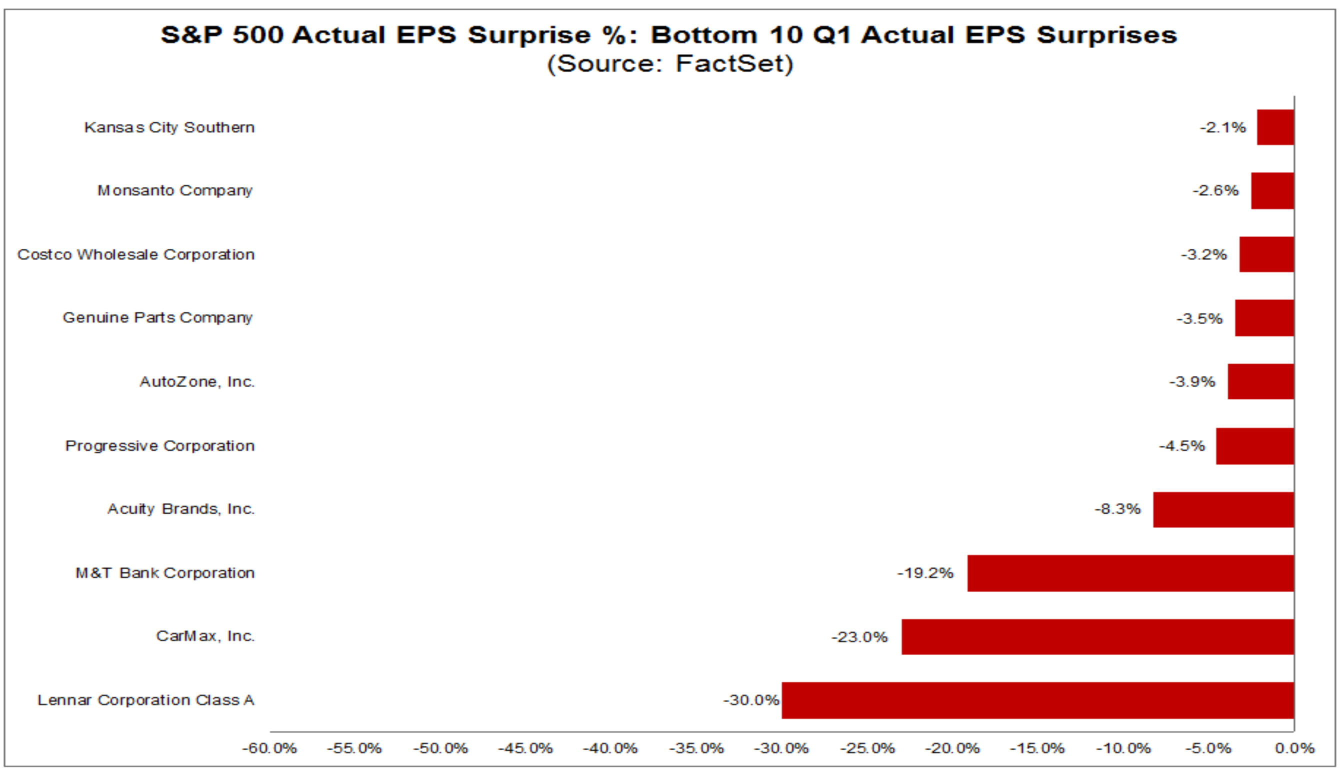
Q1 2018: Scorecard



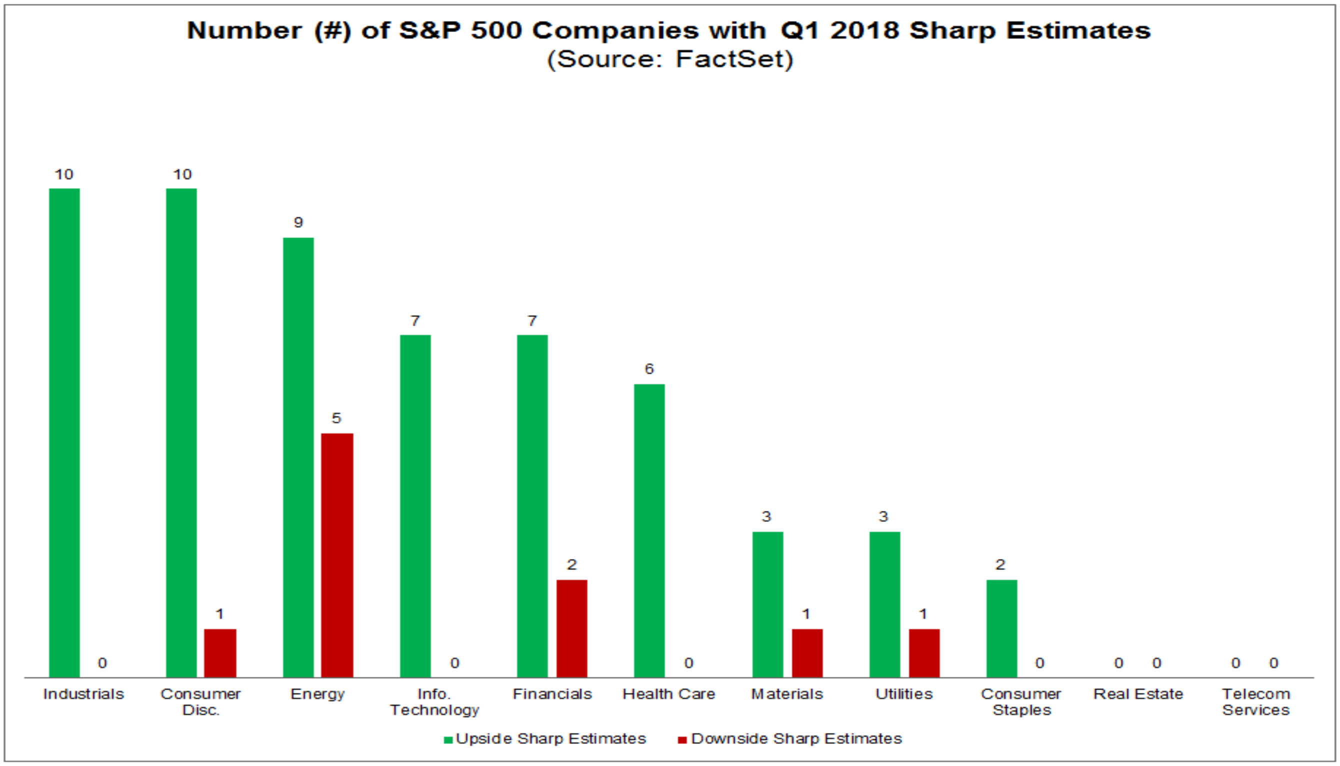


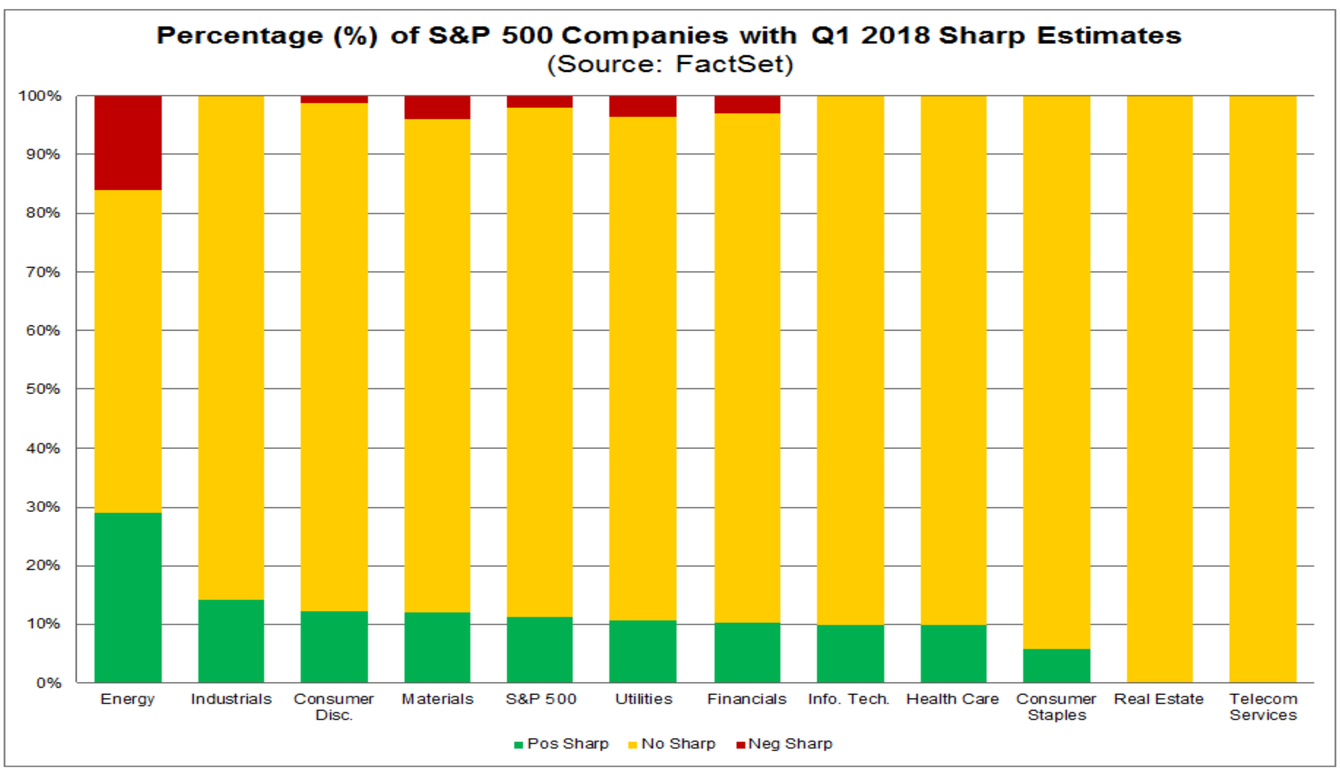
Q1 2018: Scorecard





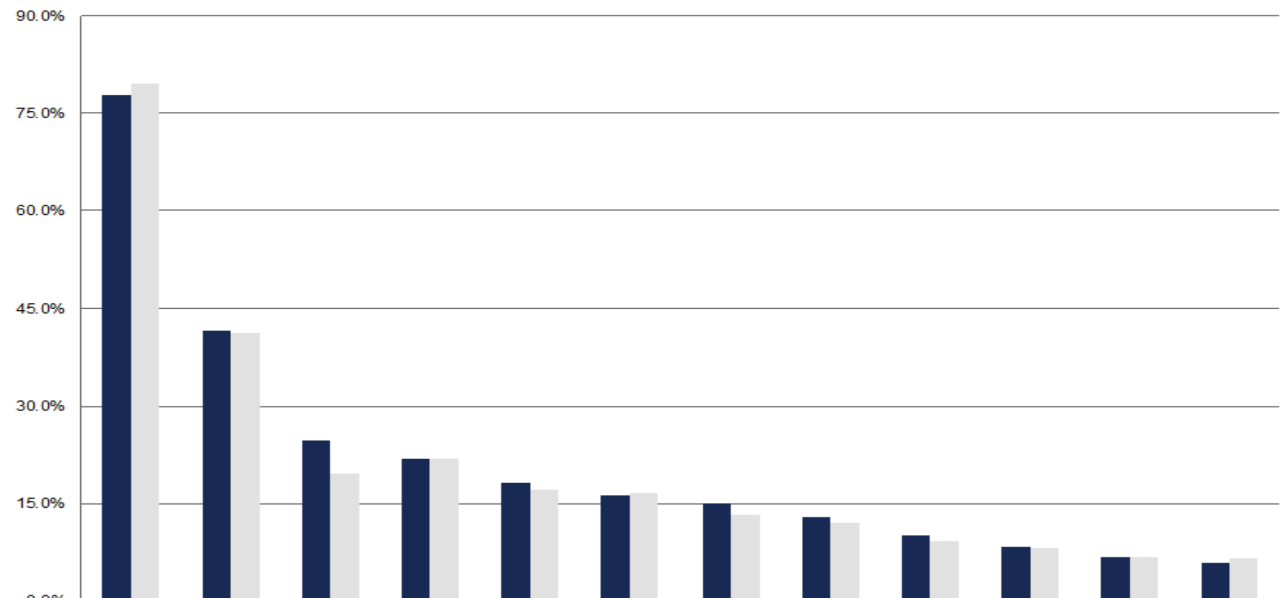
Q1 2018: Projected EPS Surprises (Sharp Estimates)





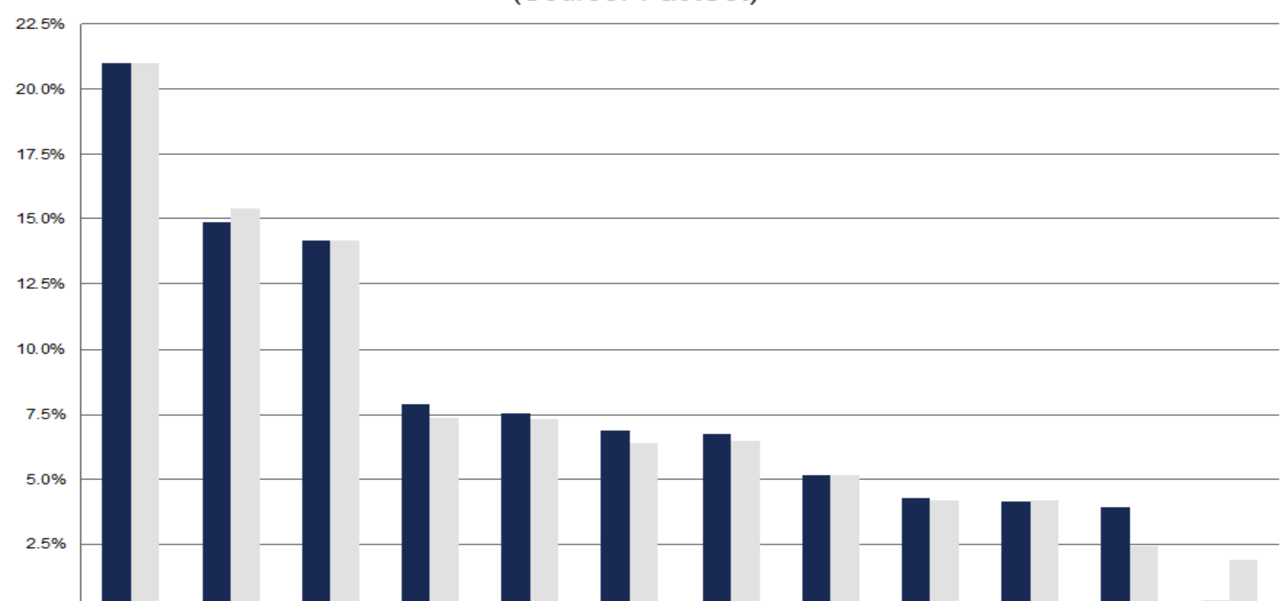
Q1 2018: Growth

S&P 500 Earnings Growth: Q1 2018
(Source: FactSet)



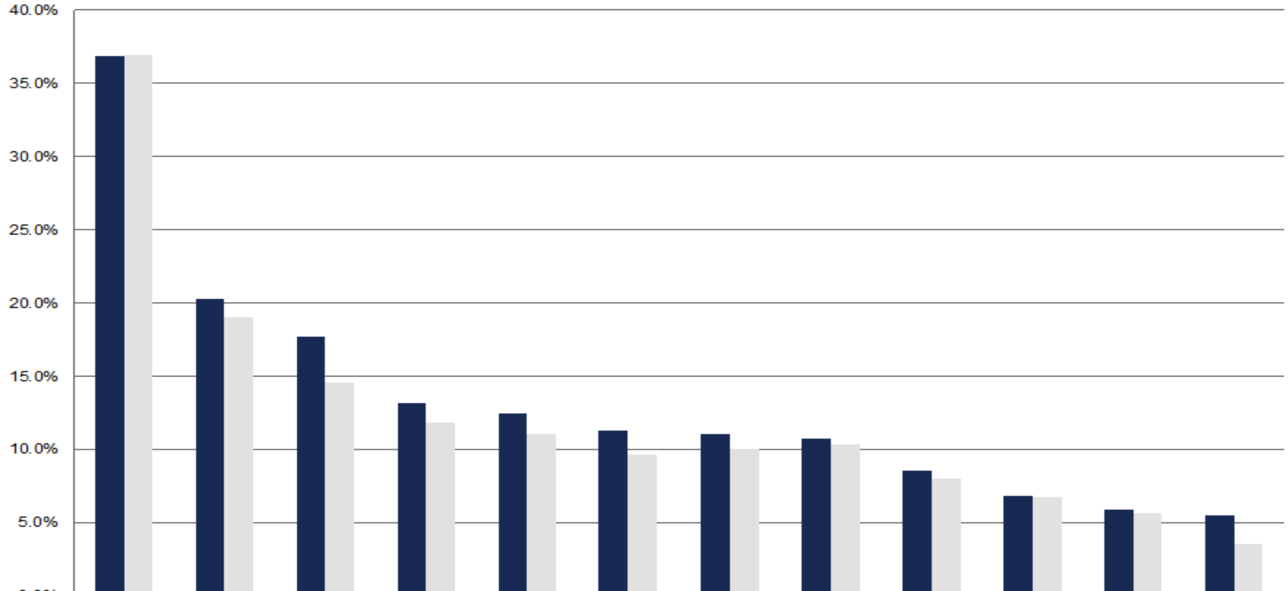
	Energy	Materials	Financials	Info. Technology	S&P 500	Telecom Services	Industrials	Utilities	Health Care	Consumer Staples	Real Estate	Consumer Disc.
Today	77.7%	41.4%	24.8%	22.0%	18.3%	16.3%	15.1%	13.0%	10.2%	8.4%	6.7%	6.0%
31-Mar	79.5%	41.1%	19.7%	22.0%	17.1%	16.6%	13.2%	12.0%	9.3%	8.2%	6.8%	6.6%

S&P 500 Revenue Growth: Q1 2018
(Source: FactSet)

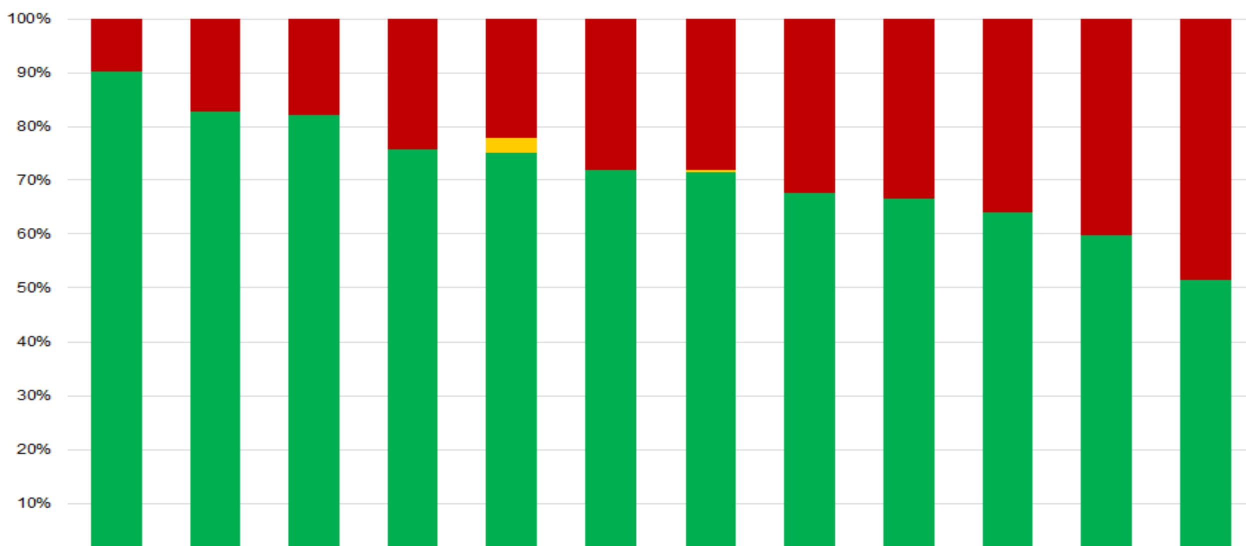


	Materials	Energy	Info. Technology	Industrials	S&P 500	Real Estate	Health Care	Consumer Disc.	Telecom Services	Consumer Staples	Financials	Utilities
Today	21.0%	14.9%	14.2%	7.9%	7.6%	6.9%	6.7%	5.2%	4.3%	4.2%	3.9%	0.3%
31-Mar	21.0%	15.4%	14.2%	7.4%	7.3%	6.4%	6.5%	5.2%	4.2%	4.2%	2.4%	1.9%

Q1 2018: Net Profit Margin

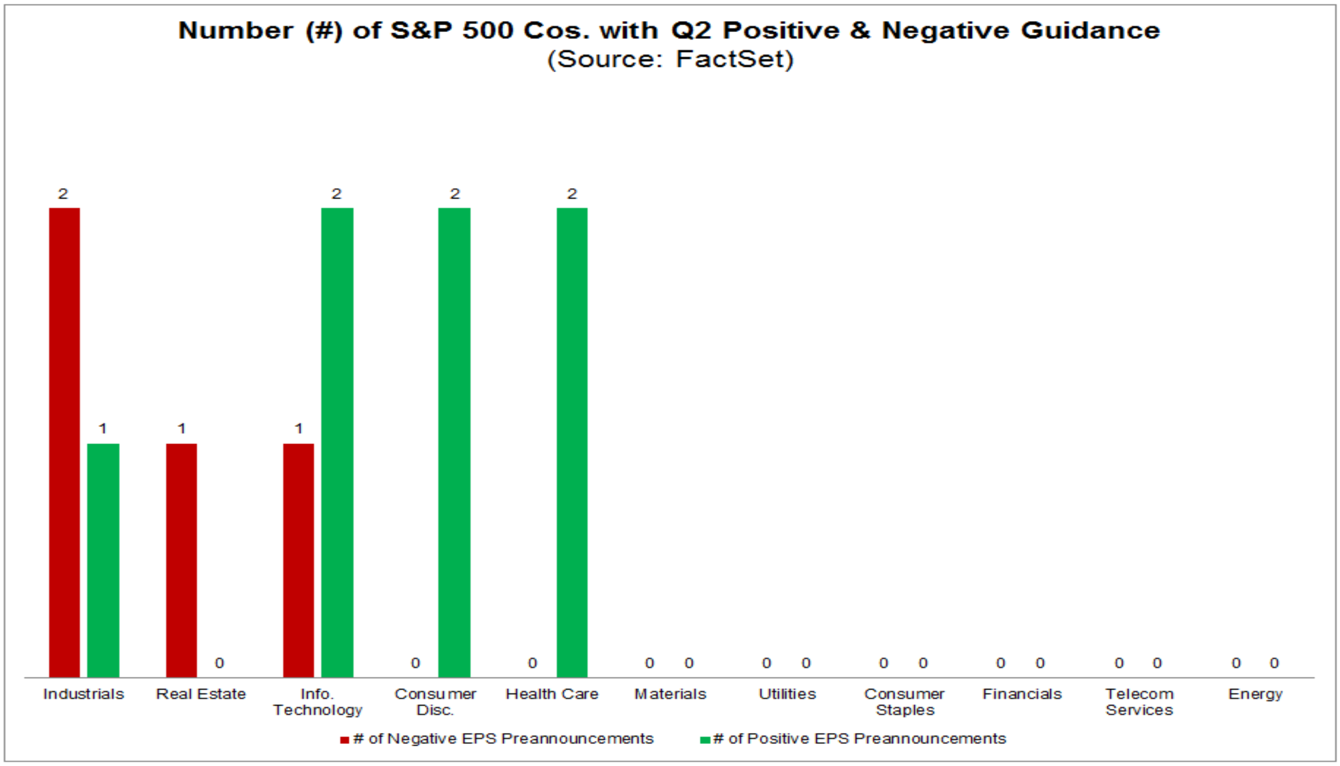


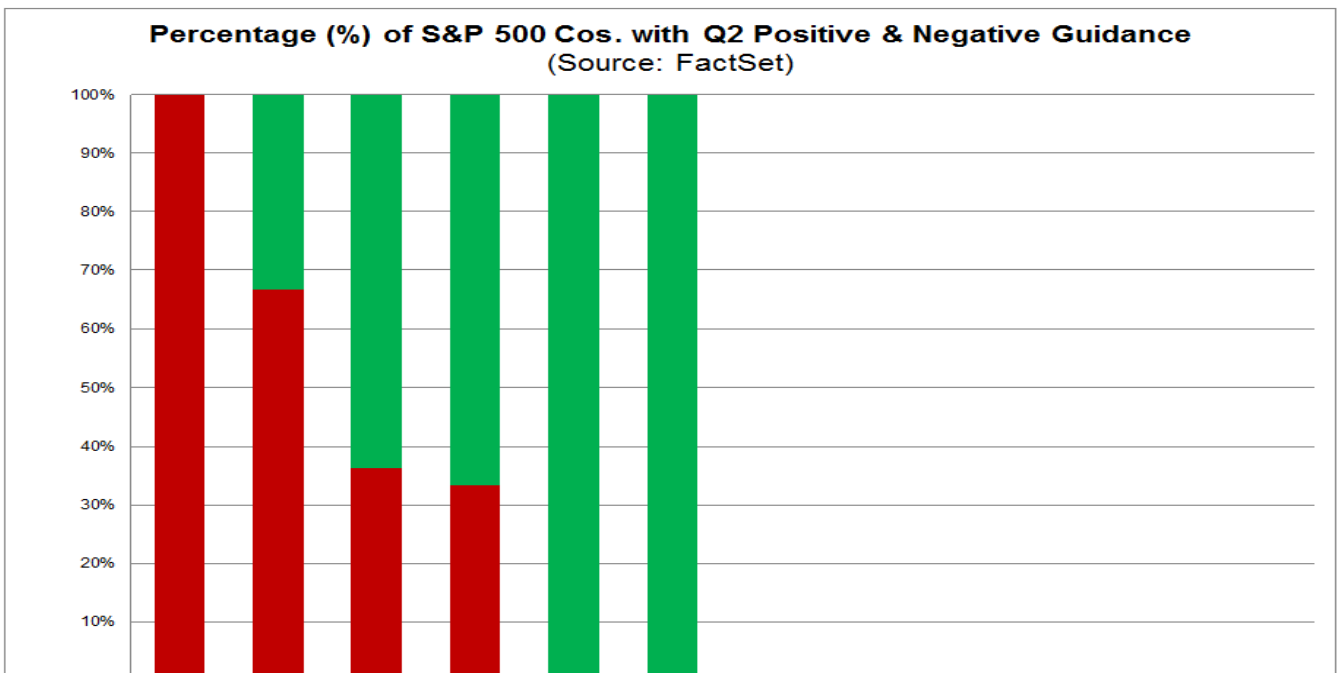
	Real Estate	Information Tech	Financials	Telecom Services	Utilities	Materials	S&P 500	Health Care	Industrials	Consumer Disc.	Consumer Staples	Energy
Q118	36.8%	20.3%	17.7%	13.2%	12.5%	11.3%	11.1%	10.7%	8.6%	6.9%	5.9%	5.5%
Q117	36.9%	19.0%	14.6%	11.9%	11.1%	9.6%	10.1%	10.4%	8.0%	6.8%	5.7%	3.6%



	Energy	Information Tech.	Utilities	Industrials	Financials	Materials	S&P 500	Consumer Staples	Telecom Services	Health Care	Consumer Disc.	Real Estate
Down %	10%	17%	18%	24%	22%	28%	28%	32%	33%	36%	40%	48%
None %	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%	0%	0%
Up %	90%	83%	82%	76%	75%	72%	71%	68%	67%	64%	60%	52%

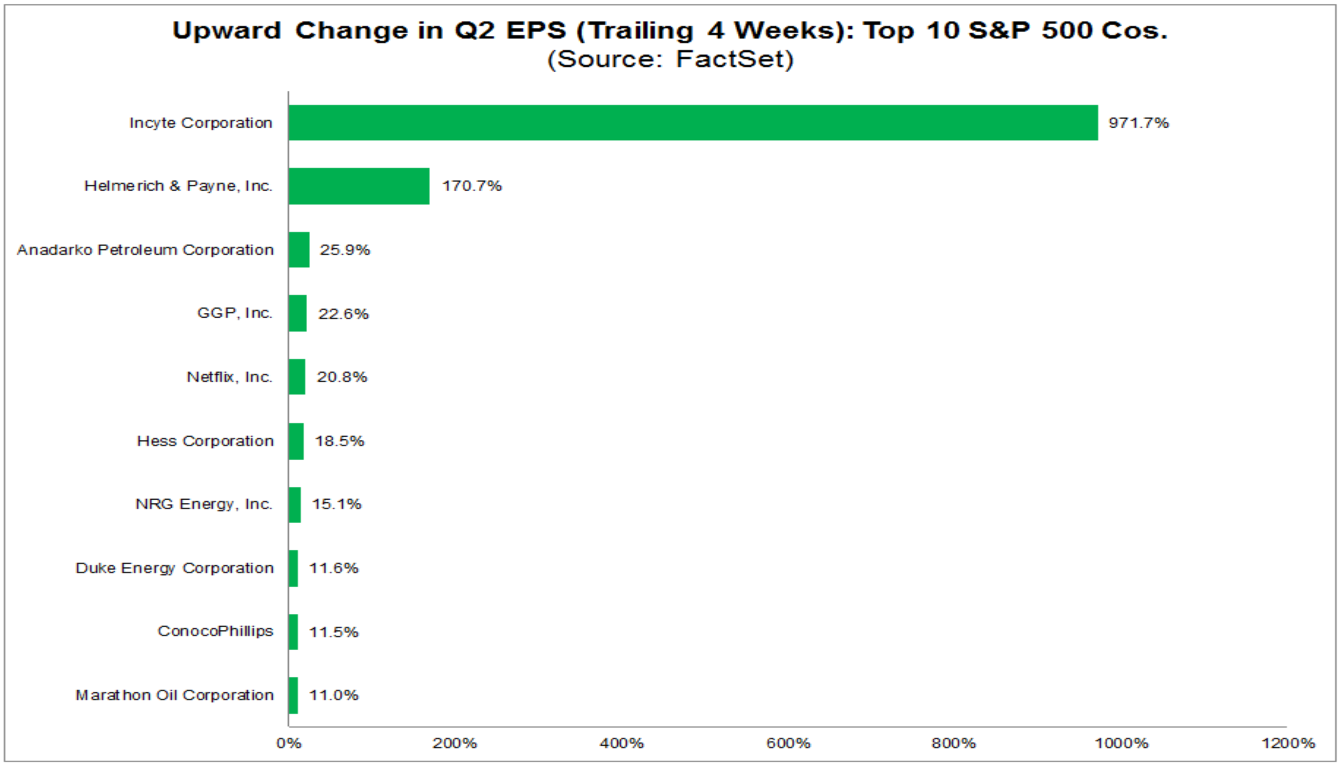
Q2 2018: Guidance

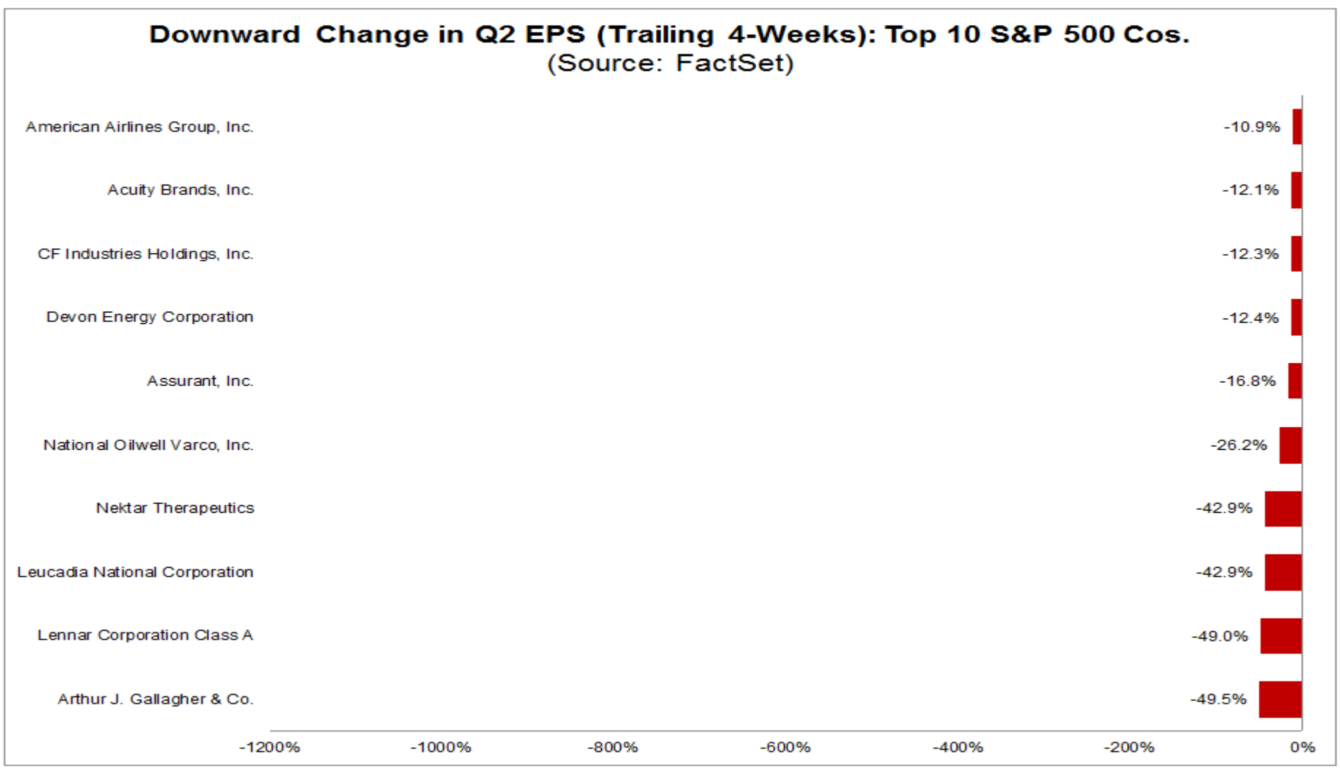




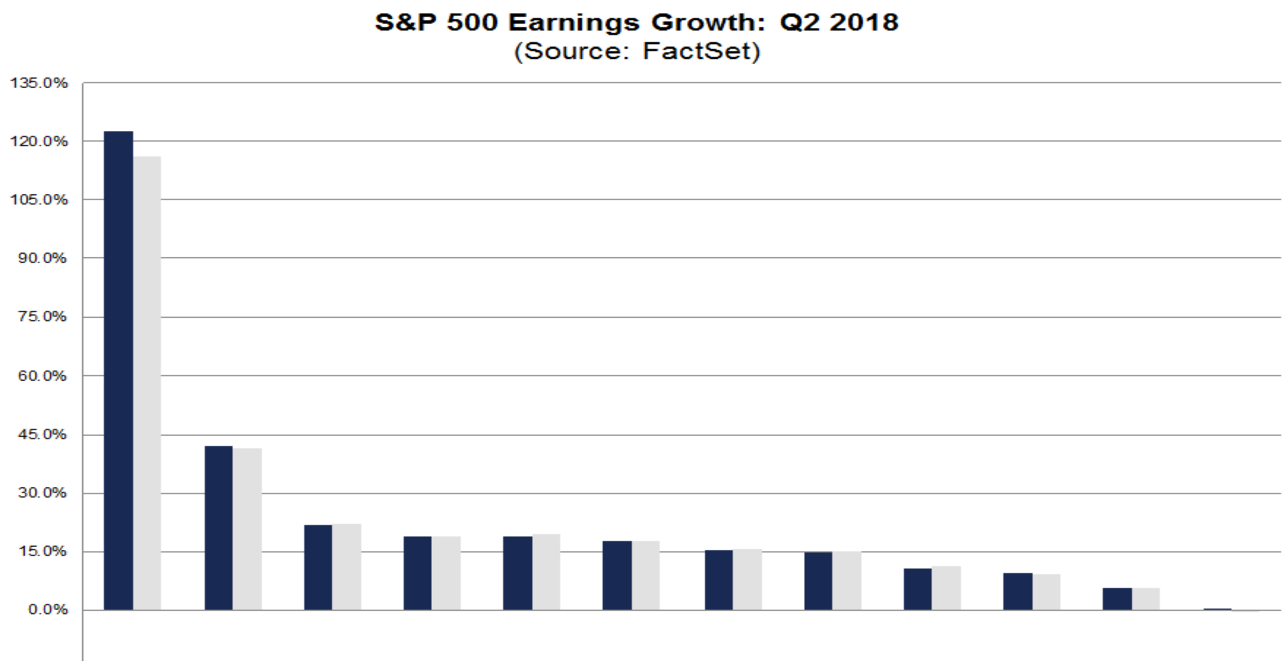
	Real Estate	Industrials	S&P 500	Info. Technology	Consumer Disc.	Health Care	Materials	Utilities	Consumer Staples	Financials	Telecom Services	Energy
Positive	0%	33%	64%	67%	100%	100%	0%	0%	0%	0%	0%	0%
Negative	100%	67%	36%	33%	0%	0%	0%	0%	0%	0%	0%	0%

Q2 2018: EPS Revisions

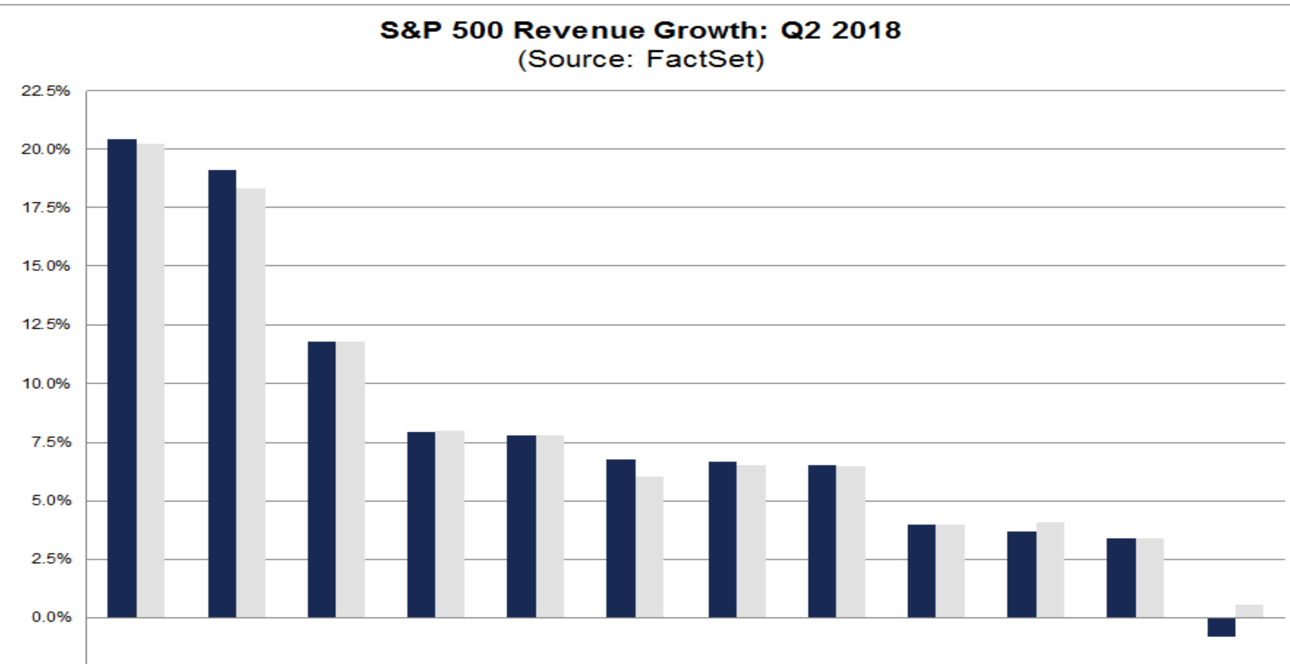




Q2 2018: Growth

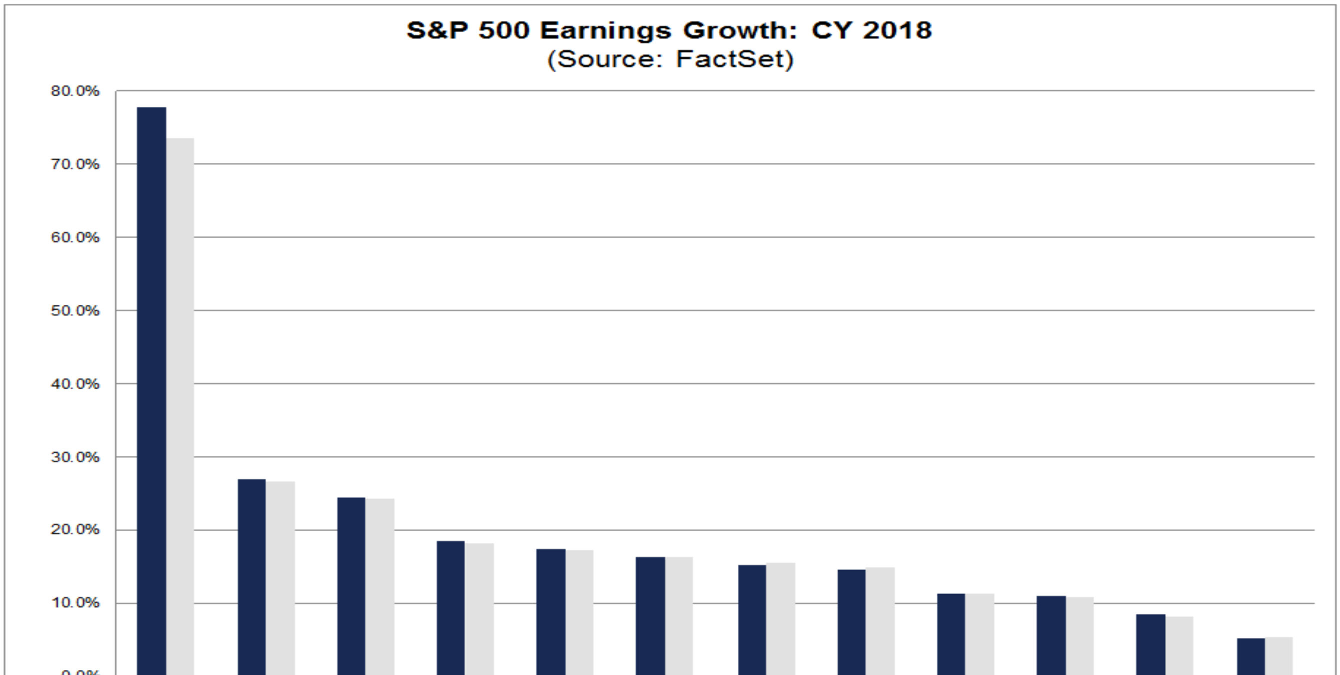


	Energy	Materials	Info. Technology	S&P 500	Financials	Telecom Services	Consumer Disc.	Industrials	Consumer Staples	Health Care	Real Estate	Utilities
Today	122.4%	42.1%	21.9%	19.0%	18.8%	17.8%	15.3%	14.9%	10.7%	9.5%	5.7%	0.4%
31-Mar	116.1%	41.4%	22.1%	19.0%	19.6%	17.6%	15.8%	15.2%	11.2%	9.1%	5.7%	-0.6%

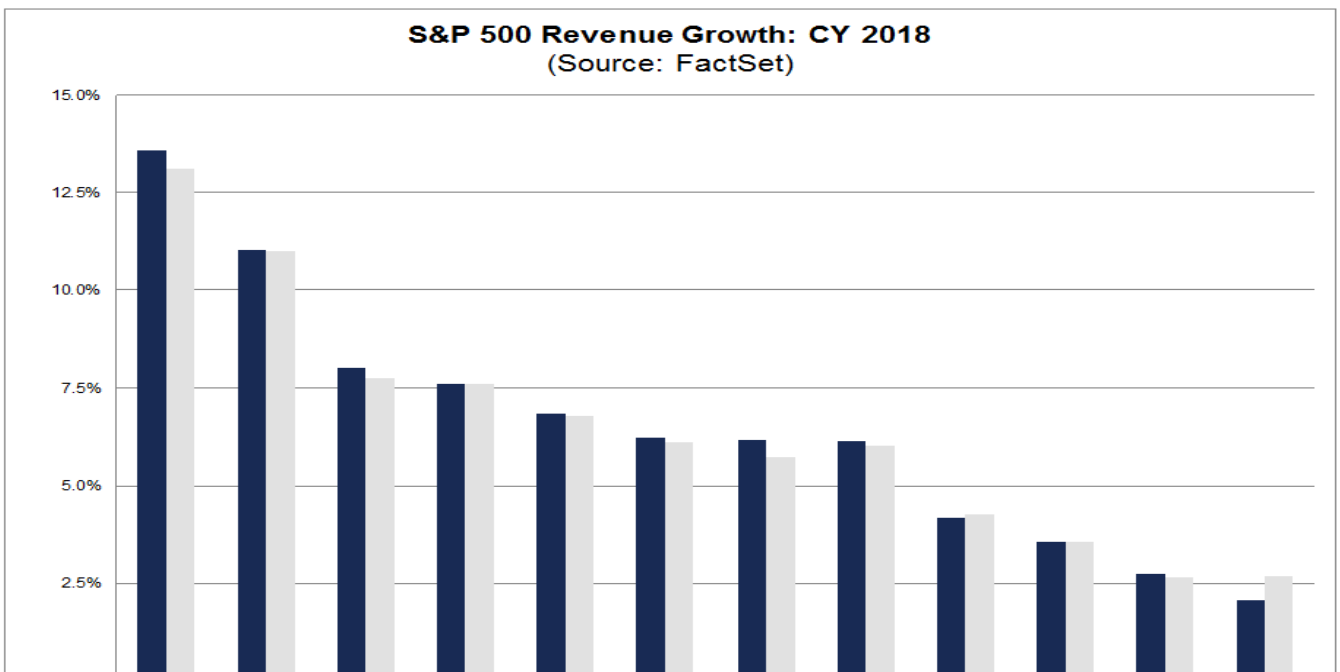


	Materials	Energy	Info. Technology	Consumer Disc.	S&P 500	Real Estate	Industrials	Health Care	Consumer Staples	Financials	Telecom Services	Utilities
Today	20.4%	19.1%	11.8%	8.0%	7.8%	6.8%	6.7%	6.5%	4.0%	3.7%	3.4%	-0.8%
31-Mar	20.3%	18.3%	11.8%	8.0%	7.8%	6.1%	6.5%	6.5%	4.0%	4.1%	3.4%	0.5%

CY 2018: Growth

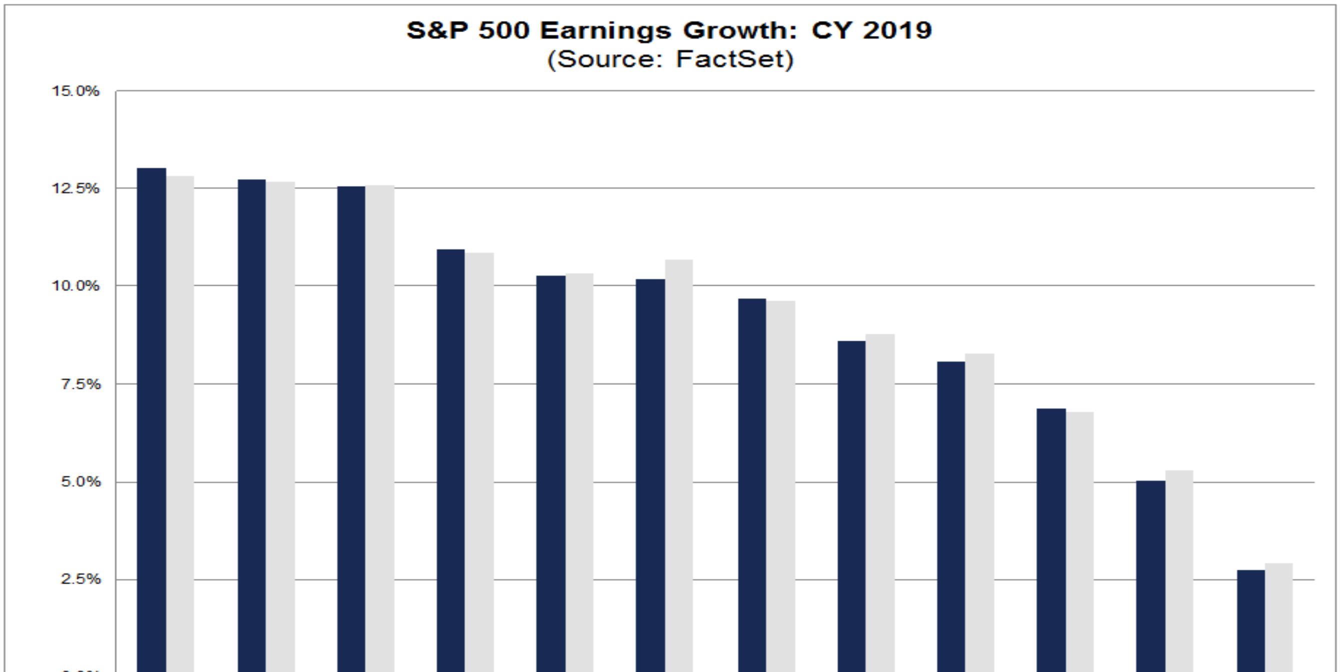


	Energy	Financials	Materials	S&P 500	Industrials	Info. Technology	Consumer Disc.	Telecom Services	Consumer Staples	Health Care	Utilities	Real Estate
Today	77.8%	27.1%	24.5%	18.5%	17.5%	16.3%	15.3%	14.7%	11.3%	11.0%	8.6%	5.3%
31-Mar	73.5%	26.7%	24.3%	18.3%	17.3%	16.3%	15.6%	14.9%	11.4%	10.8%	8.3%	5.5%

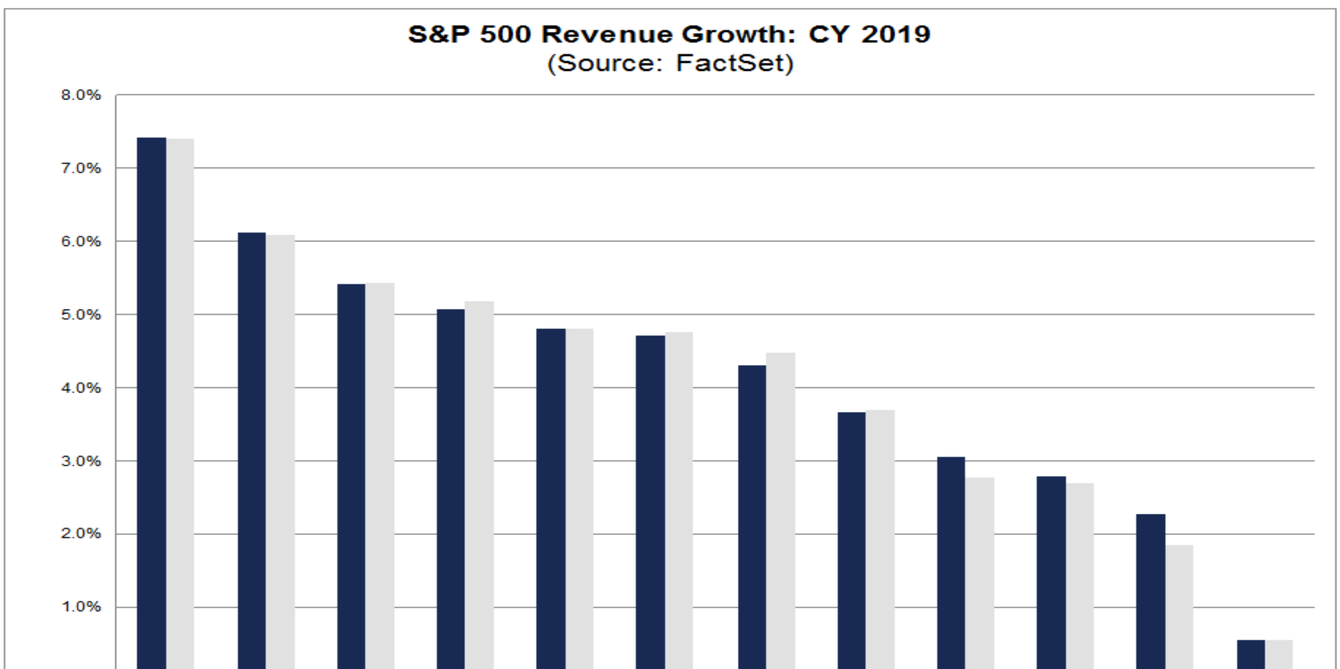


	Energy	Info. Technology	Materials	Consumer Disc.	S&P 500	Health Care	Real Estate	Industrials	Financials	Consumer Staples	Telecom Services	Utilities
Today	13.6%	11.0%	8.0%	7.6%	6.8%	6.2%	6.2%	6.1%	4.2%	3.6%	2.7%	2.1%
31-Mar	13.1%	11.0%	7.7%	7.6%	6.8%	6.1%	5.7%	6.0%	4.3%	3.6%	2.7%	2.7%

CY 2019: Growth



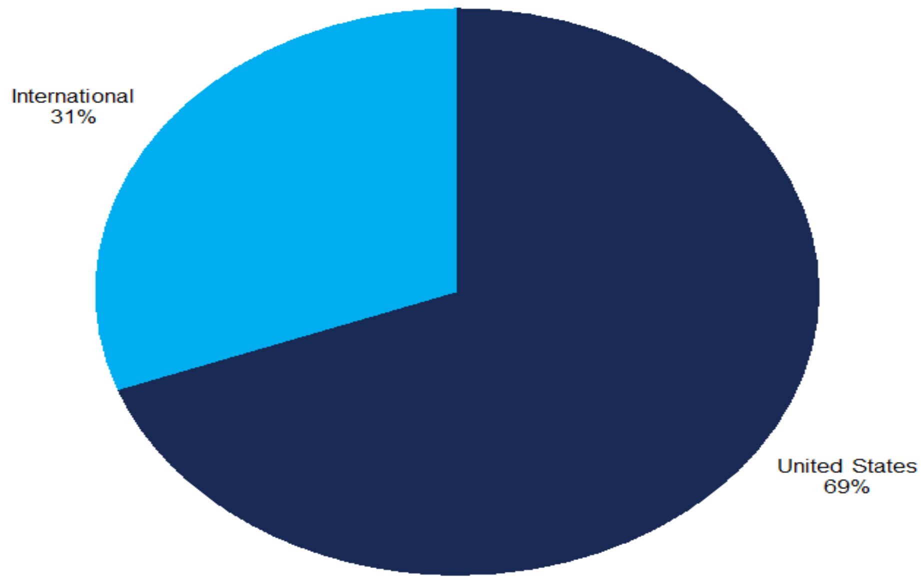
	Consumer Disc.	Energy	Industrials	Info. Technology	S&P 500	Financials	Health Care	Materials	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	13.0%	12.7%	12.6%	10.9%	10.3%	10.2%	9.7%	8.6%	8.1%	6.9%	5.0%	2.7%
31-Mar	12.8%	12.7%	12.6%	10.9%	10.3%	10.7%	9.6%	8.8%	8.3%	6.8%	5.3%	2.9%



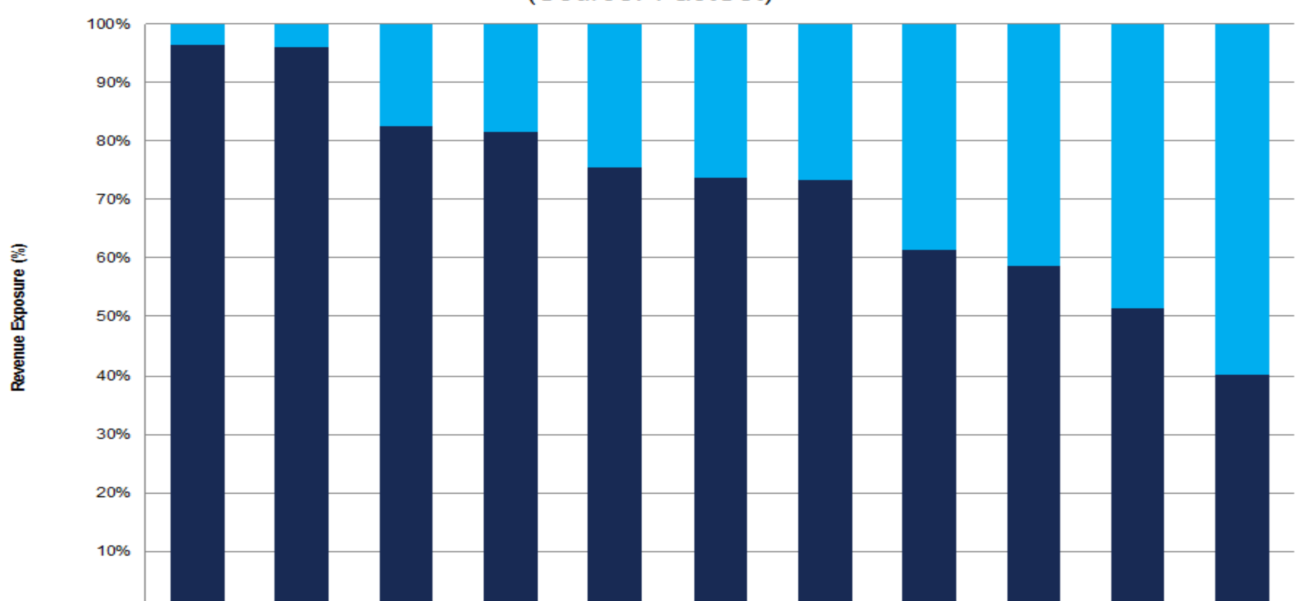
	Info. Technology	Consumer Disc.	Health Care	Real Estate	S&P 500	Industrials	Financials	Consumer Staples	Energy	Materials	Utilities	Telecom Services
Today	7.4%	6.1%	5.4%	5.1%	4.8%	4.7%	4.3%	3.7%	3.1%	2.8%	2.3%	0.6%
31-Mar	7.4%	6.1%	5.4%	5.2%	4.8%	4.8%	4.5%	3.7%	2.8%	2.7%	1.9%	0.6%

Geographic Revenue Exposure

S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)

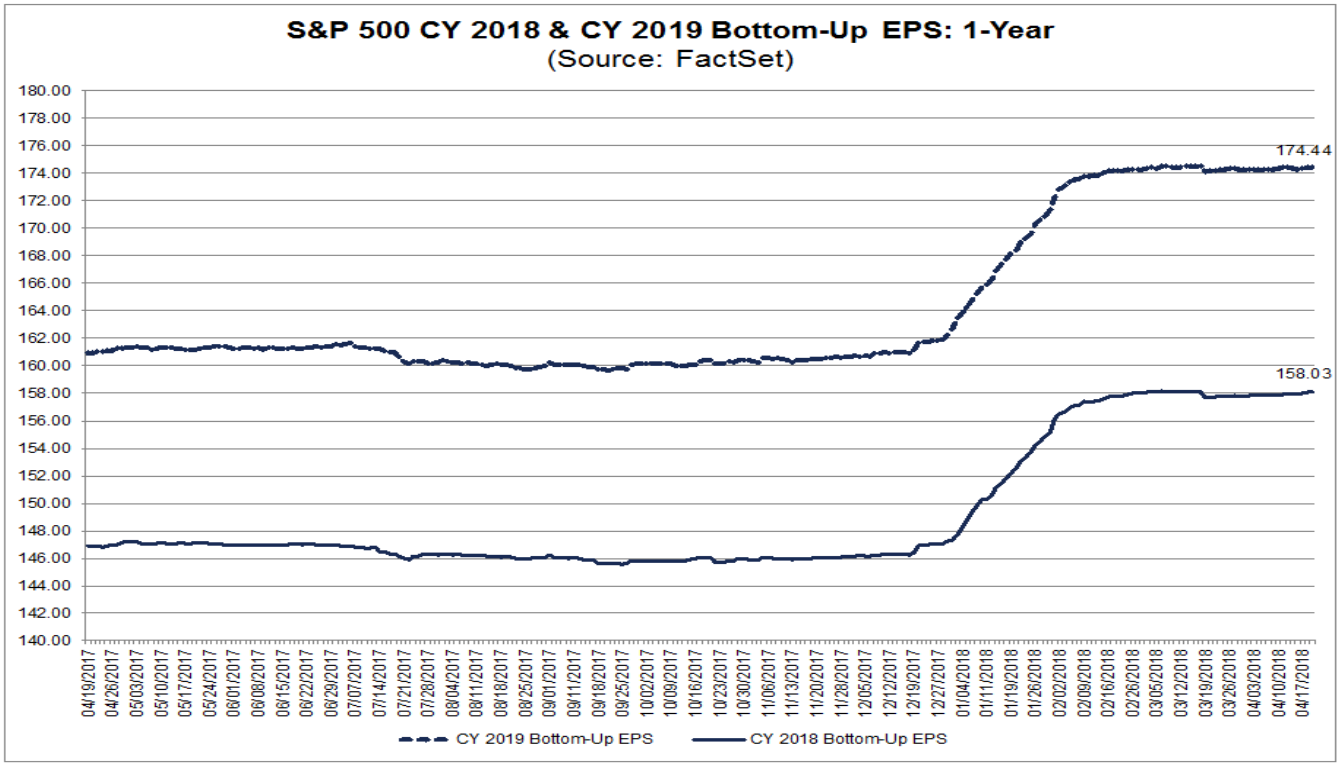


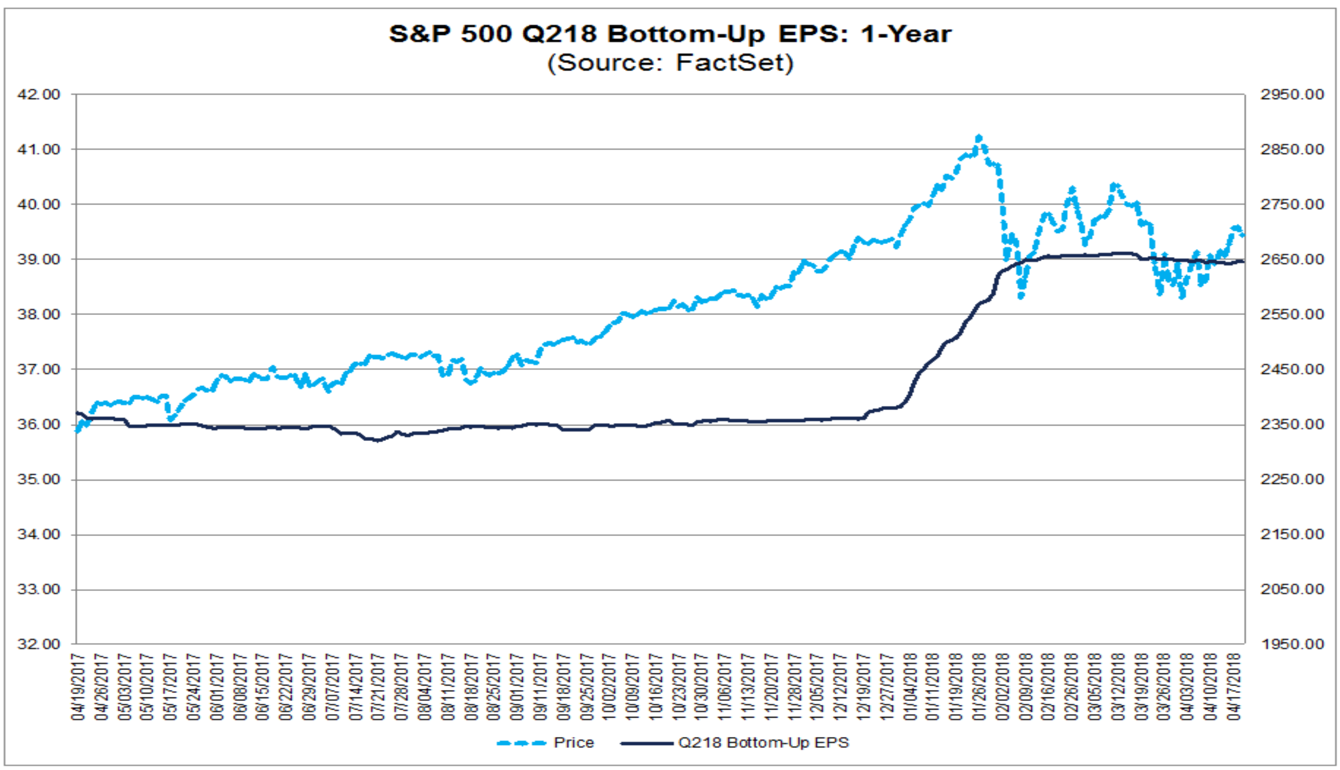
S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)



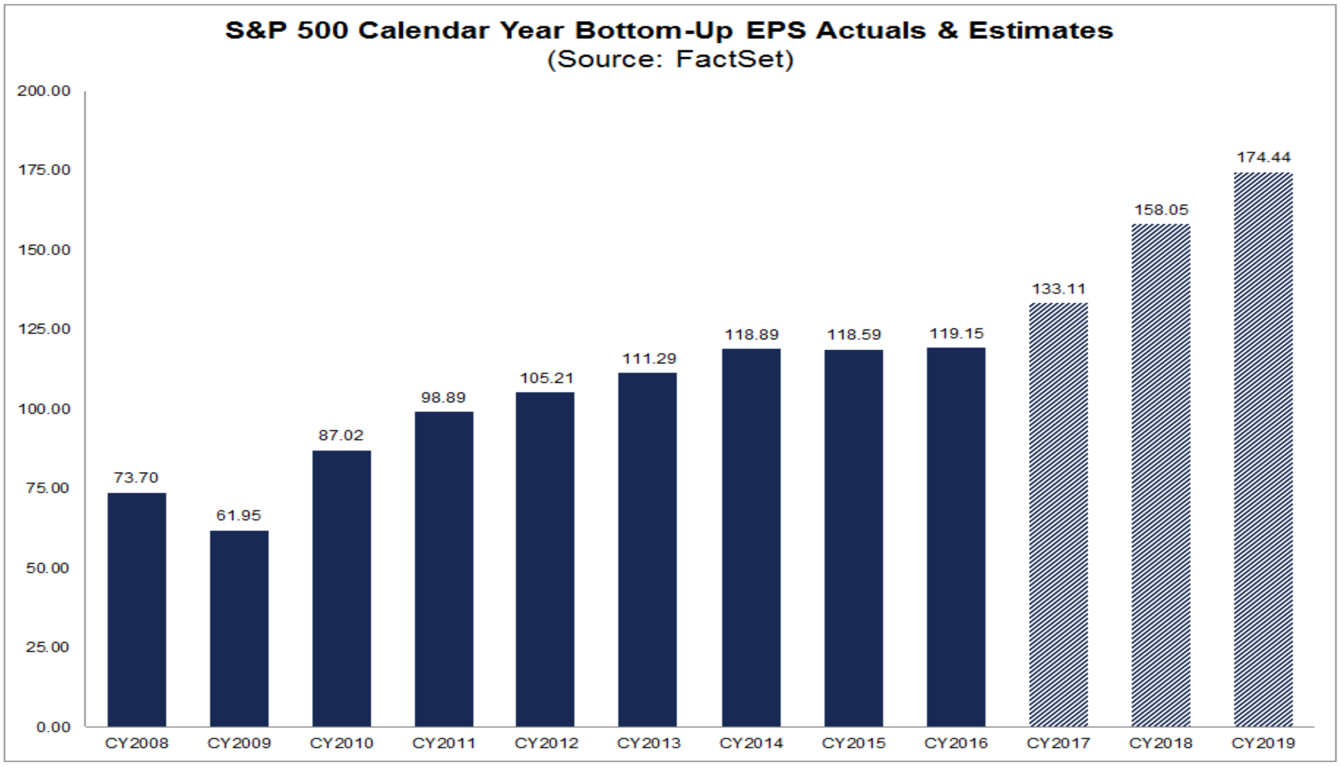
	Telecom Services	Utilities	Real Estate	Health Care	Consumer Disc.	Financials	Consumer Staples	Industrials	Energy	Materials	Info. Technology
International	4%	4%	18%	18%	25%	26%	27%	39%	41%	49%	60%
United States	96%	96%	82%	82%	75%	74%	73%	61%	59%	51%	40%

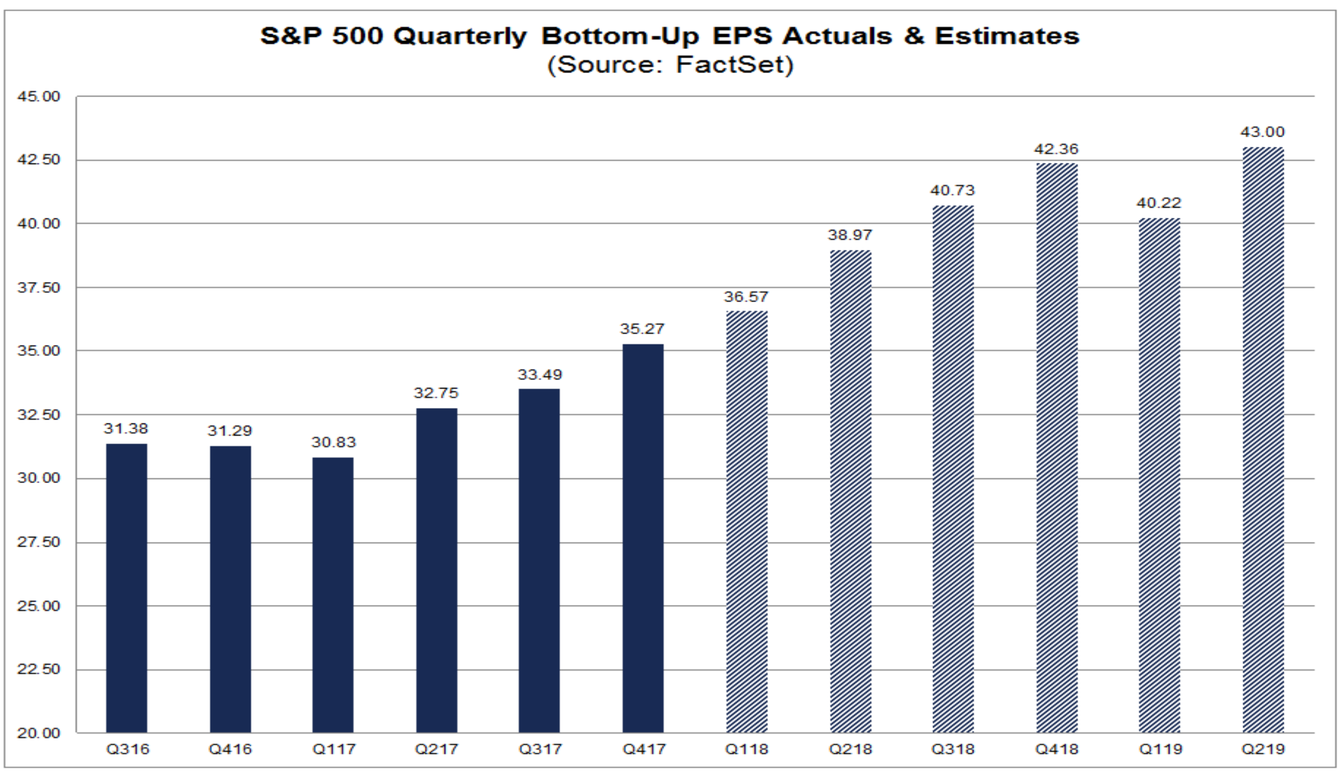
Bottom-up EPS Estimates: Revisions



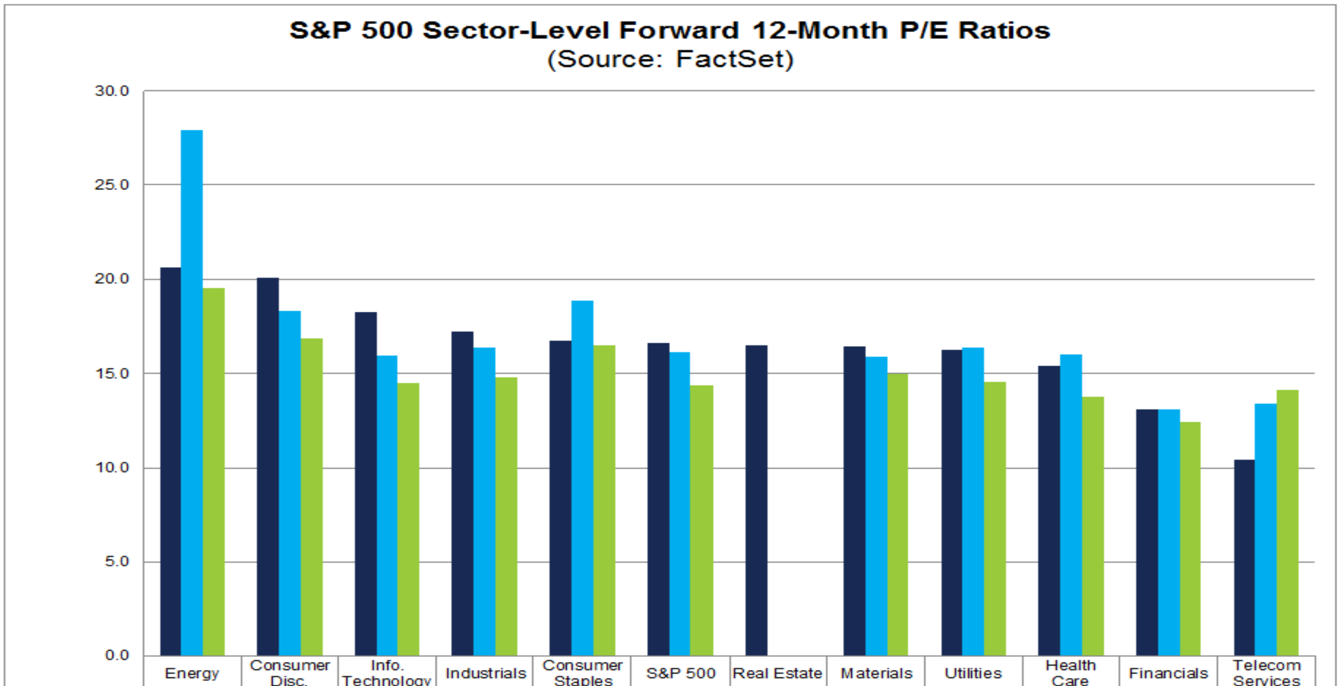


Bottom-up EPS Estimates: Current & Historical

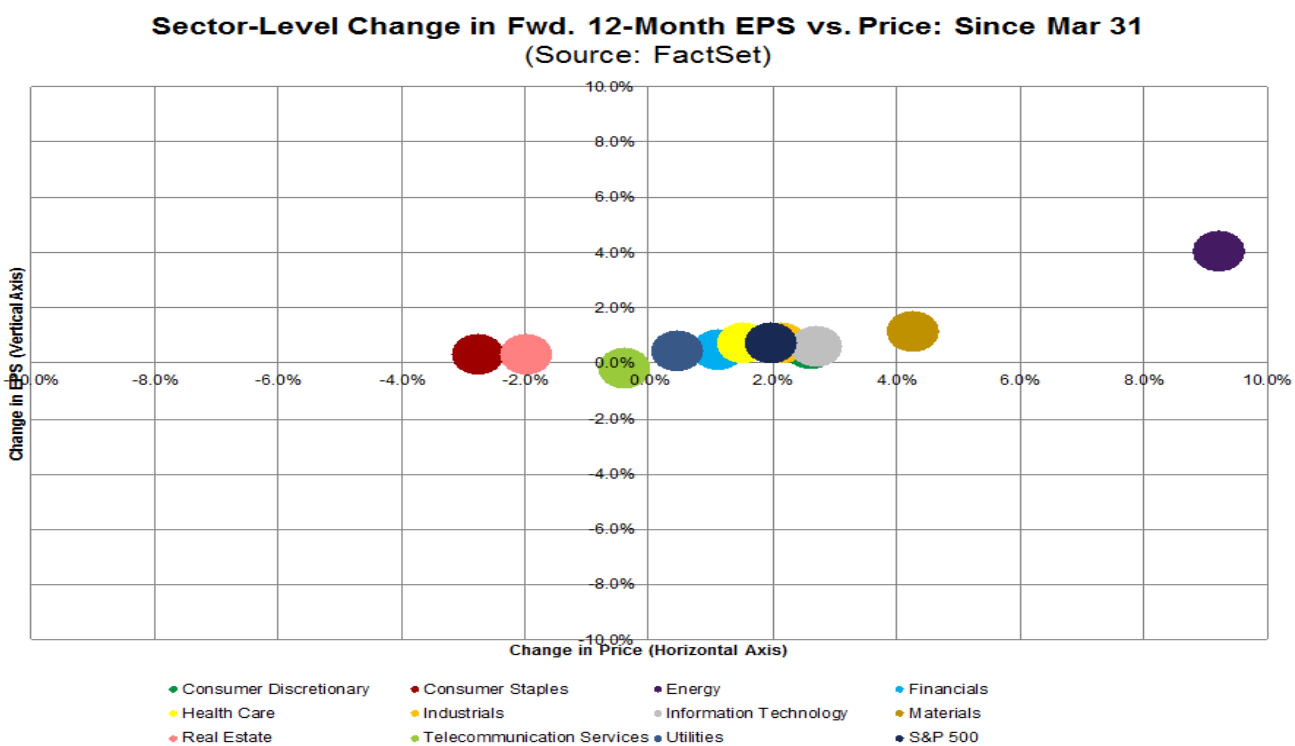




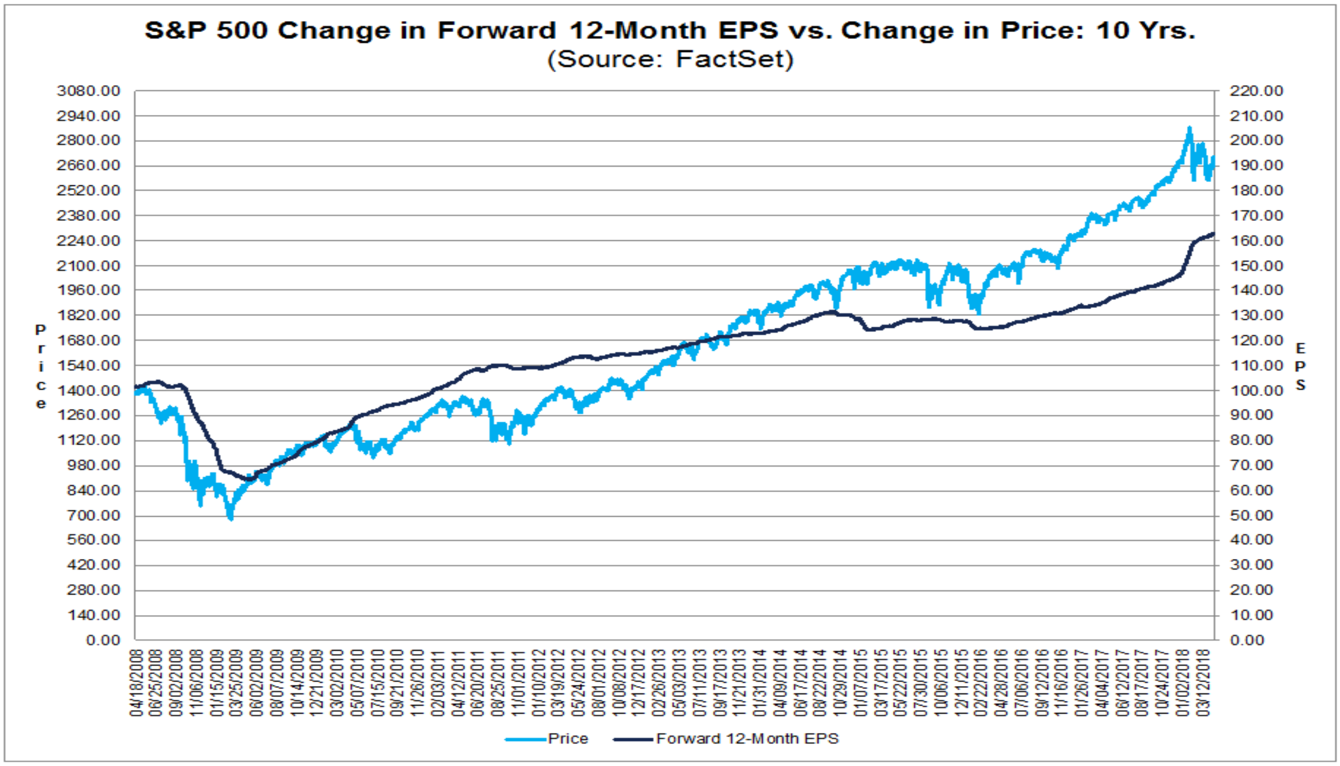
Forward 12M P/E Ratio: Sector Level

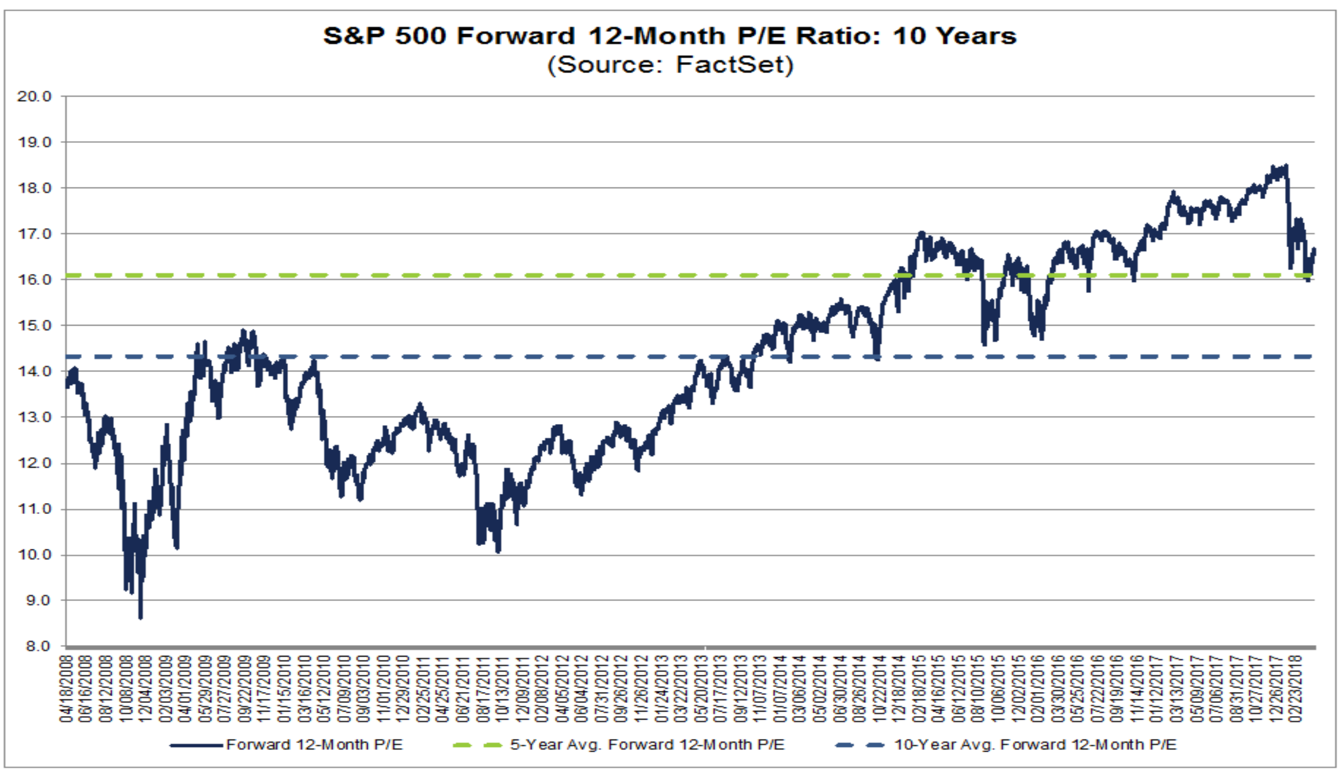


	Energy	Consumer Disc.	Info. Technology	Industrials	Consumer Staples	S&P 500	Real Estate	Materials	Utilities	Health Care	Financials	Telecom Services
Fwd P/E	20.6	20.1	18.2	17.2	16.7	16.6	16.5	16.4	16.2	15.4	13.0	10.5
5-Yr Avg.	27.9	18.3	15.9	16.3	18.8	16.1		15.9	16.3	16.0	13.1	13.4
10-Yr Avg.	19.5	16.9	14.5	14.8	16.4	14.3		14.9	14.5	13.7	12.5	14.1



Forward 12M P/E Ratio: Long-Term Averages





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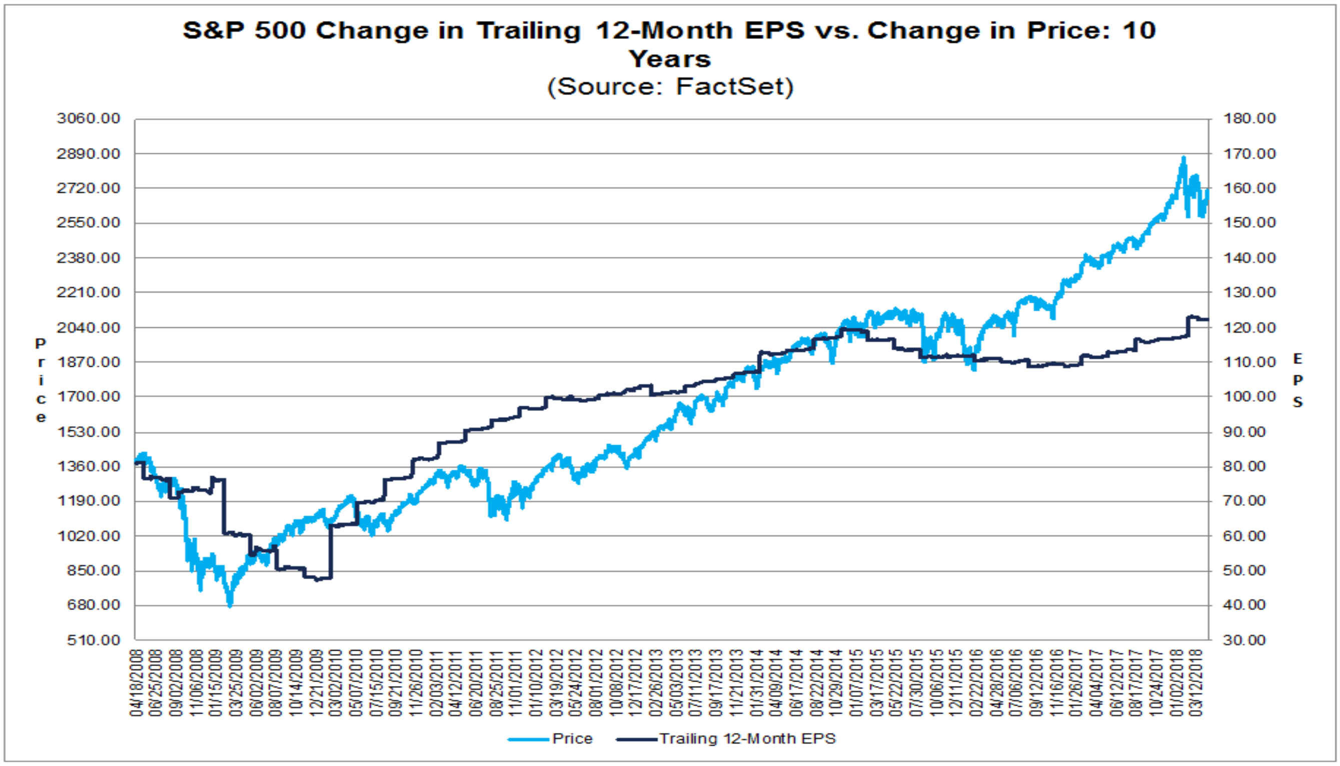
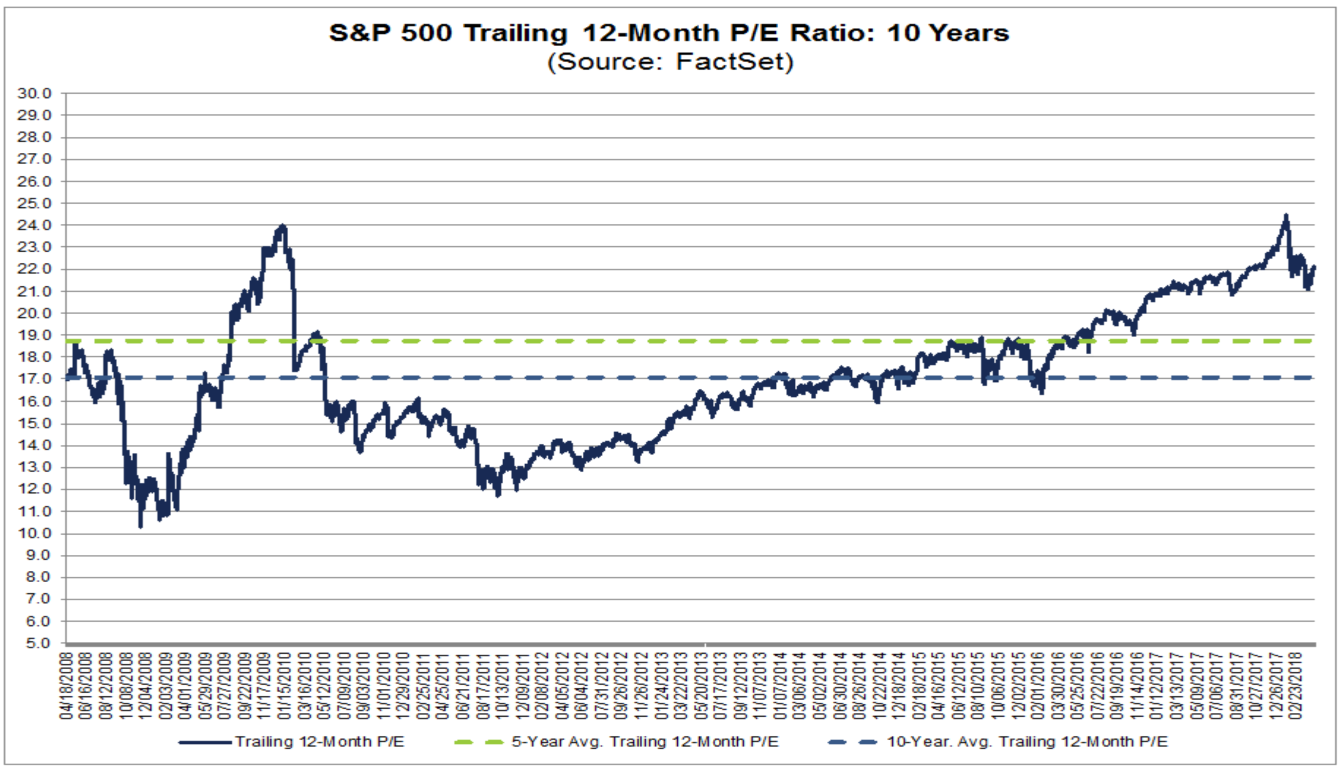
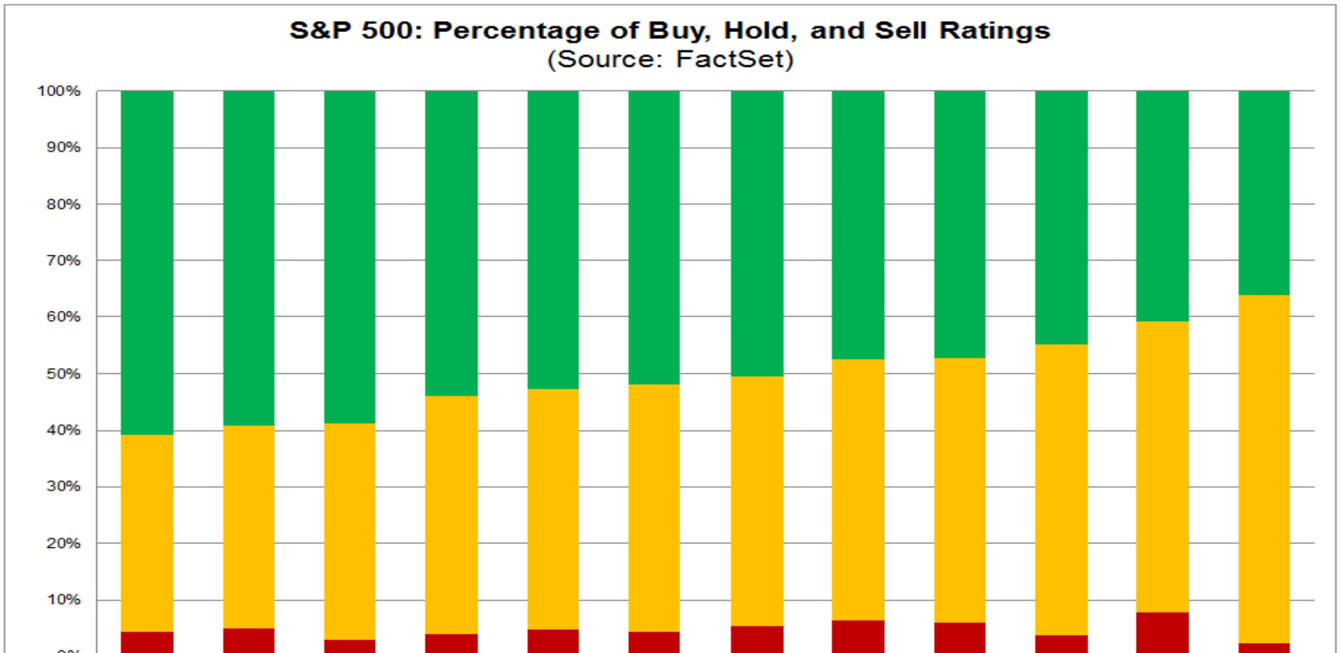
Trailing 12M P/E Ratio: Long-Term Averages

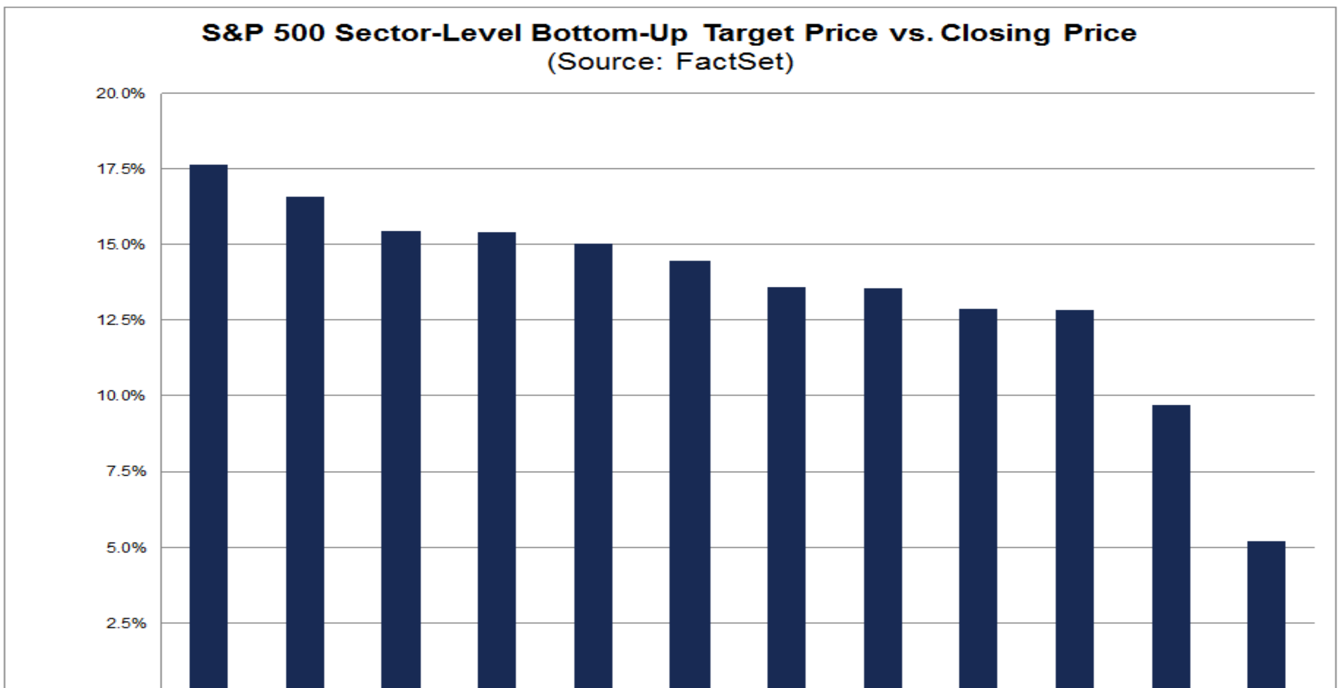




Targets & Ratings



	Info. Tech.	Energy	Health Care	Materials	S&P 500	Industrials	Consumer Disc.	Consumer Staples	Financials	Real Estate	Utilities	Telecom Services
Buy	61%	59%	59%	54%	53%	52%	51%	47%	47%	45%	41%	36%
Hold	35%	36%	38%	42%	42%	44%	44%	46%	47%	51%	51%	61%
Sell	4%	5%	3%	4%	5%	4%	5%	6%	6%	4%	8%	2%



	Consumer Staples	Health Care	Info. Tech.	Consumer Disc.	Telecom Services	S&P 500	Materials	Financials	Real Estate	Industrials	Energy	Utilities
Target/Close	17.6%	16.6%	15.5%	15.4%	15.0%	14.4%	13.6%	13.6%	12.9%	12.8%	9.7%	5.2%

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