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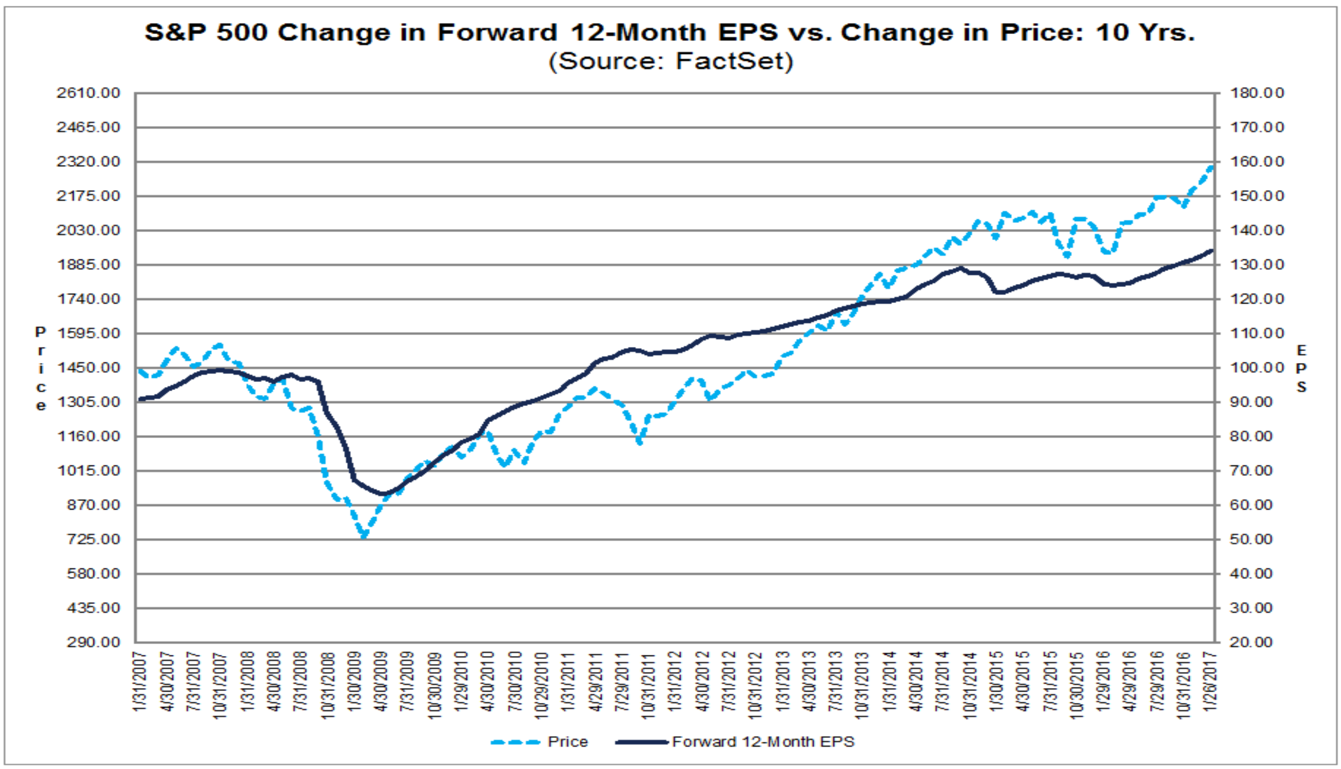
Key Metrics

- **Earnings Scorecard:** As of today (with 34% of the companies in the S&P 500 reporting actual results for Q4 2016), 65% of S&P 500 companies have beat the mean EPS estimate and 52% of S&P 500 companies have beat the mean sales estimate.
- **Earnings Growth:** For Q4 2016, the blended earnings growth rate for the S&P 500 is 4.2%. If the index reports earnings growth for Q4, it will mark the first time the index has seen year-over-year growth in earnings for two consecutive quarters since Q4 2014 and Q1 2015.
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q4 2016 was 3.1%. Six of the eleven sectors have higher growth rates today (compared to December 31) due to upside earnings surprises and upward revisions to earnings estimates, led by the Financials sector.
- **Earnings Guidance:** For Q1 2017, 17 S&P 500 companies have issued negative EPS guidance and 16 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 17.2. This P/E ratio is above the 5-year average (15.1) and above the 10-year average (14.4).



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Topic of the Week: 1

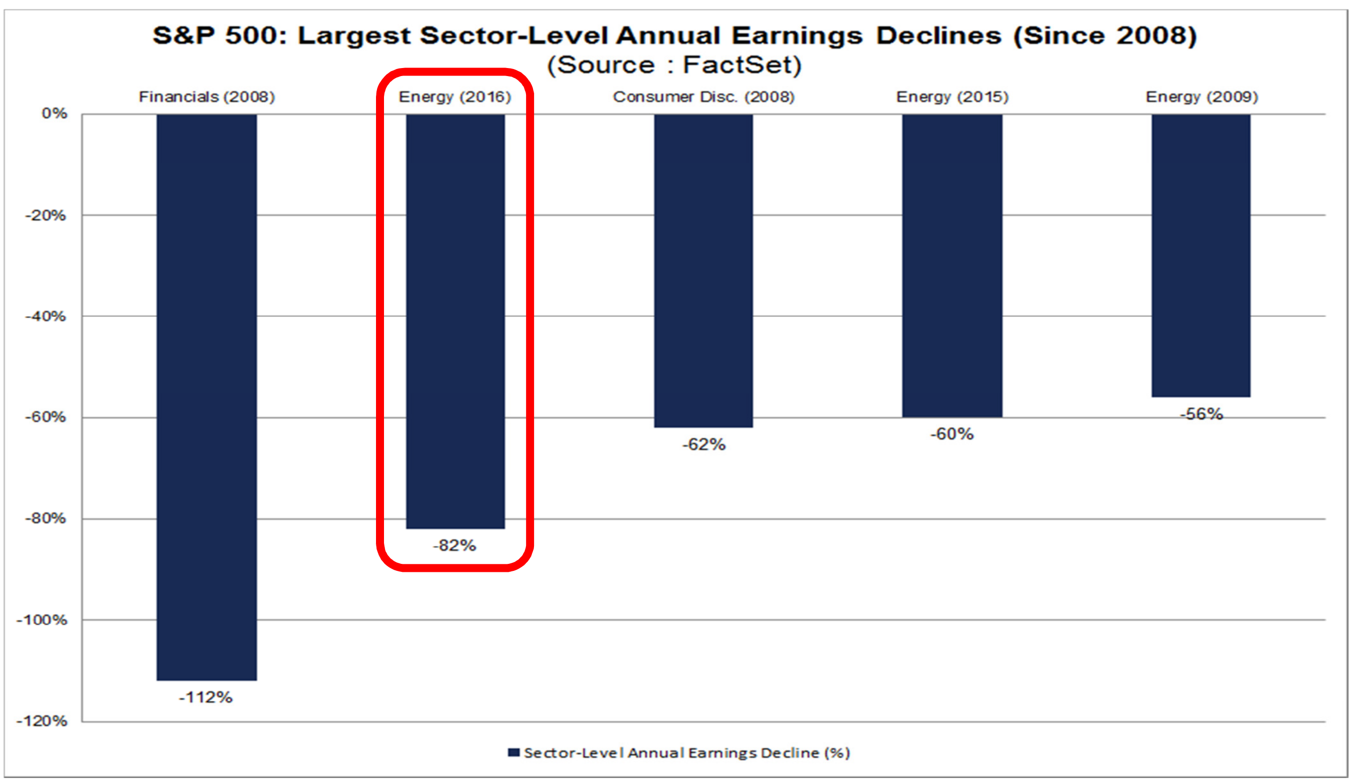
Energy Sector Reporting 2nd Highest Annual Earnings Decline of All Sectors Since 2008

The Energy sector will be a focus sector for the market over the next few days, as Chevron reported actual results earlier today and Exxon Mobil is scheduled to report actual results on January 31. Overall, the S&P 500 Energy sector is reporting a year-over-year decline in earnings of 82% for 2016. Is it unusual for a sector to report an earnings decline of this magnitude for an entire year? Where does this decline rank in recent history?

The answer to the first question is yes. Since 2008, a sector has reported a year-over-year decline in earnings of more than 50% only four times. The most recent annual earnings decline in excess of 50% occurred last year (2015), when the Energy sector reported a year-over-year decline in earnings of 60%. The largest year-over-year annual earnings decline occurred in 2008, when the Financials sector reported a year-over-year earnings decline of 112%. Thus, the Energy sector in 2016 is currently on pace to report the second-largest annual earnings decline of any sector since 2008.

However, it is interesting to note that analysts are projecting a significant rebound in earnings for the Energy sector in 2017. The projected earnings growth rate for the sector for 2017 is 496%. What is driving the unusually high projected growth rate for the sector for this year?

The large growth rate predicted for the Energy sector in 2017 is due to a combination of higher expected oil prices in 2017 and easier comparisons to the weak earnings in 2016. In terms of oil prices, analysts believe the average price of oil ($/bbl.) will increase by 27% year-over-year (to $55.19 from $43.04). In terms of earnings, analysts in aggregate believe the sector will earn approximately $46.8 billion in 2017, compared to earnings of $7.9 billion in 2016. While $46.8 billion is significantly below the earnings reported by the sector prior to 2015, it does reflect substantial year-over-year growth relative to the weak base-year earnings in 2016.



Topic of the Week: 2

Two Titans Take Earnings Growth for the Tech Sector in Opposite Directions in Q4

Apple and Facebook will also be focus companies for the market during the upcoming week, as Apple is scheduled to report actual results on January 31 and Facebook is scheduled to report actual results on February 1.

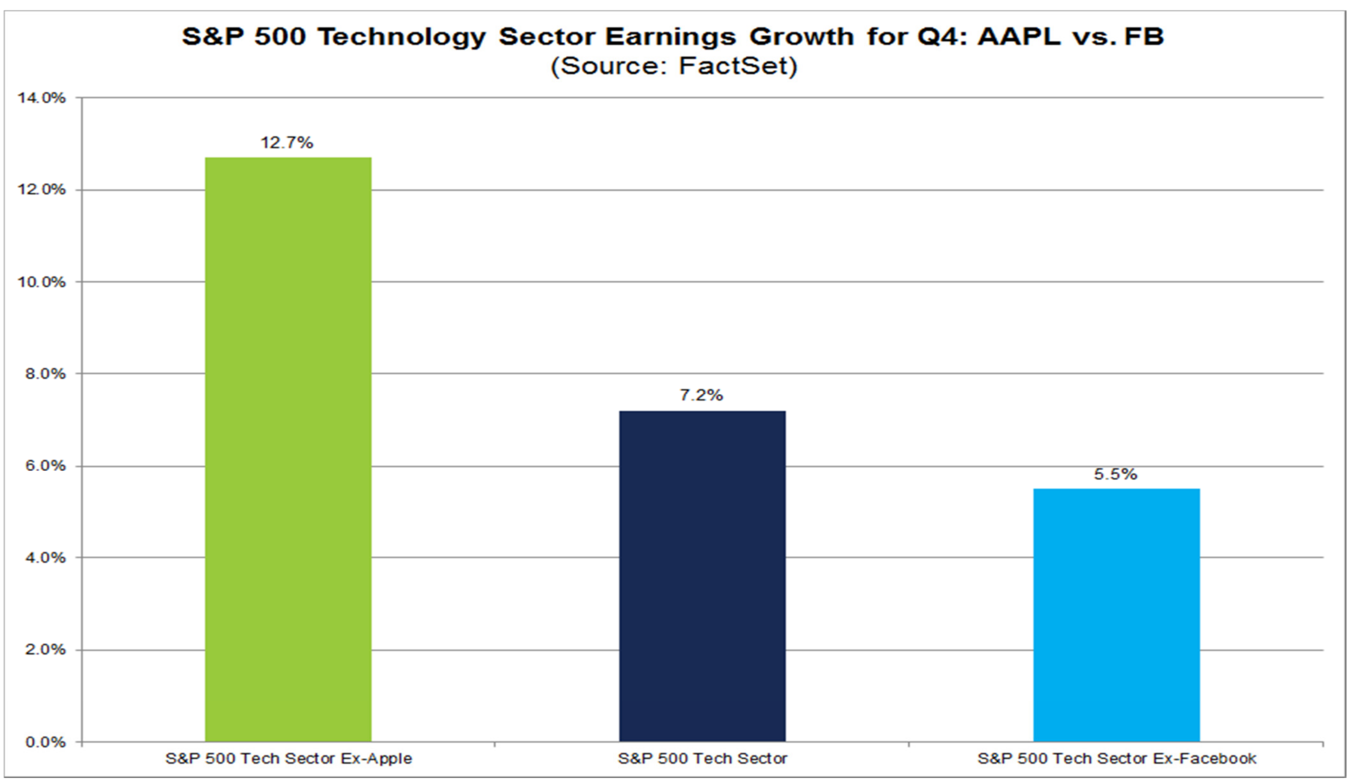
Apple is projected to be the largest detractor to earnings growth for the S&P 500 Information Technology sector for Q4 2016. The current mean EPS estimate for Apple for the calendar fourth quarter (fiscal first quarter for Apple), is $3.23, compared to year-ago actual EPS of $3.28. The blended (combines actual results for companies that have reported and estimated results for companies yet to report) earnings growth rate for the Information Technology sector is 7.2%. Excluding Apple, the blended earnings growth rate for the sector would improve to 12.7%.

On the other hand, Facebook is projected to be the largest contributor to earnings growth for the S&P 500 Information Technology sector for Q4 2016. The current mean EPS estimate for Facebook for the calendar fourth quarter is $1.30, compared to year-ago actual EPS of $0.79. As previously noted, the blended earnings growth rate for the Information Technology sector is 7.2%. Excluding Facebook, the blended earnings growth rate for the sector would fall to 5.5%.

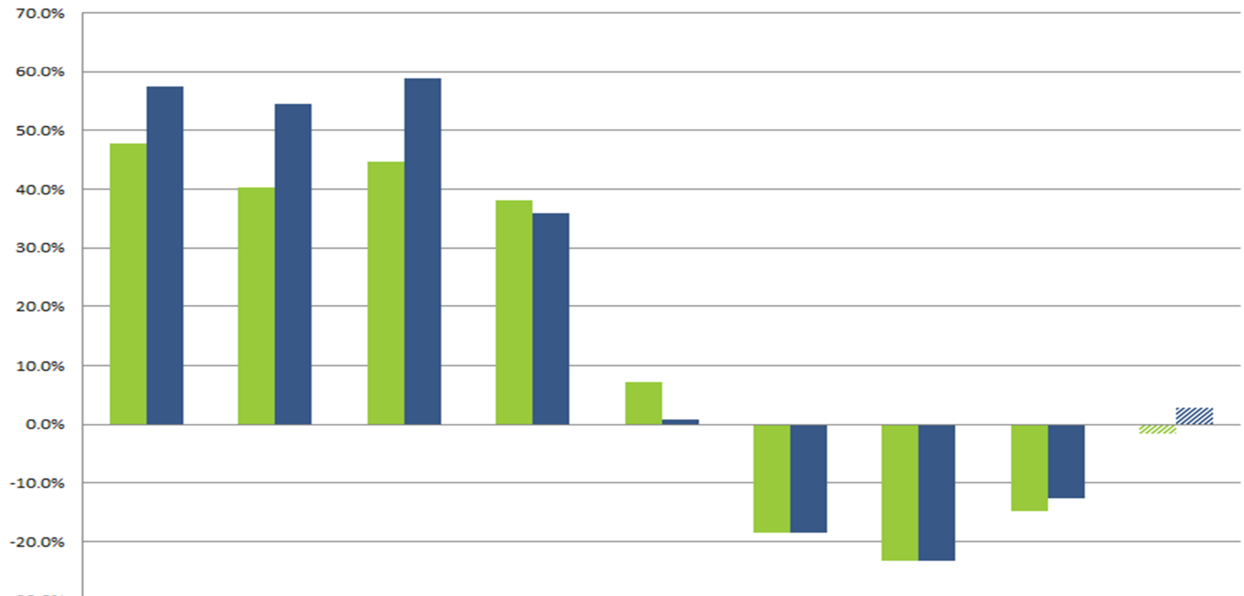
What is driving Apple's negative contribution and Facebook's positive contribution to earnings growth for the sector?

For Apple, the iPhone product segment has accounted for about 64% of the total revenues generated by the company over the past eight quarters on average. From Q4 2014 through Q3 2015, the iPhone product segment reported average year-over-year revenue growth of 52%. From Q4 2015 through Q3 2016, the iPhone product segment reported an average year-over-year revenue decline of 14%. For Q4 2016, as the iPhone product segment is projected to report year-over-year growth in sales of 3%.

For Facebook, mobile advertising sales have accounted for about 75% of the total revenues generated by the company over the past eight quarters on average. From Q4 2014 – Q3 2016, mobile advertising sales have reported year-over-year revenue growth of 80% on average. For Q4 2016, mobile advertising revenues are projected to grow by 58%.

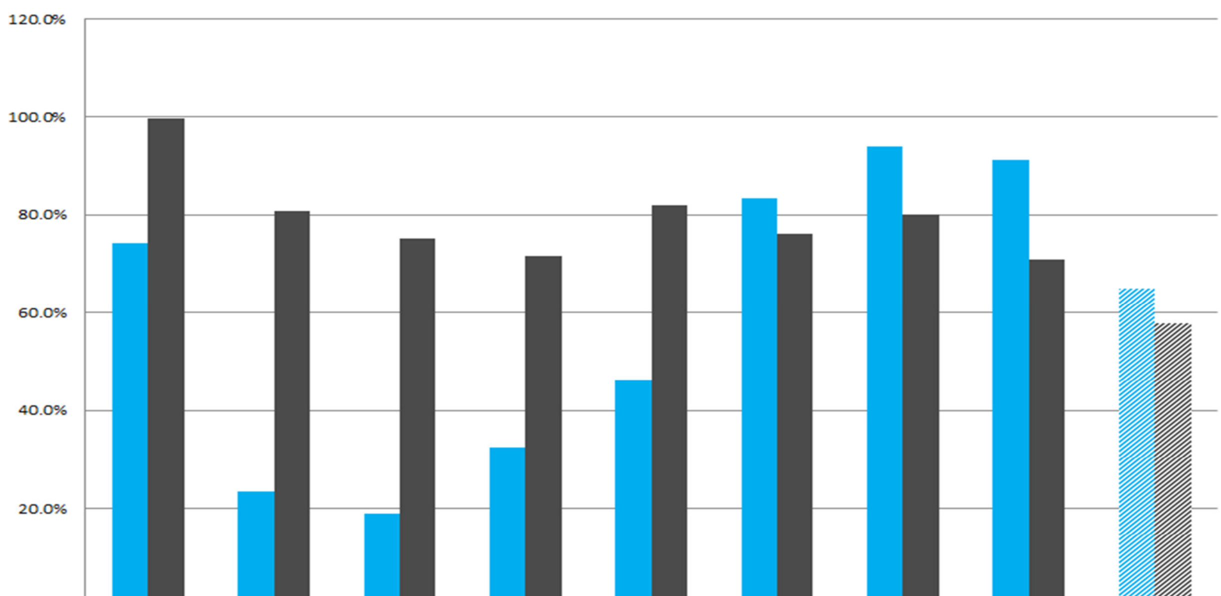


Apple EPS Growth vs. iPhone Sales Growth: Q114 - Q416
(Source: FactSet)



	DEC '14	MAR '15	JUN '15	SEP '15	DEC '15	MAR '16	JUN '16	SEP '16	DEC '16
Apple EPS	47.7%	40.4%	44.5%	38.0%	7.2%	-18.5%	-23.2%	-14.8%	-1.5%
iPhone Sales	57.5%	54.6%	58.8%	36.0%	0.9%	-18.4%	-23.3%	-12.6%	2.8%

Facebook EPS Growth vs. Mobile Ad Sales Growth: Q114 - Q416
(Source: FactSet)



	DEC '14	MAR '15	JUN '15	SEP '15	DEC '15	MAR '16	JUN '16	SEP '16	DEC '16
Facebook EPS	74.2%	23.5%	19.0%	32.6%	46.3%	83.3%	94.0%	91.2%	65.0%
Mobile Ad Sales	99.7%	80.8%	75.0%	71.6%	82.1%	76.1%	80.2%	70.7%	57.8%

Q4 2016 Earnings Season: By the Numbers

Overview

To date, 34% of the companies in the S&P 500 have reported actual results for Q4. In terms of earnings, fewer companies (65%) are reporting actual EPS above the mean estimate compared to the 5-year average. In aggregate, companies are reporting earnings that are 2.7% above the estimates, which is also below the 5-year average. In terms of sales, fewer companies (52%) are reporting actual sales above estimates compared to the 5-year average. In aggregate, companies are reporting sales that are equal (0%) to the estimates, which is also below 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 Q4 2016 is 4.2% today, which is above the estimated earnings growth rate of 3.1% on December 31. Seven sectors are reporting year-over-year earnings growth, led by the Utilities and Financials sectors. Four sectors are reporting a year-over-year decline in earnings, led by the Telecom Services and Energy sectors.

The blended sales growth rate for Q4 2016 is 4.7%, which is below the estimated sales growth rate of 4.9% on December 31. Ten sectors are reporting year-over-year growth in revenues, led by the Utilities sector. The only sector reporting a year-over-year decline in revenues is the Telecom Services sector.

Looking at future quarters, analysts currently project earnings growth to continue through 2017.

The forward 12-month P/E ratio is now 17.2, which is above the 5-year average and the 10-year average.

During the upcoming week, 103 S&P 500 companies (including 5 Dow 30 components) are scheduled to report results for the fourth quarter.

Scorecard: Fewer Companies Beating Earnings and Revenue Estimates than Average

Percentage of Companies Beating EPS Estimates (65%) is Below the 5-Year Average

Overall, 34% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 65% have reported actual EPS above the mean EPS estimate, 13% have reported actual EPS equal to the mean EPS estimate, and 22% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year (71%) average and below the 5-year (67%) average.

At the sector level, the Information Technology (88%) sector has the highest percentage of companies reporting earnings above estimates, while the Telecom Services (0%) and Real Estate (0%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+2.7%) is Below the 5-Year Average

In aggregate, companies are reporting earnings that are 2.7% above expectations. This surprise percentage is below the 1-year (+5.0%) average and below the 5-year (+4.5%) average.

The Materials (+5.7%) and Financials (+5.6%) sectors are reporting the largest upside aggregate differences between actual earnings and estimated earnings, while the Energy (-52%) sector is reporting the largest downside aggregate difference between actual earnings and estimated earnings...

Percentage of Companies Beating Revenue Estimates (52%) is Below the 5-Year Average

In terms of revenues, 52% of companies have reported actual sales above estimated sales and 48% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is equal to the 1-year average (52%) but below the 5-year average (53%).

At the sector level, the Real Estate (100%) sector has the highest percentage of companies reporting revenues above estimates, while the Utilities (0%) sector has the lowest percentage of companies reporting revenue above estimates.

Revenue Surprise Percentage (+0.0%) is Below the 5-Year Average

In aggregate, companies are reporting sales that are equal (0.0%) to expectations. This surprise percentage is below the1-year (+0.1%) average and below the 5-year (+0.5%) average.

The Real Estate (+4.0%) and Consumer Discretionary (+3.8%) sectors are reporting the largest upside aggregate differences between actual sales and estimated sales, while the Utilities (-11.9%) and Energy (-9.6%) sectors are reporting the largest downside differences between actual sales and estimated sales...

Increase in Blended Earnings Growth This Week Due to Technology and Industrials

Increase in Blended Earnings Growth This Week Due to Technology and Industrials

The blended earnings growth rate for the fourth quarter is 4.2% this week, which is higher than the earnings growth rate of 3.7% last week. Upside earnings surprises reported by companies in the Information Technology and Industrials sectors, partially offset by downside earnings surprises in the Energy sector, were the largest contributors to the increase in the overall earnings growth rate for the index during the past week.

In the Information Technology sector, the upside earnings surprises reported by Microsoft ($0.83 vs. $0.79), Texas Instruments ($1.02 vs. $0.81), and Intel ($0.79 vs. $0.75) were substantial 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 Information Technology sector increased to 7.2% from 5.8% during this period.

In the Industrials sector, the upside earnings surprise reported by American Airlines Group ($1.48 vs. $0.92) was a substantial contributor to the increase in the overall earnings growth rate for the index during the past week. As a result, the blended earnings decline for the Industrials sector improved to -4.4% from -7.1% during this period.

In the Energy sector, the downside earnings surprise reported by Chevron ($0.23 vs. $0.64) was a substantial detractor to the increase in the overall earnings growth rate for the index during the past week. As a result, the blended earnings decline for the Energy sector increased to -22.3% from -8.6% during this period.

Financial Sector Has Seen Largest Increase in Earnings since December 31

The blended earnings growth rate for Q4 2016 of 4.2% is higher than the estimate of 3.1% at the end of the fourth quarter (December 31). Six sectors have recorded an increase in earnings growth since the end of the quarter due to upside earnings surprises and upward revisions to earnings estimates, led by the Financials (to 18.8% from 14.4%) sector. One sector (Real Estate) has seen no change in earnings growth (5.9%) since December 31. Four sectors have recorded a decrease in earnings growth during this time due to downside earnings surprises and downward revisions to estimates, led by the Energy (to -22.3% from -5.4%) sector.

Earnings Growth: Second Straight Quarter of Year-Over-Year Earnings Growth (4.2%)

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for Q4 2016 is 4.2%. If the index reports earnings growth for Q4, it will mark the first time the index has seen year-over-year growth in earnings for two consecutive quarters since Q4 2014 (3.8%) and Q1 2015 (0.5%). Seven sectors are reporting year-over-year growth in earnings, led by the Utilities and Financials sectors. Four sectors are reporting a year-over-year decline in earnings, led by the Telecom Services and Energy, and sectors.

Utilities: Three Companies Lead Growth

The Utilities sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 19.5%. Overall, 21 of the 28 companies (75%) in the sector are reporting or are projected to report EPS growth for the quarter. However, three companies are driving the earnings growth for the entire sector: NRG Energy, PG&E, and Dominion. The mean EPS estimate for NRG Energy for Q4 2016 is -$0.28, compared to year-ago EPS of -$1.35. The mean EPS estimate for PG&E for Q4 2016 is $1.33, compared to year-ago EPS of $0.50. The mean EPS estimate for Dominion for Q4 2016 is $1.00, compared to year-ago EPS of $0.70. If these three companies are excluded, the blended earnings growth rate for the Utilities sector would drop to -0.2% from 19.5%.

Financials: Four Companies Lead Growth

The Financials sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 18.8%. At the industry level, three of the five industries in this sector are reporting earnings growth: Insurance (47%), Capital Markets (37%), and Banks (11%). At the company level, AIG, Goldman Sachs, JPMorgan Chase, and Bank of America are the largest contributors to earnings growth for this sector. The mean EPS estimate for AIG for Q4 2016 is $1.16, compared to year-ago EPS of -$1.10. Goldman Sachs reported actual EPS of $5.08 for Q4 2016, compared to year-ago EPS of $1.27. JPMorgan Chase reported actual EPS of $1.71 for Q4 2016, compared to year-ago EPS of $1.32. Bank of America reported actual EPS of $0.40 for Q4 2016, compared to year-ago EPS of $0.28. If these four companies are excluded, the blended earnings growth rate for the Financials sector would drop to 4.1% from 18.8%.

Telecom Services: Level 3 Communications Leads Decline on Comparison to High Year-Ago EPS

The Telecom Services sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -29.4%. Overall, 3 of the 5 companies (60%) in the sector are reporting or are projected to report a decrease in EPS for the quarter. The one company that is driving the earnings decline for this sector is Level 3 Communications. However, the EPS decrease for this company is exacerbated by a comparison to unusually high earnings in Q4 2015. The mean EPS estimate for Level 3 Communications for Q4 2016 is $0.44, compared to year-ago EPS of $9.24. In the company's earnings release from Q4 2015, Level 3 Communications stated (regarding EPS for the quarter), "This includes a non-cash benefit to the fourth quarter Income Tax Expense of approximately $3.3 billion related to the release of the company's valuation allowance against U.S. federal and state deferred tax assets…" If this company is excluded, the blended earnings decline for the Telecom Services sector would drop to -2.3% from -29.4%.

Energy: Wide Variations in Growth Among Sub-Industries

The Energy sector is reporting the second largest (year-over-year) earnings decline of all eleven sectors at -22.3%. At the sub-industry level, three of the six industries in this sector are reporting or are predicted to report an earnings decline: Oil & Gas Drilling (-105%), Oil & Gas Equipment & Services (-72%), and Oil & Gas Refining & Marketing (-70%). On the other hand, three sub-industries in this sector are reporting or are expected to report earnings growth: Oil & Gas Exploration & Production (N/A), Oil & Gas Storage & Transportation (29%), and Integrated Oil & Gas (6%).

Revenues: Second Straight Quarter of Year-Over-Year Earnings Growth (4.7%)

The blended revenue growth rate for Q4 2016 is 4.7%. If the index reports revenue growth for Q4, it will mark the first time the index has seen year-over-year growth in sales for two consecutive quarters since Q3 2014 (4.0%) and Q4 2014 (2.0%). If 4.7% is the actual revenue growth rate for the quarter, it will mark the highest year-over-year revenue growth reported by the index since Q1 2012 (5.3%). Ten sectors are reporting year-over-year growth in revenues, led by the Utilities sector. The only sector reporting a decline in revenues is the Telecom Services sector.

Utilities: Broad-Based Growth

The Utilities sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 19.5%. At the industry level, all four industries in the sector are reporting or are predicted to report sales growth. Three of these four industries are reporting or are expected to report double-digit sales growth: Independent Power & Renewable Energy Producers (50%), Multi-Utilities (22%), and Electric Utilities (14%). At the company level, 27 of the 28 companies (96%) in the sector are reporting or are projected to report sales growth for the quarter. WEC Energy (58%) and AES Corporation (54%) are projected to report the highest revenue growth rates for the quarter.

Telecom Services: Verizon Leads Decline

The Telecom Services sector is reporting the largest (year-over-year) sales decline of all eleven sectors at -1.5%. Overall, 3 of the 5 companies in the sector (60%) are reporting or are projected to report a decline in sales for the quarter. Verizon has reported the largest decline (-6%) in the sector to date.

Looking Ahead: Forward Estimates and Valuation

Guidance: Negative EPS Guidance (52%) for Q1 below Average

At this point in time, 33 companies in the index have issued EPS guidance for Q1 2017. Of these 33 companies, 17 have issued negative EPS guidance and 16 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 52% (17 out of 32), which is below the 5-year average of 74%.

Growth Expected to Continue in 2017

For the fourth quarter, companies are reporting earnings growth of 4.2% and revenue growth of 4.7%. For all of 2016, companies are reporting earnings growth of 0.3% and revenue growth of 2.3%.

Analysts currently expect earnings and revenue growth to continue in 2017.

For Q1 2017, analysts are projecting earnings growth of 12.0% and revenue growth of 7.8%.

For Q2 2017, analysts are projecting earnings growth of 10.3% and revenue growth of 5.8%.

For all of 2017, analysts are projecting earnings growth of 11.6% and revenue growth of 5.8%.

Valuation: Forward P/E Ratio is 17.2, above the 10-Year Average (14.4)

The forward 12-month P/E ratio is 17.2. This P/E ratio is above the 5-year average of 15.1, and above the 10-year average of 14.4. It is also above the forward 12-month P/E ratio of 16.9 recorded at the start of the first quarter (December 31). Since the start of the first quarter, the price of the index has increased by 2.6%, while the forward 12-month EPS estimate has increased by 0.9%.

At the sector level, the Energy (31.5) sector has the highest forward 12-month P/E ratio, while the Telecom Services (13.7) sector has the lowest forward 12-month P/E ratio. Nine sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Energy (31.5 vs. 17.9) sector. One sector (Telecom Services) has a forward 12-month P/E ratio that is below the 10-year average (13.7 vs. 14.6). Historical averages are not available for the Real Estate sector.

Companies Reporting Next Week: 103

During the upcoming week, 103 S&P 500 companies (including 5 Dow 30 components) are scheduled to report results for the fourth quarter.

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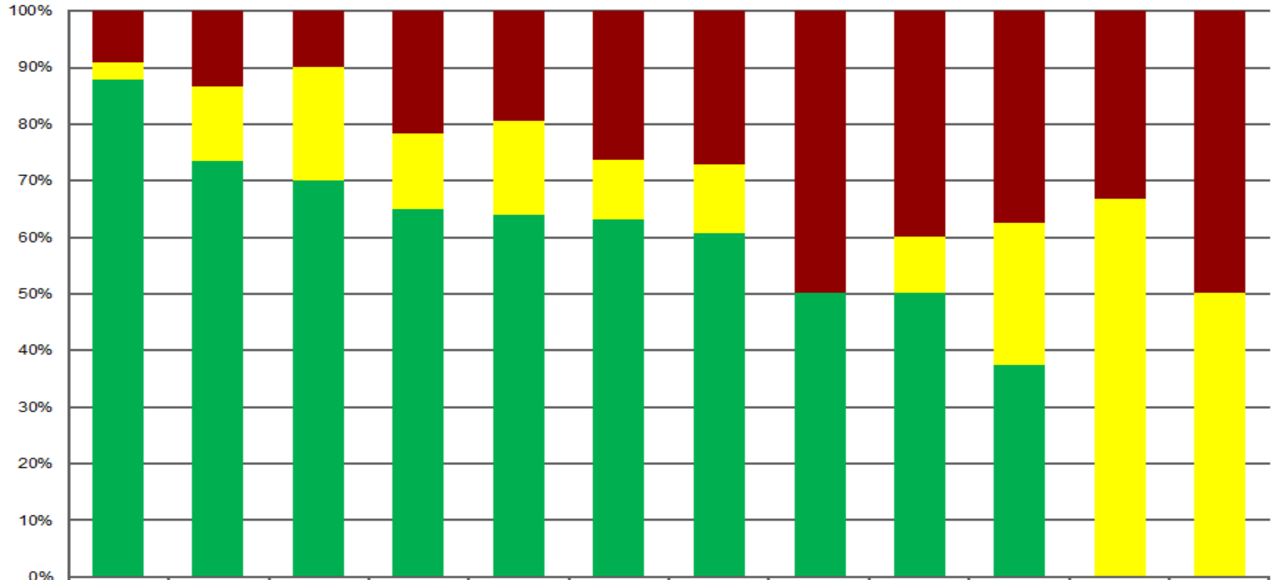
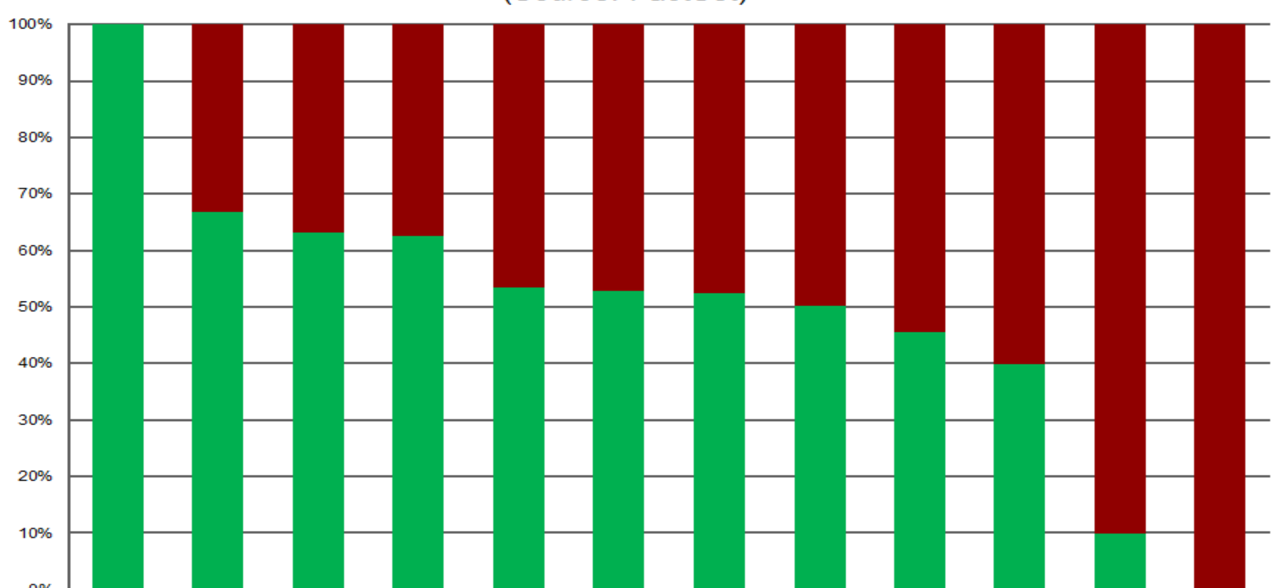
Q4 2016: Scorecard

S&P 500 Earnings Above, In-Line, Below Estimates: Q4 2016
(Source: FactSet)



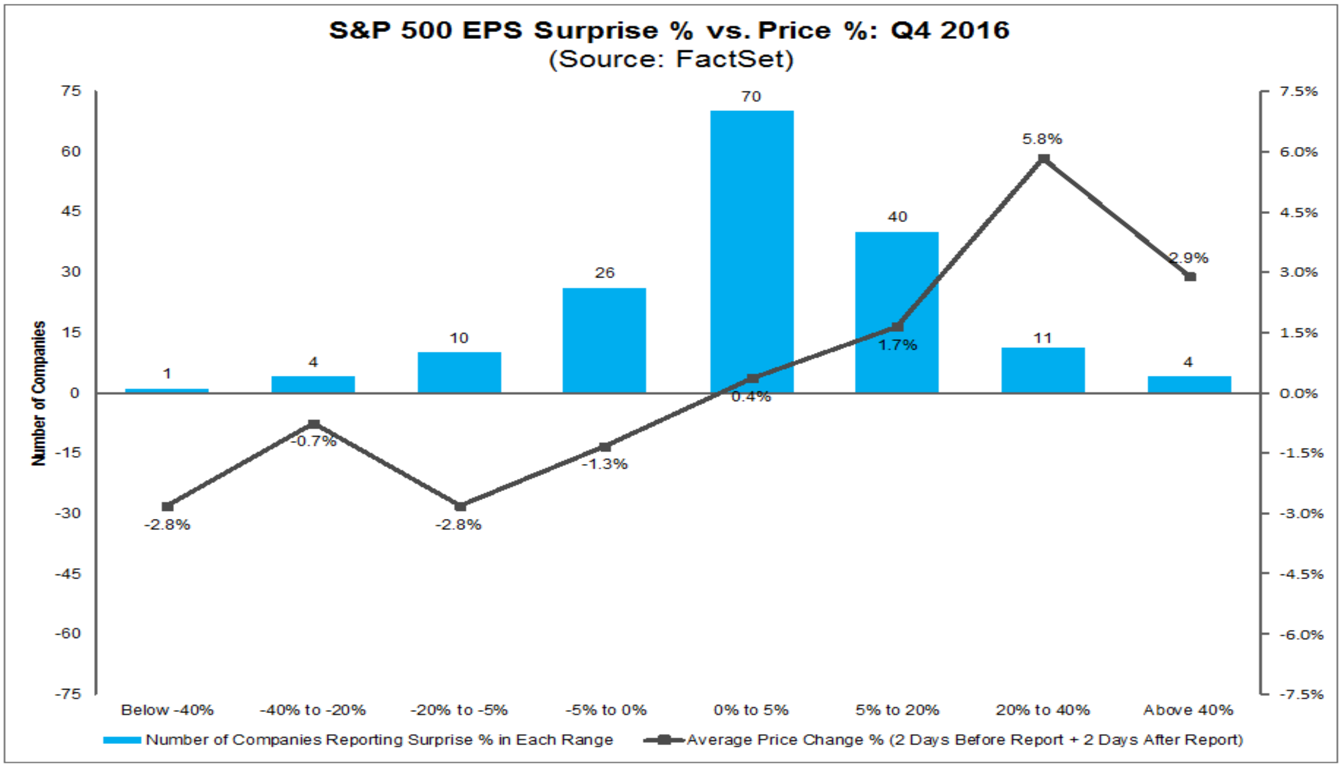
	Info. Technology	Health Care	Materials	S&P 500	Financials	Consumer Disc.	Industrials	Utilities	Consumer Staples	Energy	Real Estate	Telecom Services
Below	9%	13%	10%	22%	19%	26%	27%	50%	40%	38%	33%	50%
In-Line	3%	13%	20%	13%	17%	11%	12%	0%	10%	25%	67%	50%
Above	88%	73%	70%	65%	64%	63%	61%	50%	50%	38%	0%	0%

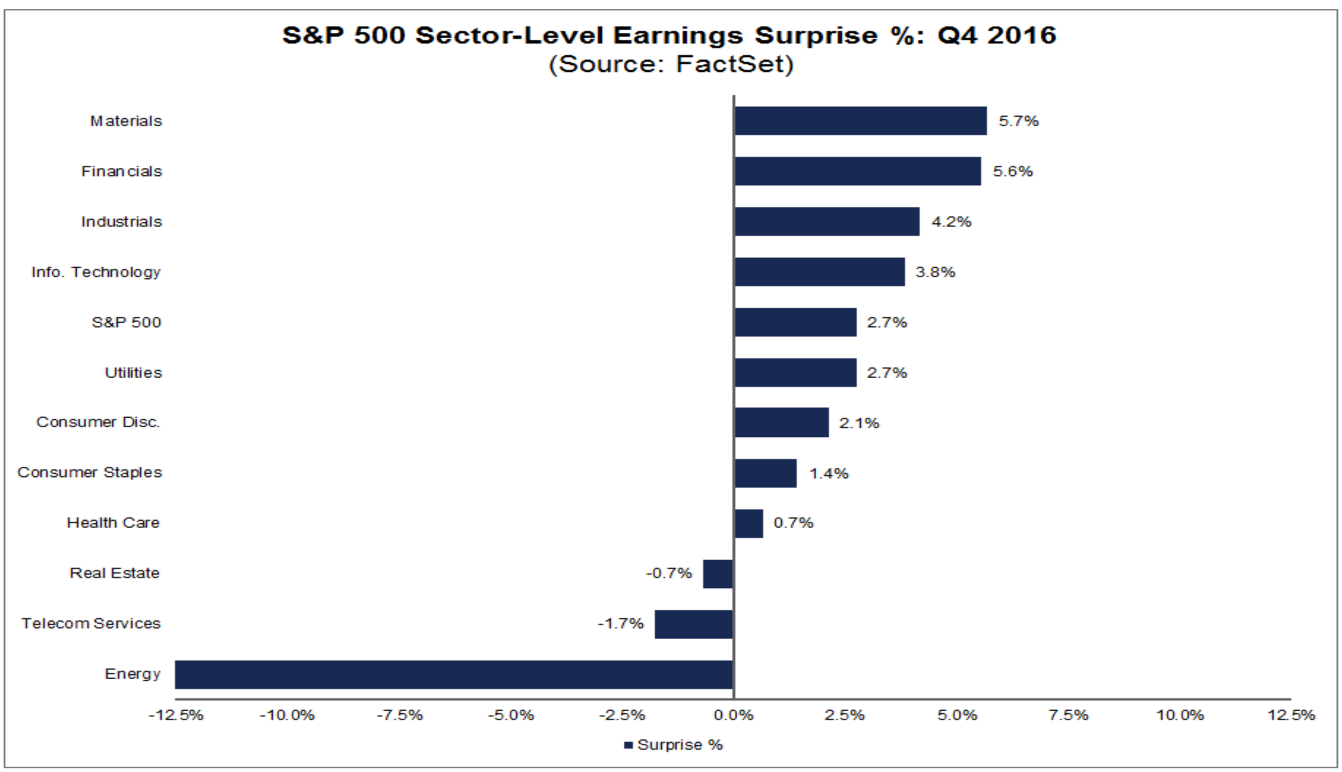
S&P 500 Revenues Above, In-Line, Below Estimates: Q4 2016
(Source: FactSet)



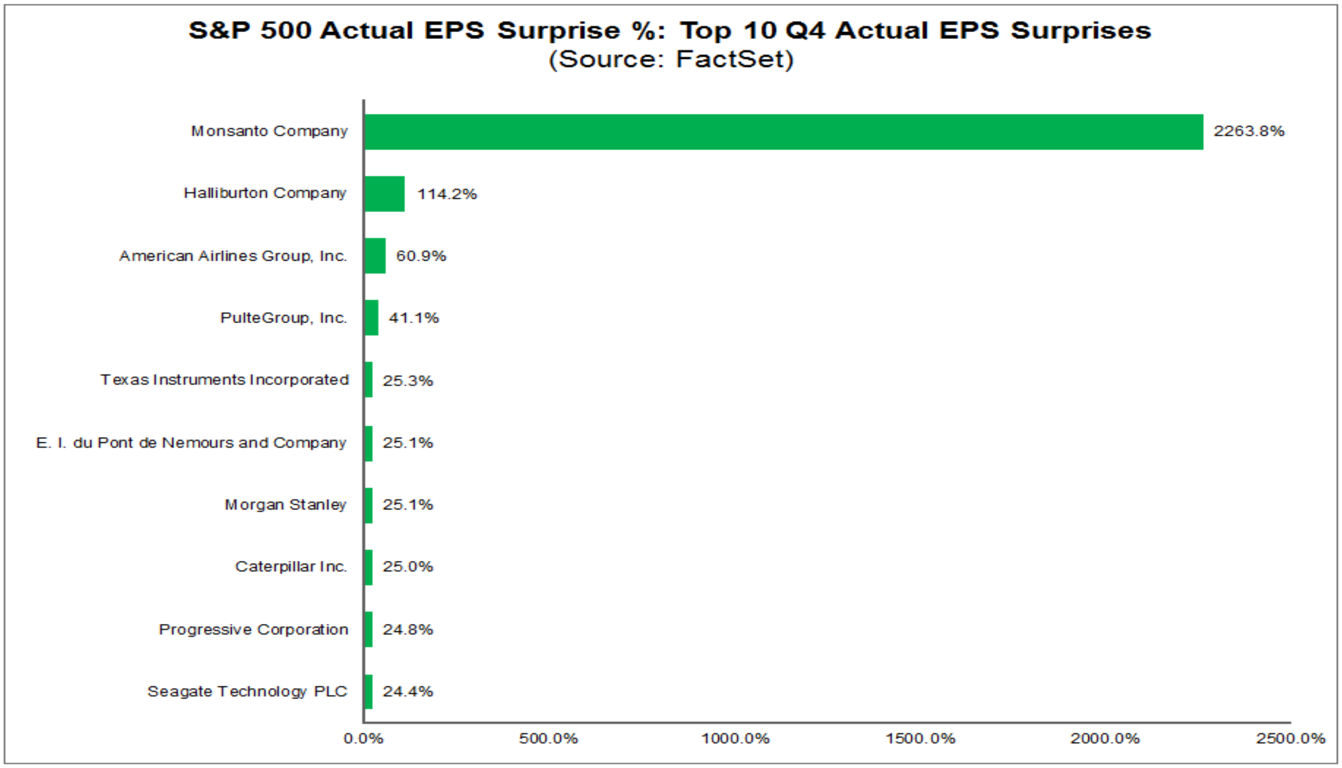
	Real Estate	Info. Technology	Consumer Disc.	Energy	Health Care	Financials	S&P 500	Telecom Services	Industrials	Materials	Consumer Staples	Utilities
Below	0%	33%	37%	38%	47%	47%	48%	50%	55%	60%	90%	100%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	67%	63%	63%	53%	53%	52%	50%	45%	40%	10%	0%

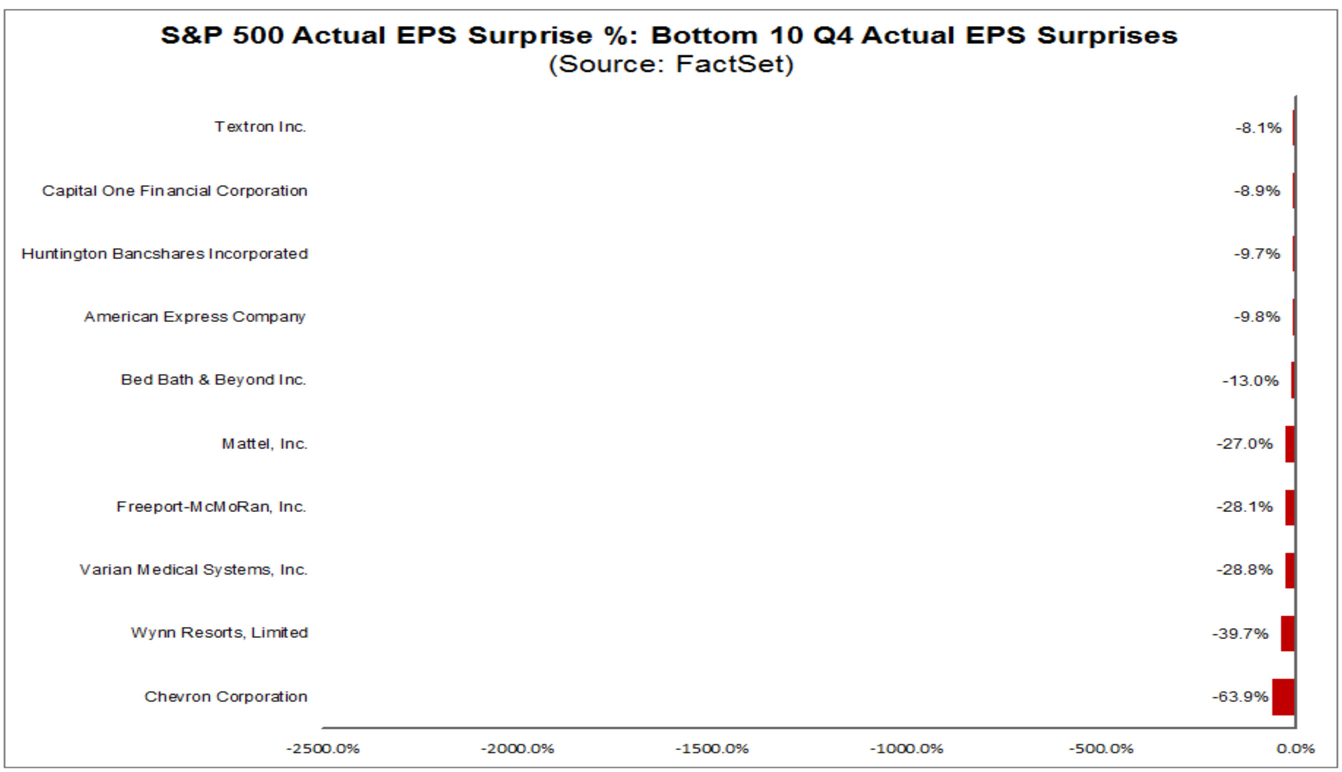
Q4 2016: Scorecard



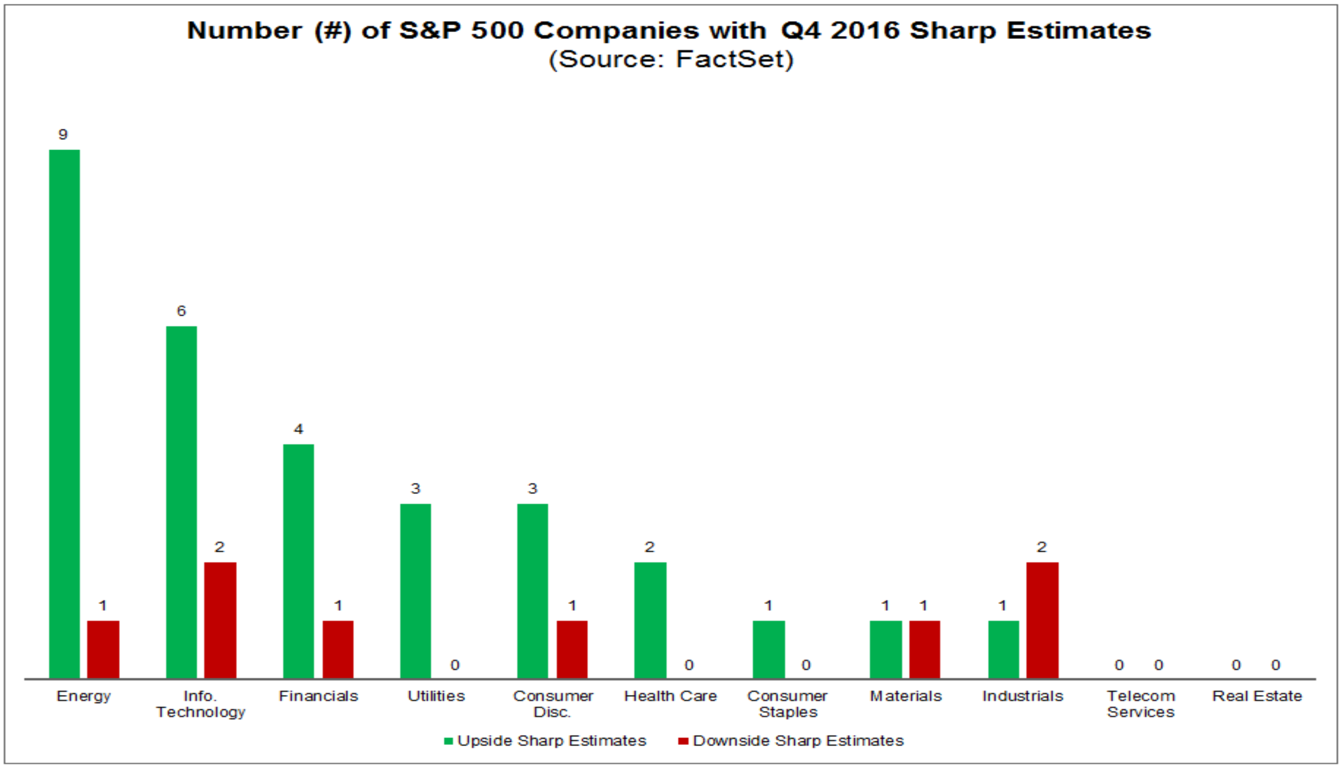


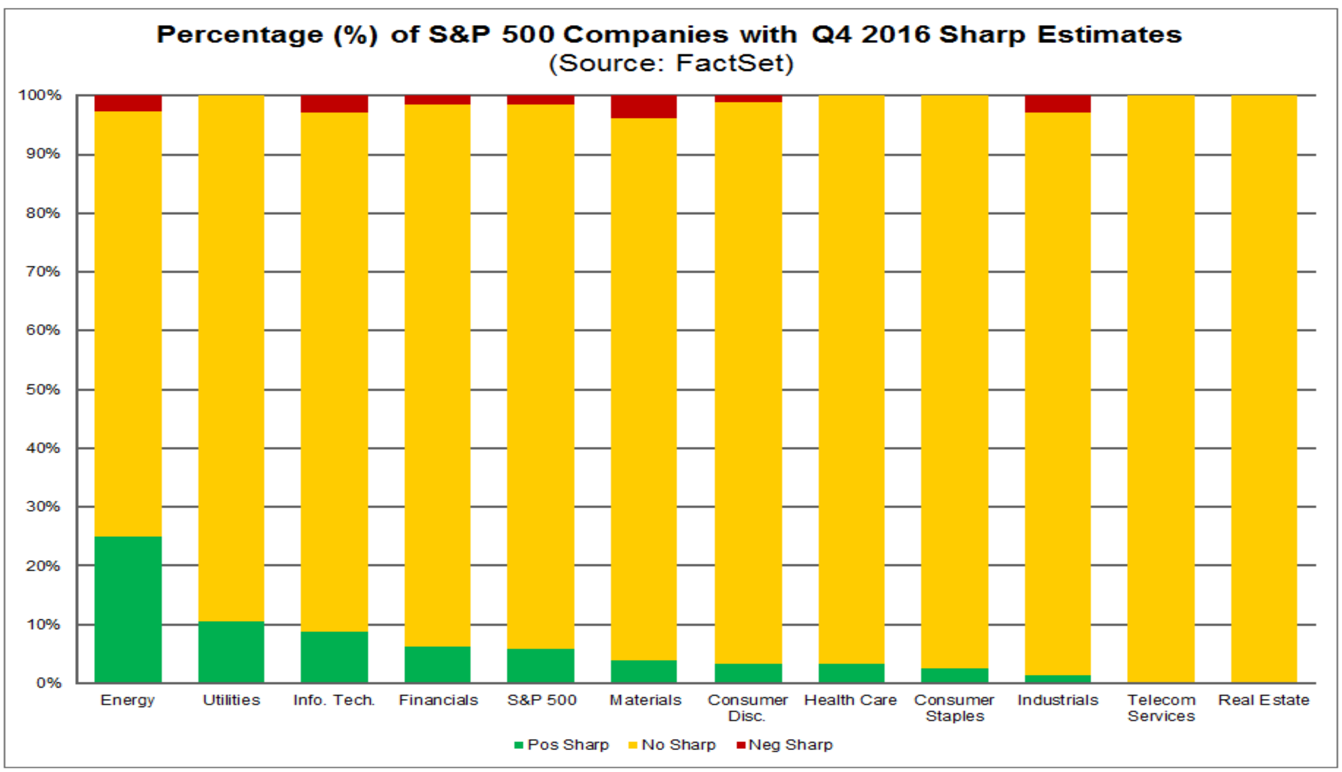
Q4 2016: Scorecard



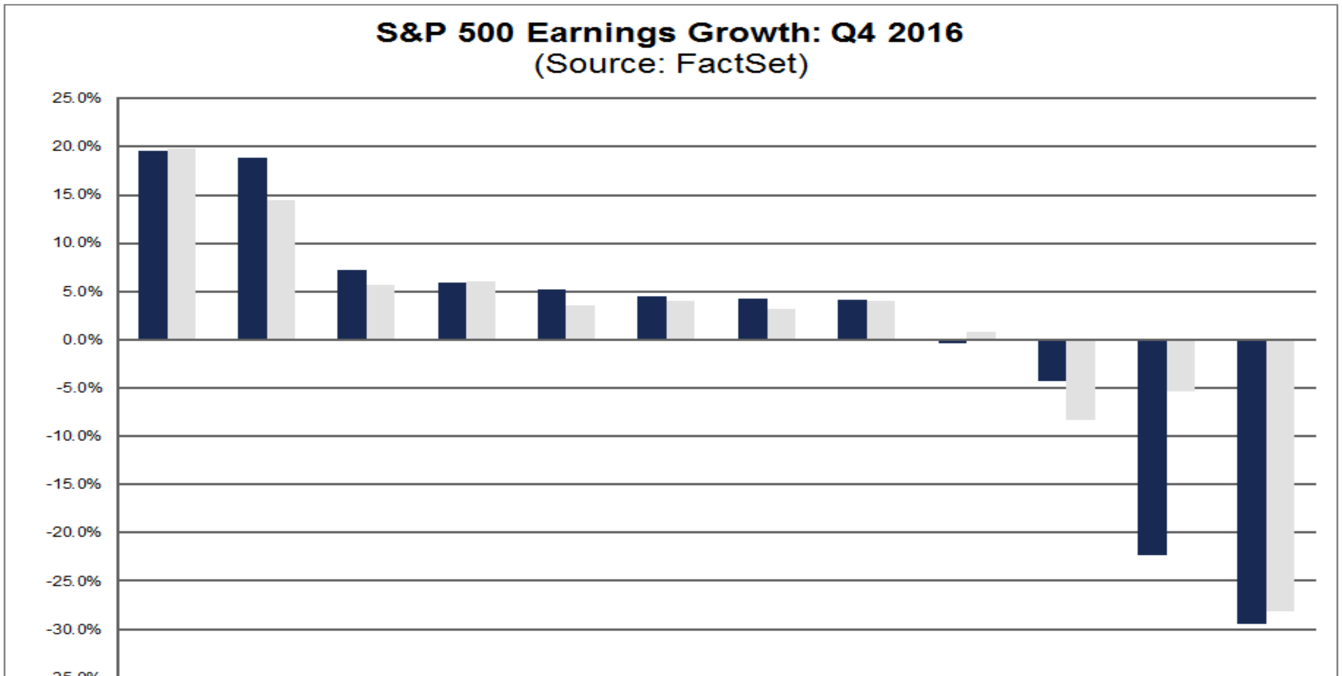


Q4 2016: Projected EPS Surprises (Sharp Estimates)

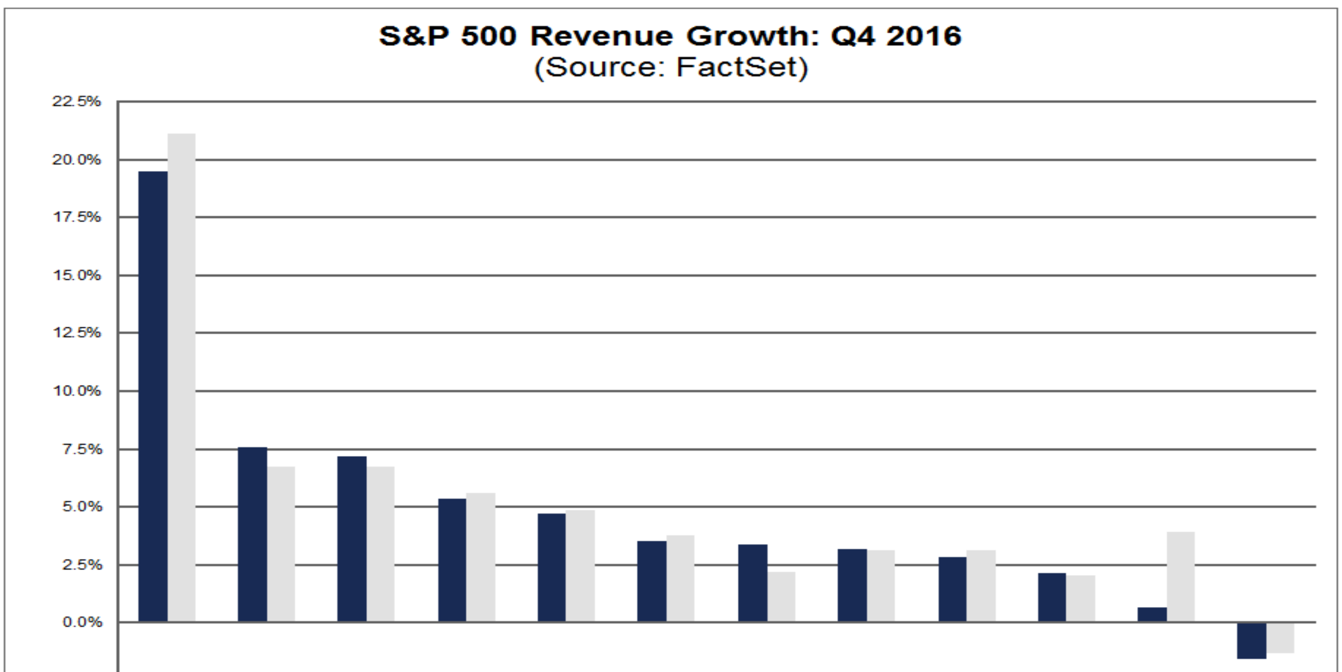




Q4 2016: Growth

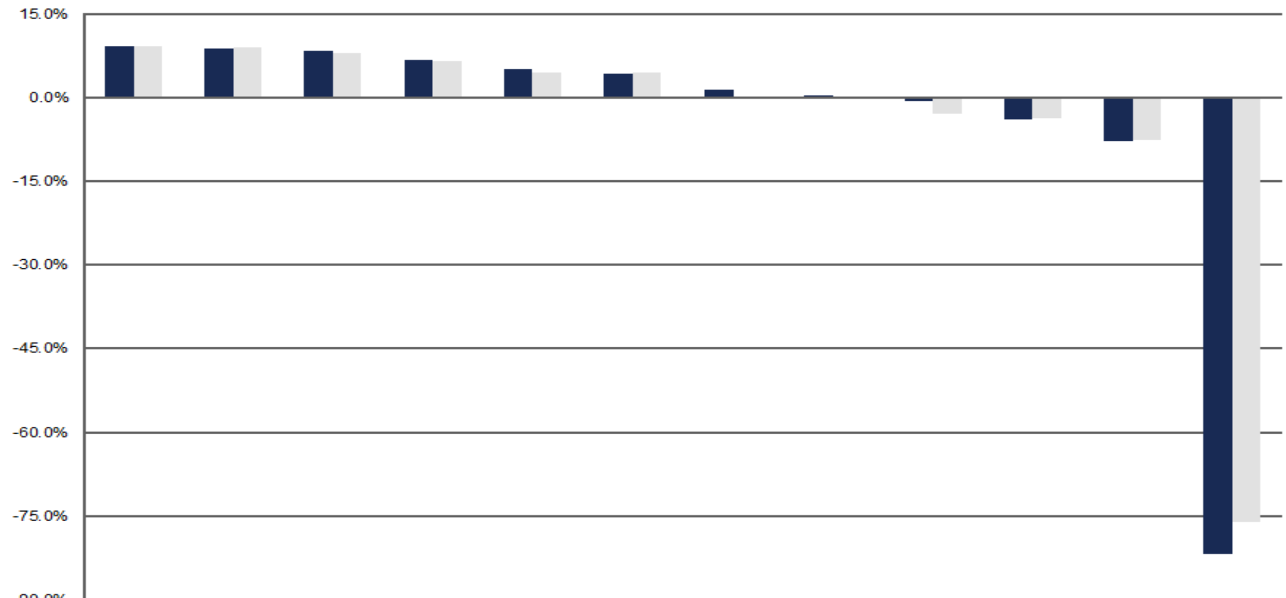


	Utilities	Financials	Info. Technology	Real Estate	Materials	Health Care	S&P 500	Consumer Staples	Consumer Disc.	Industrials	Energy	Telecom Services
Today	19.5%	18.8%	7.2%	5.9%	5.2%	4.4%	4.2%	4.1%	-0.4%	-4.4%	-22.3%	-29.4%
31-Dec	19.8%	14.4%	5.6%	5.9%	3.5%	3.9%	3.1%	4.0%	0.7%	-8.2%	-5.4%	-28.1%

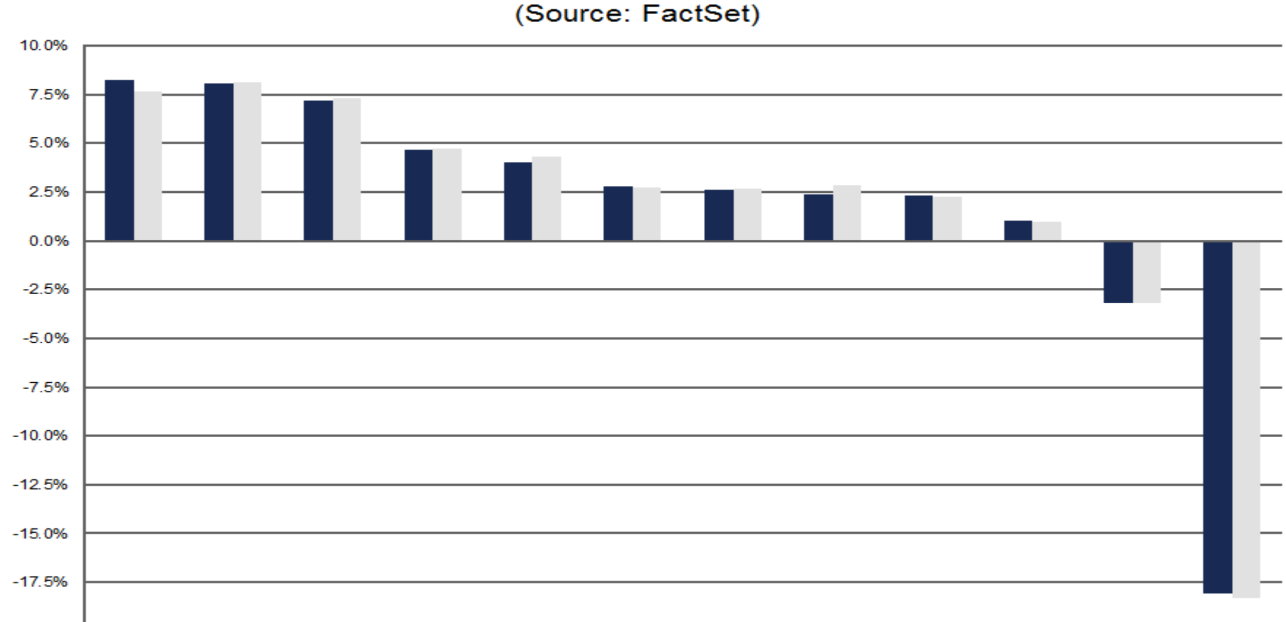


	Utilities	Consumer Disc.	Info. Technology	Health Care	S&P 500	Financials	Materials	Real Estate	Consumer Staples	Industrials	Energy	Telecom Services
Today	19.5%	7.6%	7.2%	5.4%	4.7%	3.5%	3.4%	3.2%	2.8%	2.2%	0.7%	-1.5%
31-Dec	21.1%	6.8%	6.8%	5.6%	4.9%	3.8%	2.2%	3.1%	3.2%	2.0%	3.9%	-1.3%

CY 2016: Growth

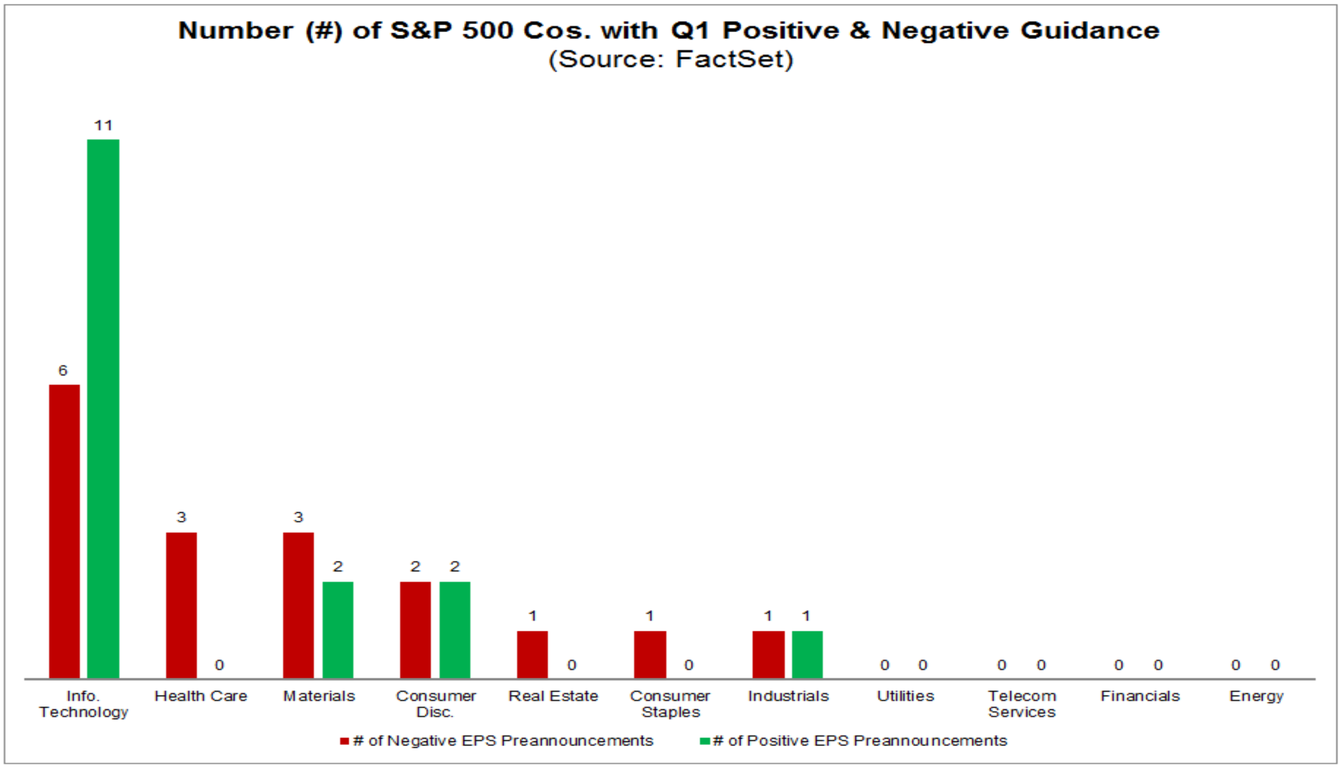


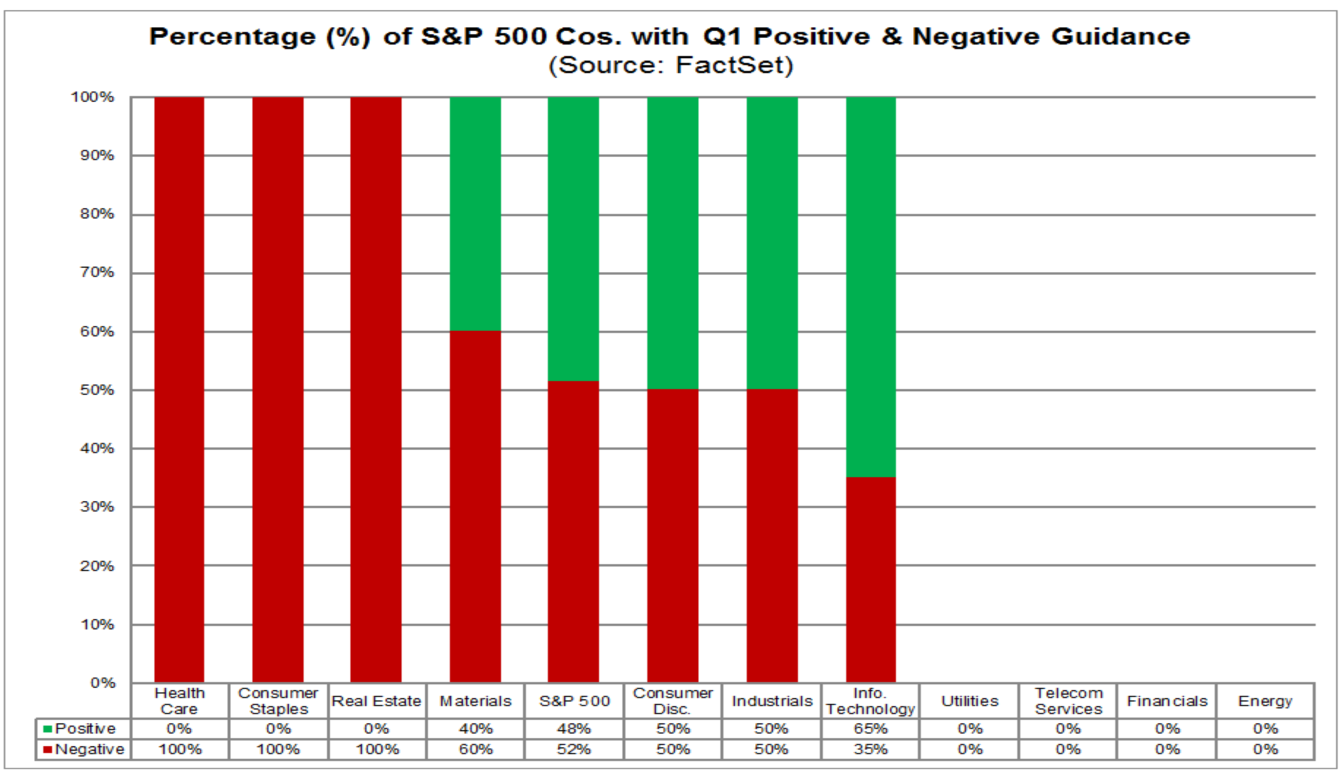
	Real Estate	Consumer Disc.	Utilities	Health Care	Info. Technology	Consumer Staples	Financials	S&P 500	Industrials	Materials	Telecom Services	Energy
Today	9.2%	8.7%	8.3%	6.8%	5.0%	4.3%	1.5%	0.3%	-0.7%	-4.0%	-7.8%	-81.8%
31-Dec	9.2%	9.1%	8.1%	6.4%	4.6%	4.4%	0.2%	0.0%	-2.9%	-3.6%	-7.6%	-76.0%



	Consumer Disc.	Health Care	Real Estate	Telecom Services	Info. Technology	Financials	Consumer Staples	Utilities	S&P 500	Industrials	Materials	Energy
Today	8.2%	8.0%	7.2%	4.6%	4.0%	2.8%	2.6%	2.3%	2.3%	1.0%	-3.2%	-18.0%
31-Dec	7.6%	8.1%	7.3%	4.7%	4.3%	2.7%	2.6%	2.8%	2.2%	1.0%	-3.2%	-18.3%

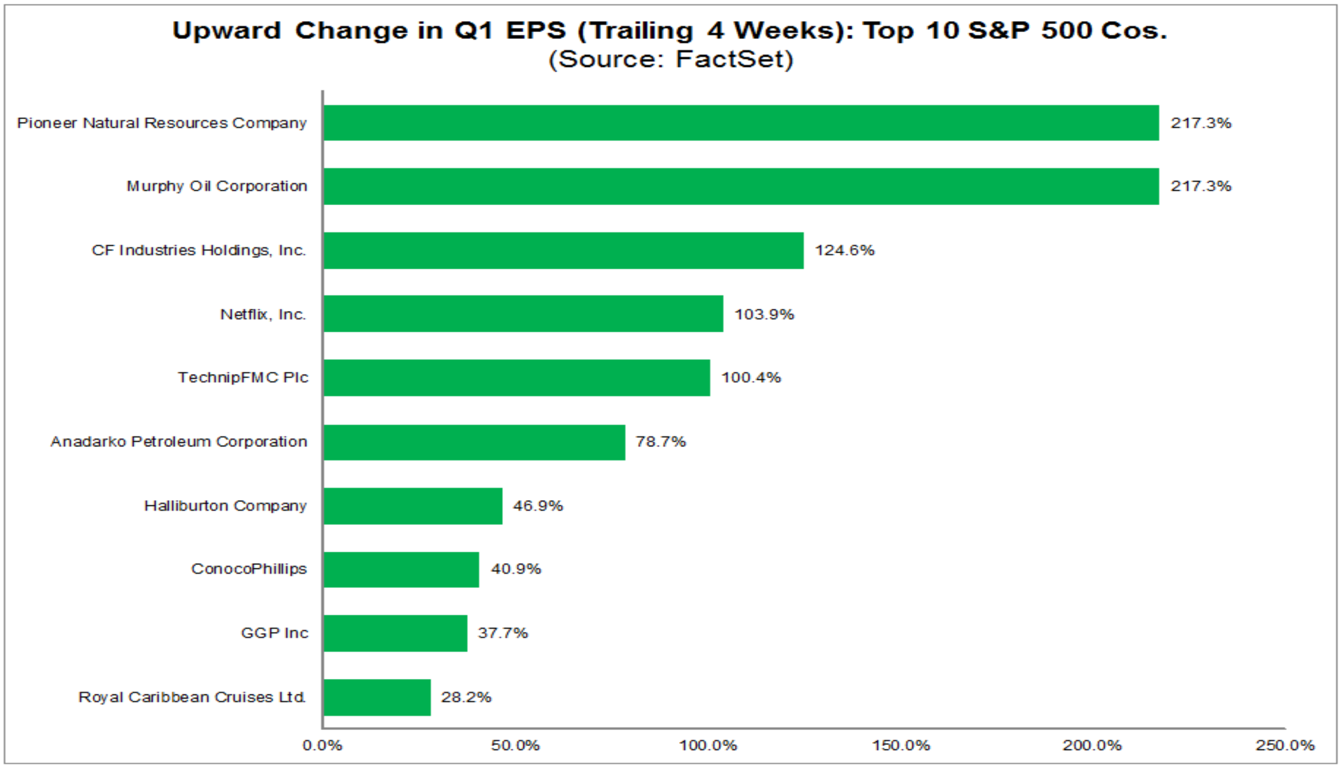
Q1 2017: Guidance

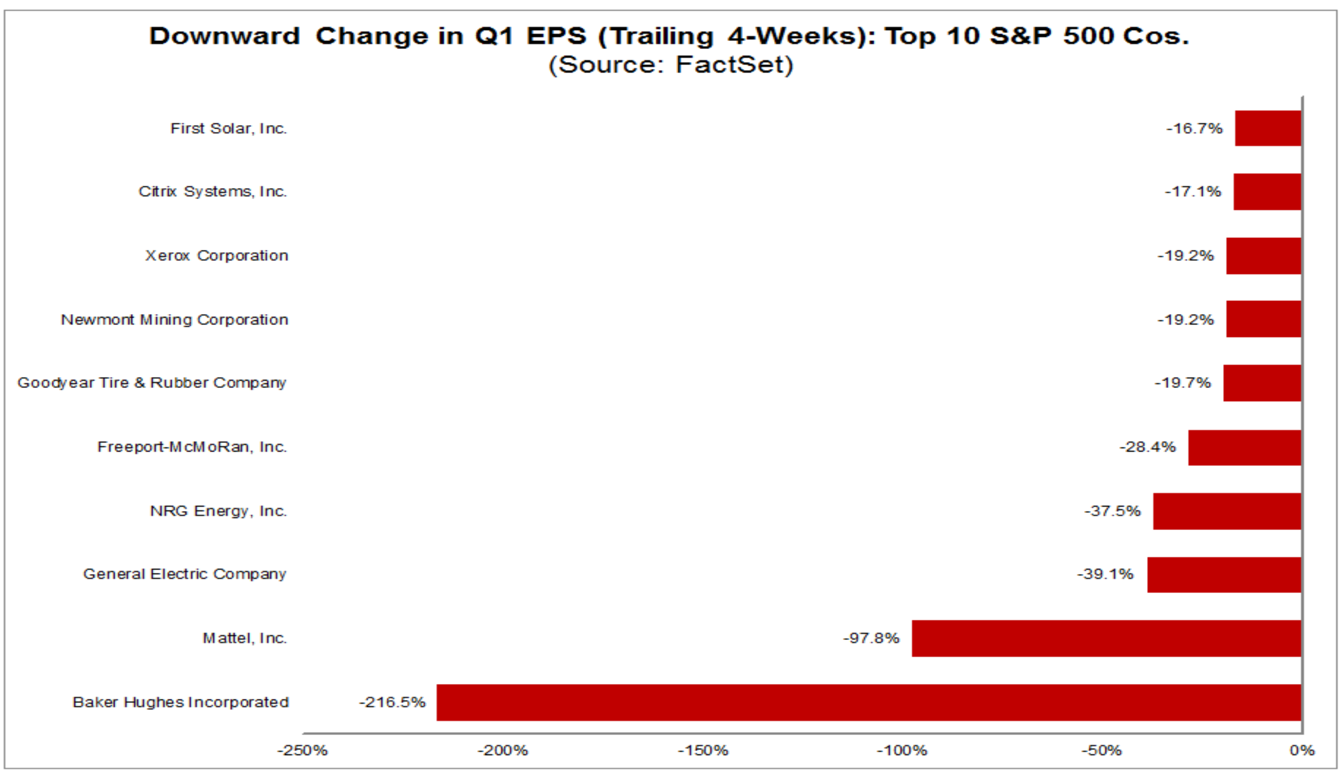




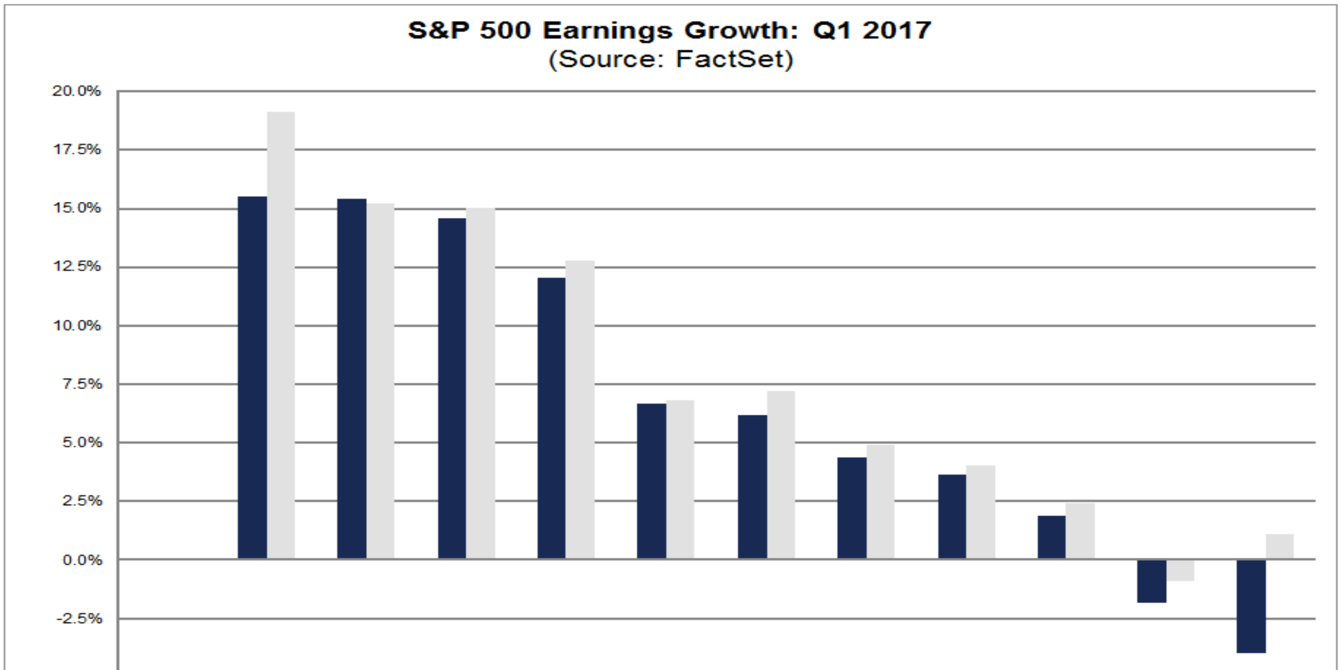
	Health Care	Consumer Staples	Real Estate	Materials	S&P 500	Consumer Disc.	Industrials	Info. Technology	Utilities	Telecom Services	Financials	Energy
Positive	0%	0%	0%	40%	48%	50%	50%	65%	0%	0%	0%	0%
Negative	100%	100%	100%	60%	52%	50%	50%	35%	0%	0%	0%	0%

Q1 2017: EPS Revisions

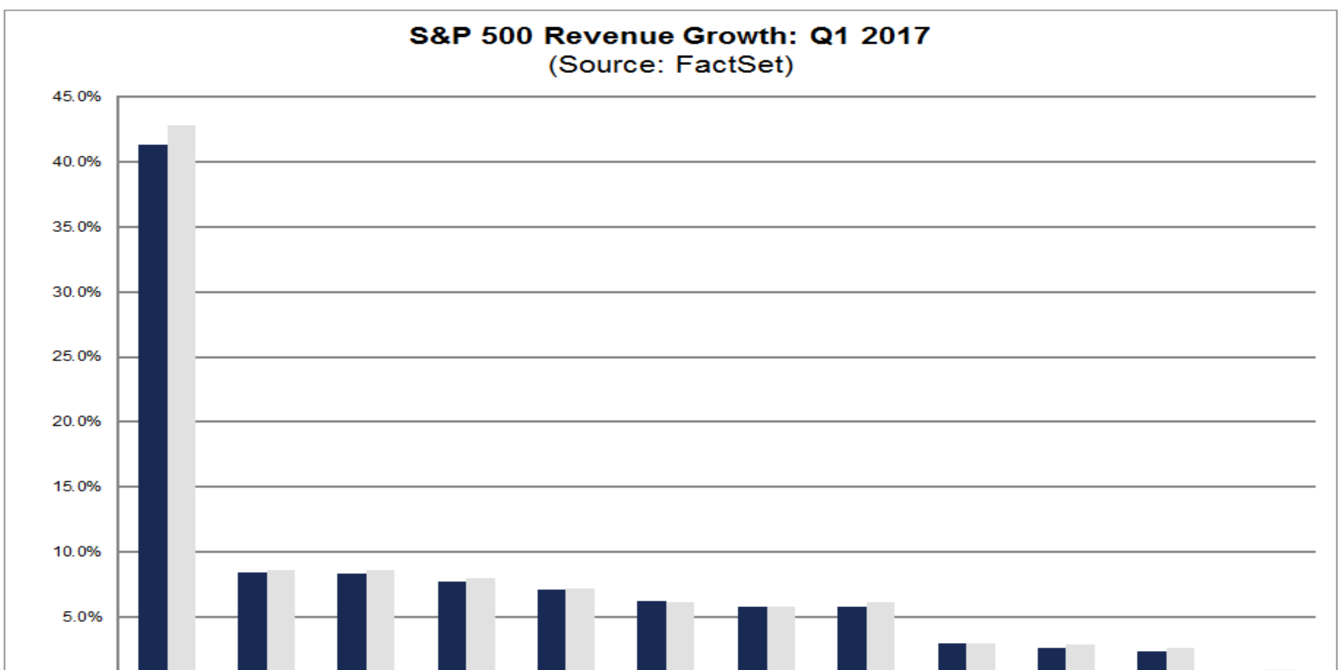




Q1 2017: Growth

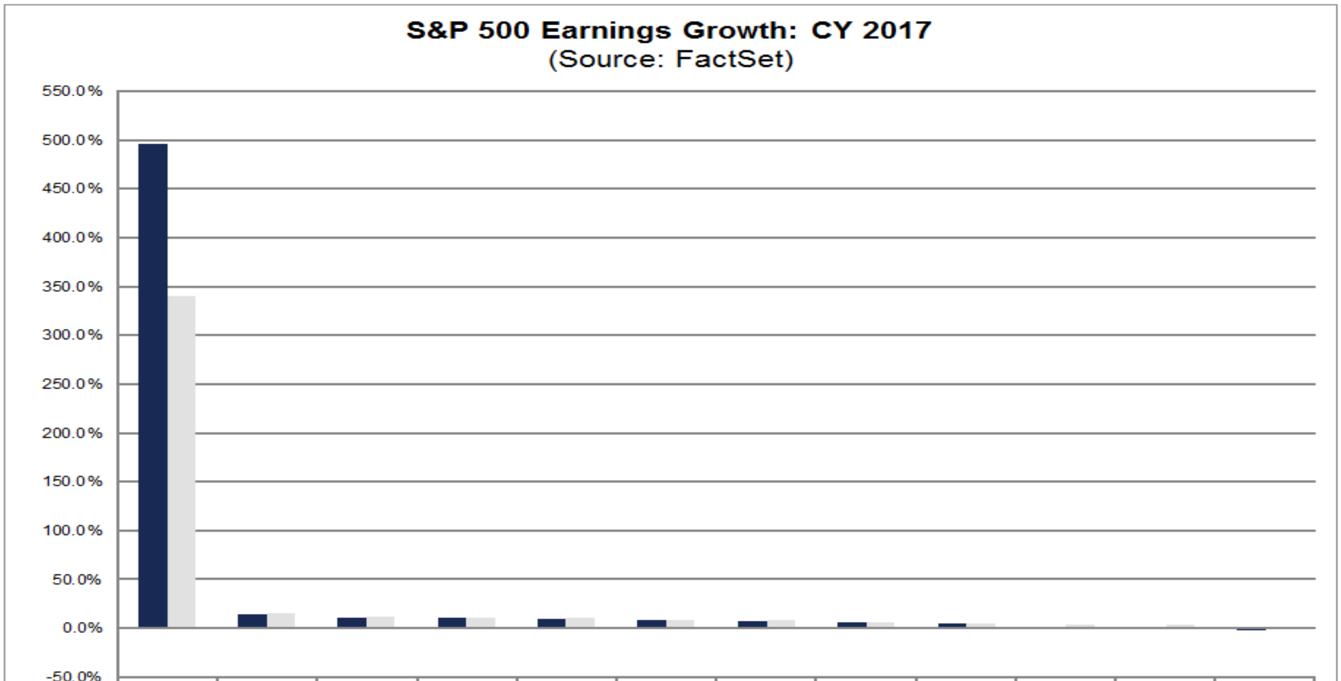


	Energy	Materials	Financials	Info. Technology	S&P 500	Real Estate	Consumer Staples	Health Care	Consumer Disc.	Utilities	Telecom Services	Industrials
Today		15.5%	15.4%	14.6%	12.0%	6.7%	6.2%	4.4%	3.6%	1.9%	-1.8%	-4.0%
31-Dec		19.1%	15.2%	15.0%	12.7%	6.8%	7.2%	4.9%	4.0%	2.4%	-0.9%	1.1%

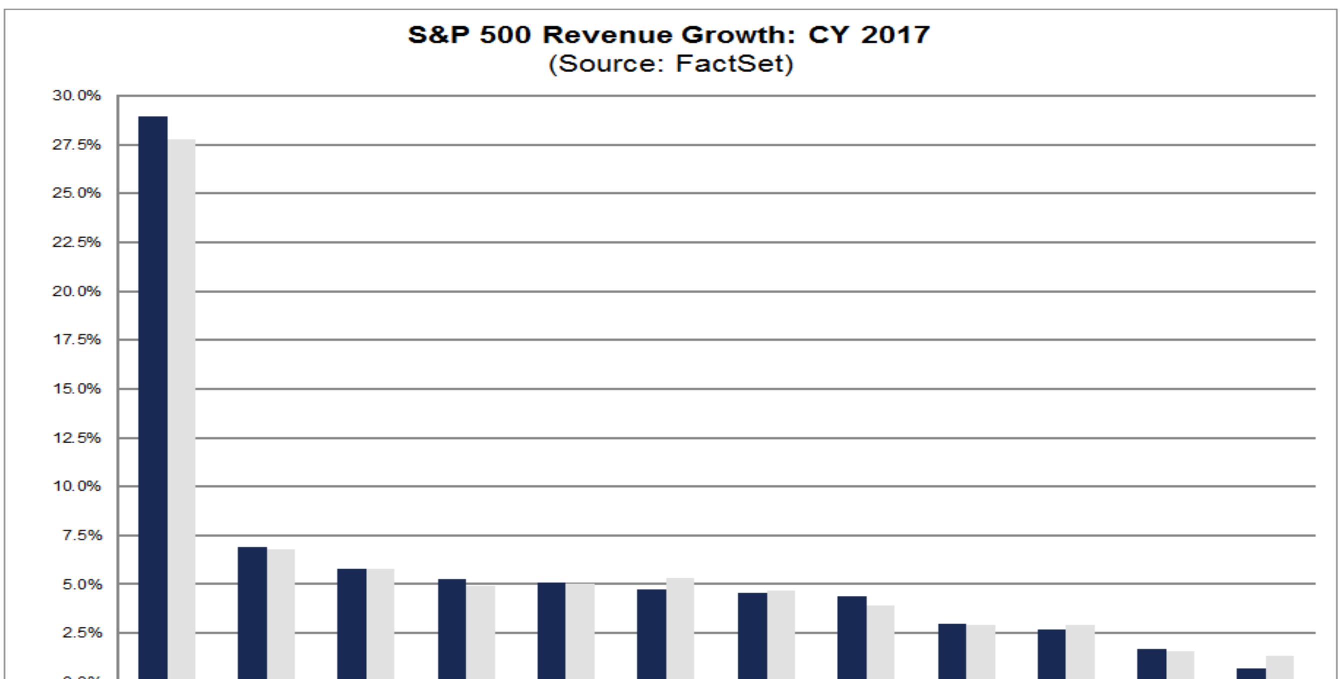


	Energy	Utilities	Info. Technology	S&P 500	Consumer Disc.	Health Care	Financials	Materials	Real Estate	Consumer Staples	Industrials	Telecom Services
Today	41.2%	8.5%	8.4%	7.8%	7.1%	6.2%	5.8%	5.8%	3.0%	2.7%	2.4%	0.1%
31-Dec	42.7%	8.6%	8.7%	8.0%	7.2%	6.2%	5.8%	6.2%	3.0%	3.0%	2.7%	1.0%

CY 2017: Growth

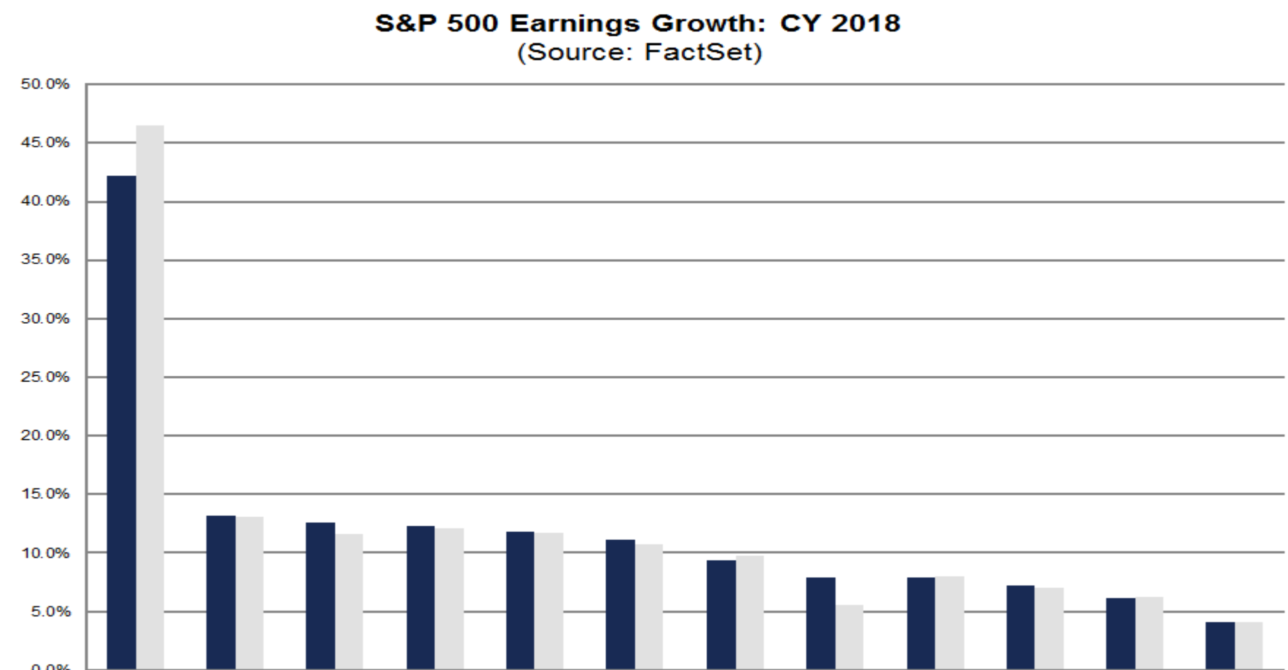


	Energy	Materials	S&P 500	Info. Technology	Financials	Consumer Disc.	Health Care	Consumer Staples	Real Estate	Industrials	Telecom Services	Utilities
Today	496.2%	15.2%	11.6%	10.7%	10.5%	8.9%	8.1%	6.2%	5.7%	1.9%	1.6%	-0.4%
30-Sep	340.2%	15.9%	11.9%	11.0%	11.0%	8.9%	8.8%	6.6%	5.9%	4.0%	3.7%	0.1%

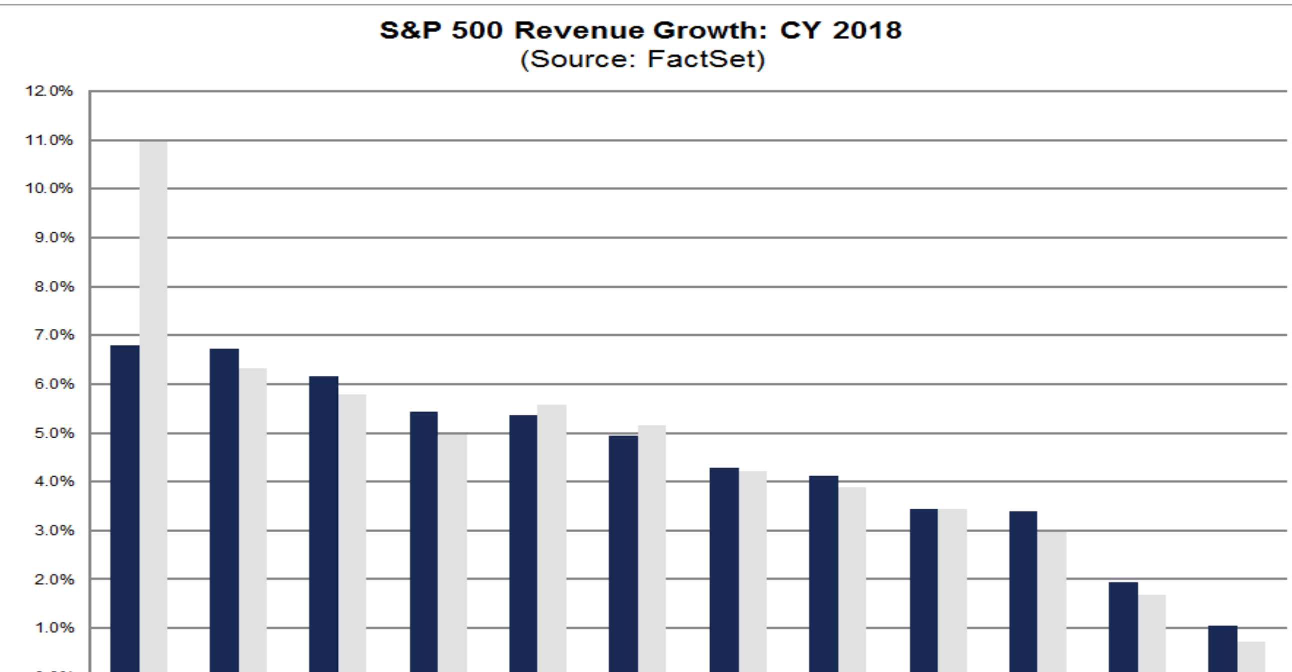


	Energy	Info. Technology	S&P 500	Materials	Health Care	Consumer Disc.	Real Estate	Utilities	Financials	Consumer Staples	Industrials	Telecom Services
Today	28.9%	6.9%	5.8%	5.3%	5.1%	4.7%	4.6%	4.4%	3.0%	2.7%	1.7%	0.7%
30-Sep	27.7%	6.8%	5.8%	5.0%	5.1%	5.4%	4.7%	3.9%	3.0%	2.9%	1.6%	1.3%

CY 2018: Growth

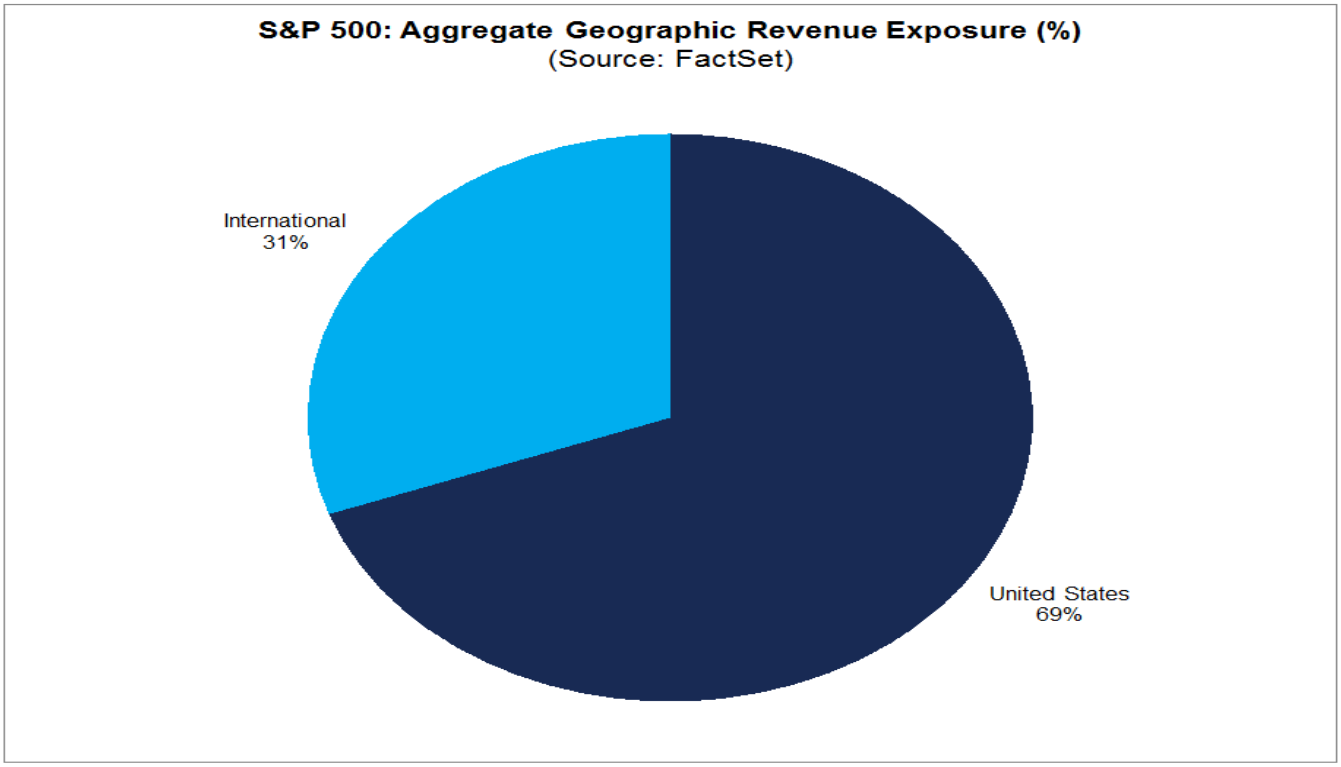


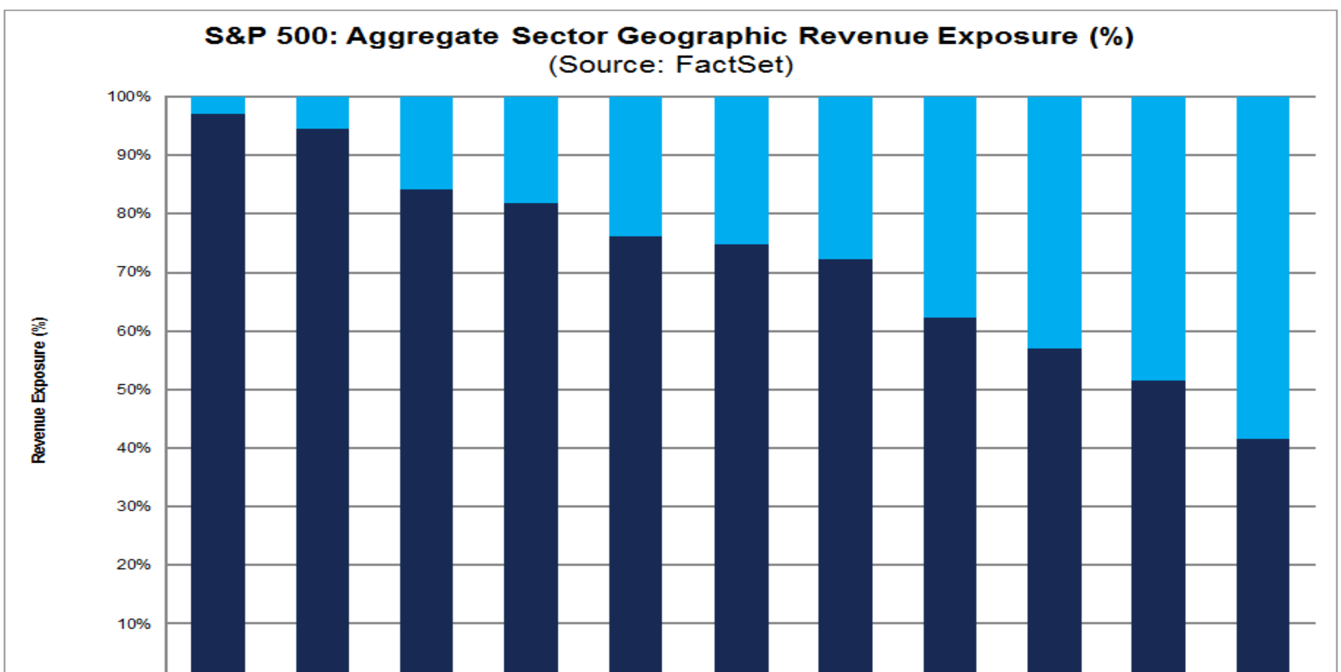
	Energy	Consumer Disc.	Financials	Industrials	S&P 500	Info. Technology	Health Care	Materials	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	42.2%	13.2%	12.7%	12.4%	11.9%	11.1%	9.4%	8.0%	7.9%	7.2%	6.2%	4.1%
30-Sep	46.4%	13.1%	11.7%	12.1%	11.7%	10.8%	9.8%	5.6%	8.1%	7.0%	6.3%	4.1%



	Energy	Info. Technology	Consumer Disc.	Real Estate	Health Care	S&P 500	Industrials	Financials	Consumer Staples	Materials	Utilities	Telecom Services
Today	6.8%	6.7%	6.1%	5.4%	5.4%	4.9%	4.3%	4.1%	3.5%	3.4%	2.0%	1.1%
30-Sep	11.0%	6.3%	5.8%	5.0%	5.6%	5.2%	4.2%	3.9%	3.5%	3.0%	1.7%	0.7%

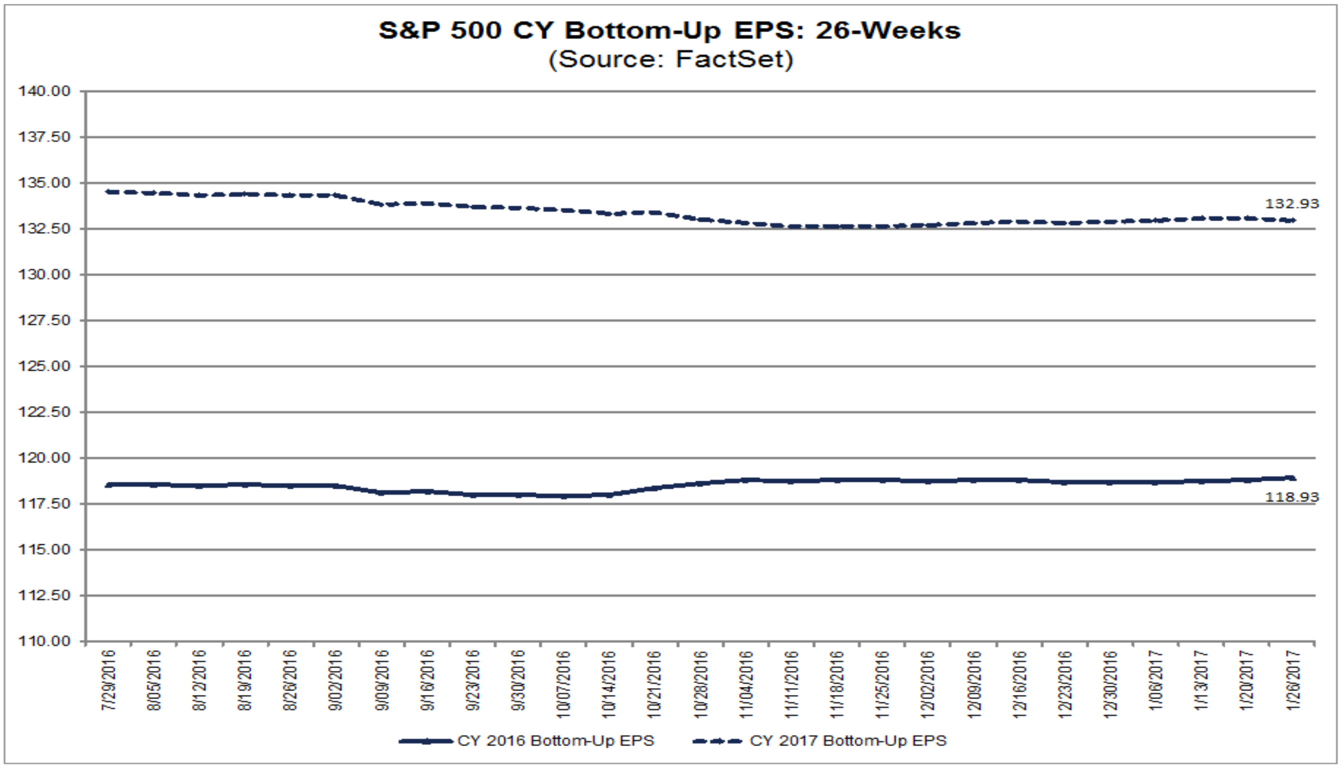
Geographic Revenue Exposure

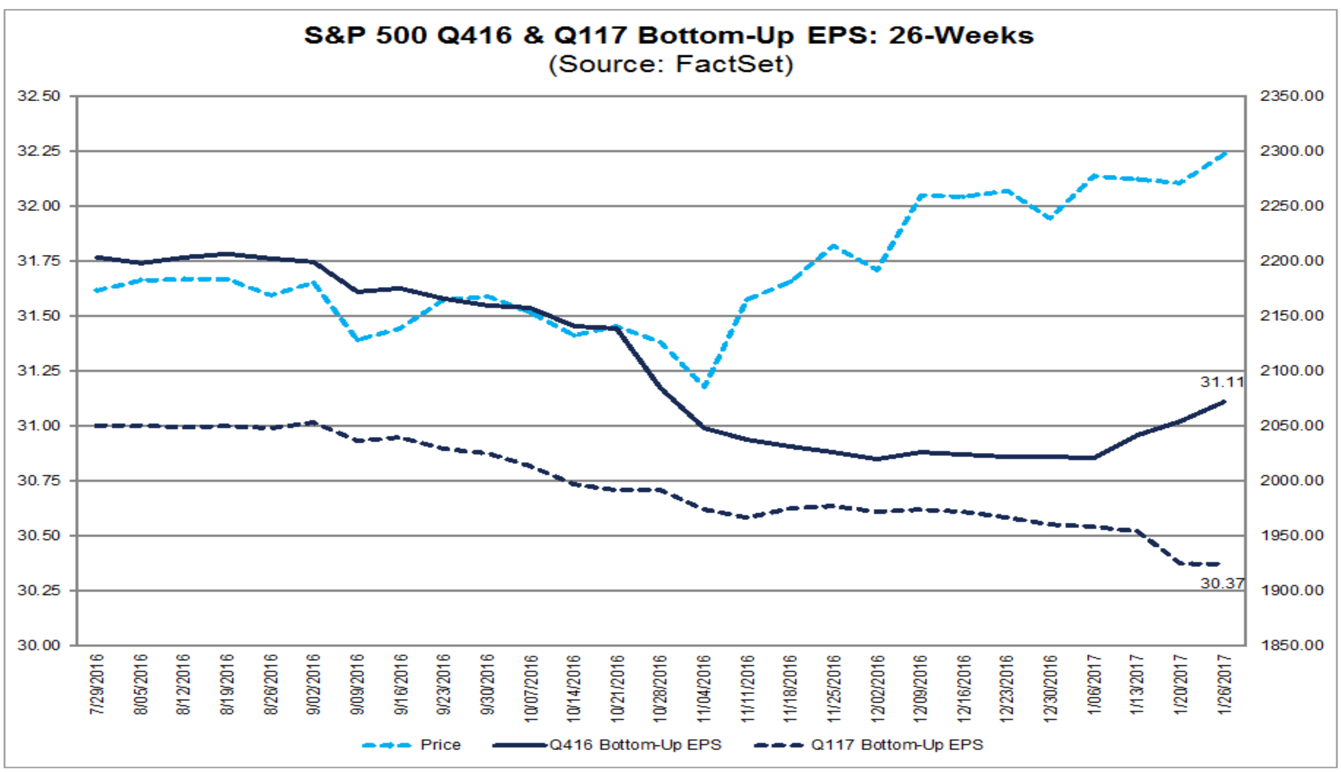




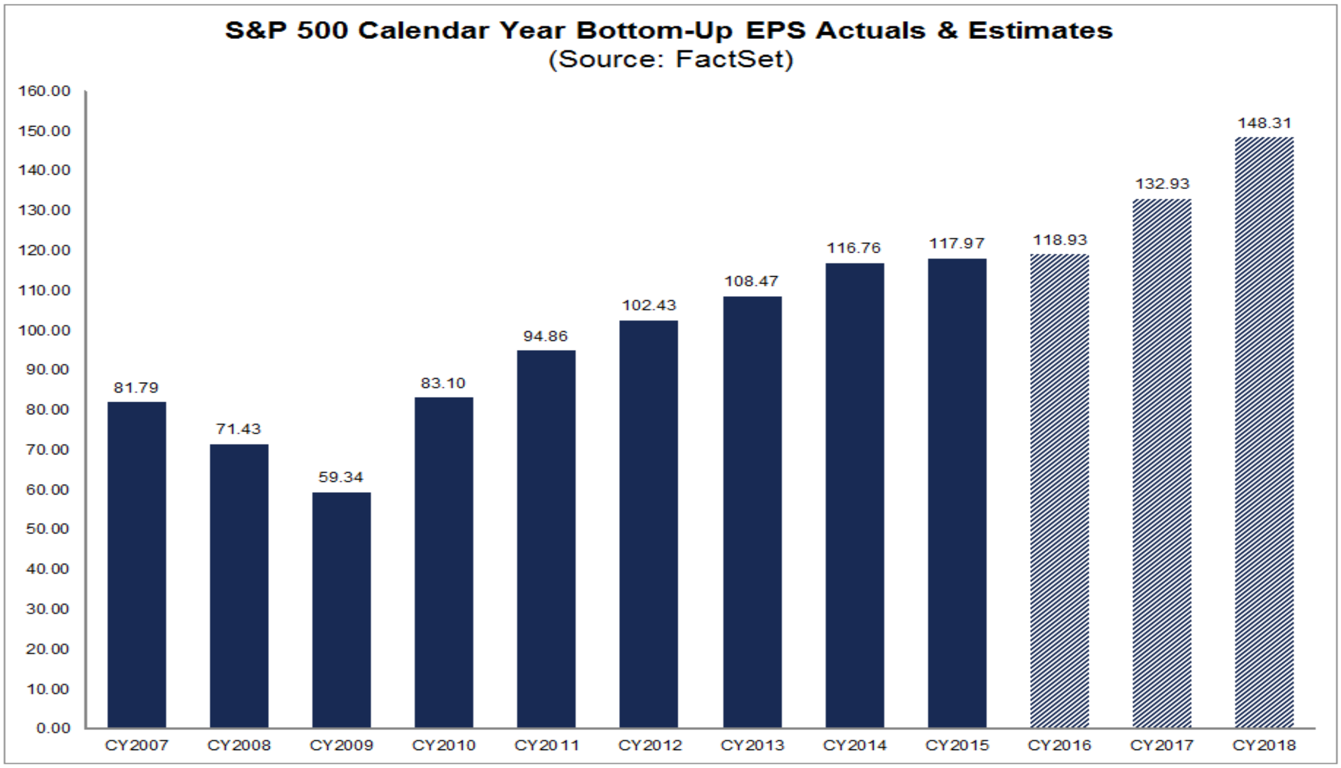
	Telecom Services	Utilities	Real Estate	Health Care	Financials	Consumer Disc.	Consumer Staples	Industrials	Energy	Materials	Info. Technology
International	3%	6%	16%	18%	24%	25%	28%	38%	43%	49%	58%
United States	97%	94%	84%	82%	76%	75%	72%	62%	57%	51%	42%

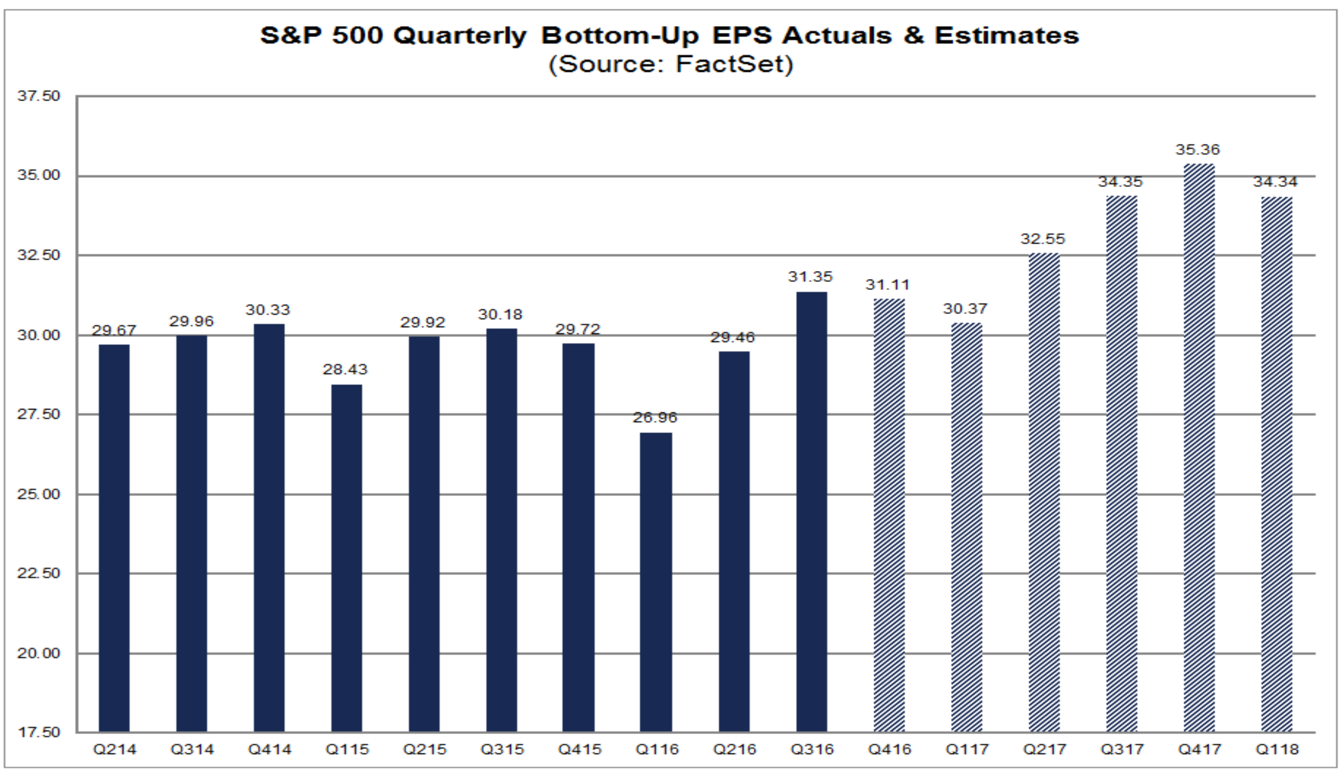
Bottom-up EPS Estimates: Revisions



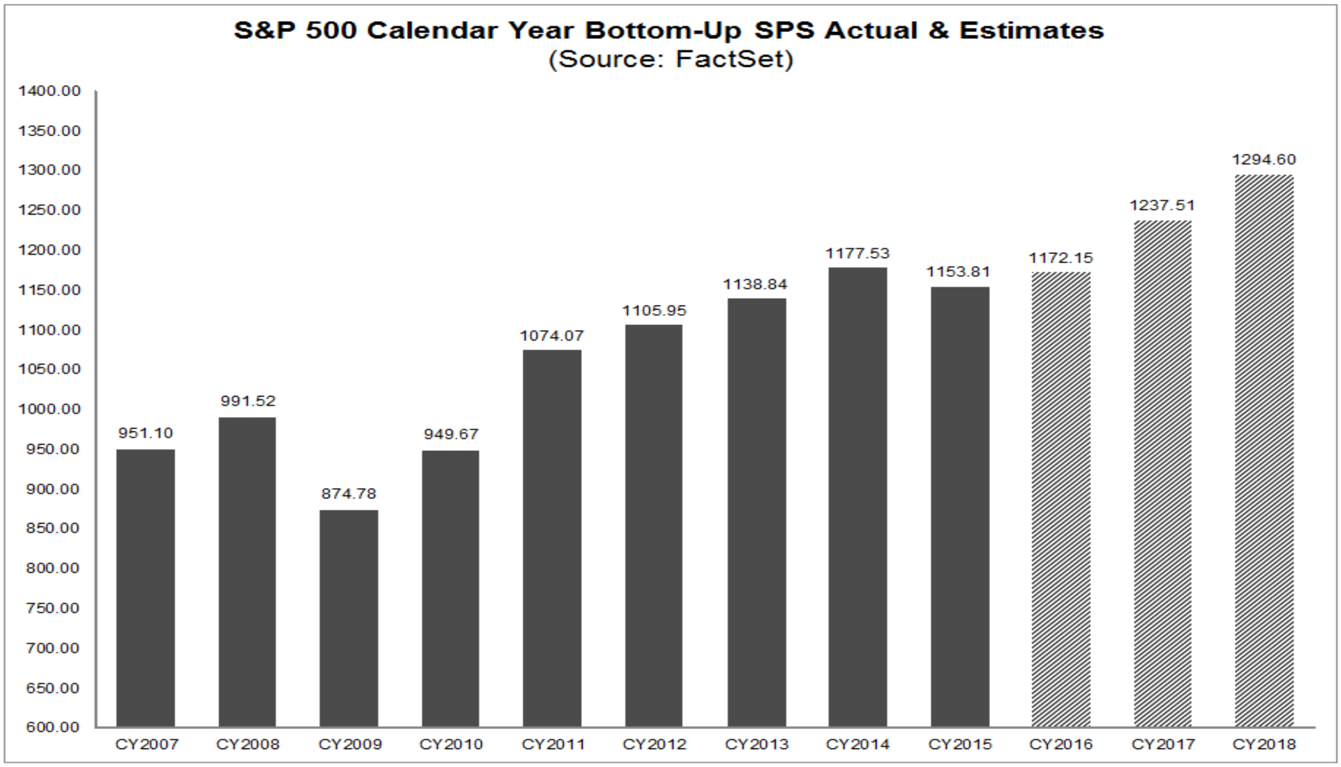


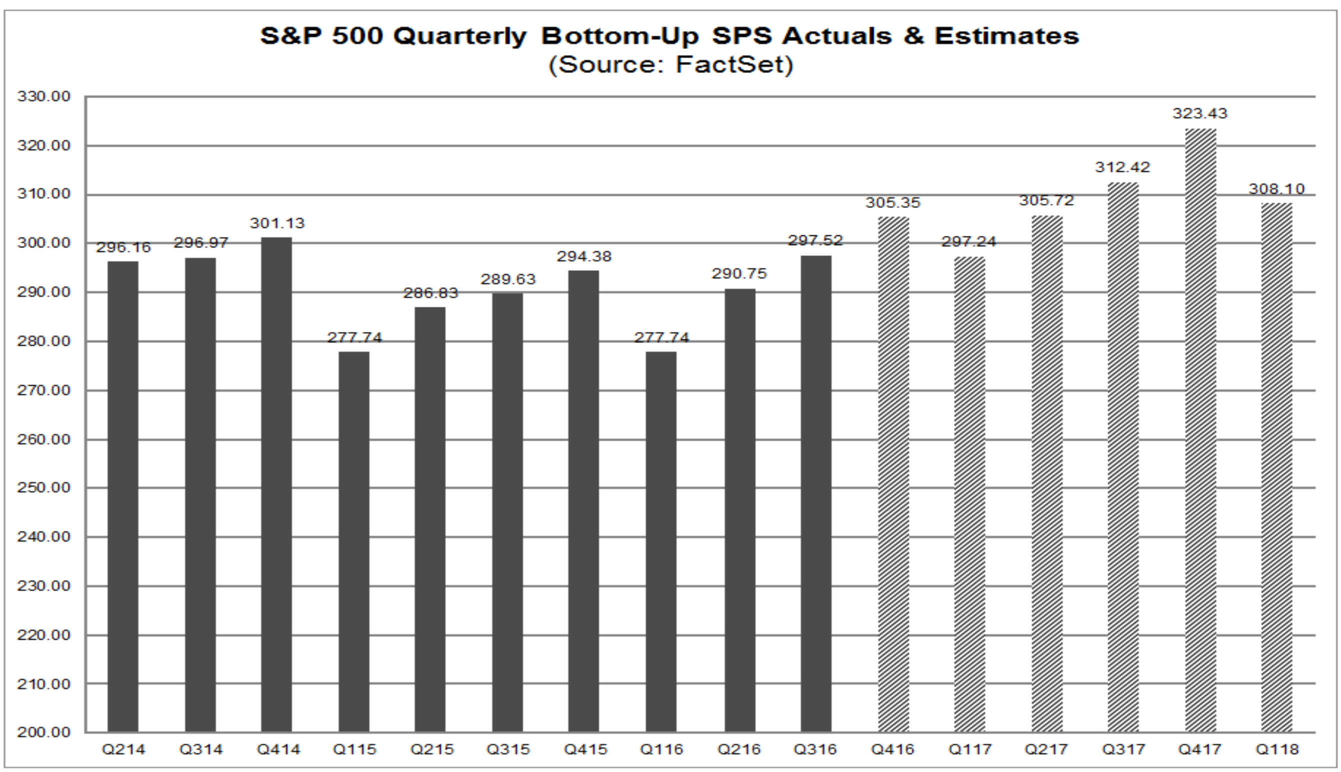
Bottom-up EPS Estimates: Current & Historical



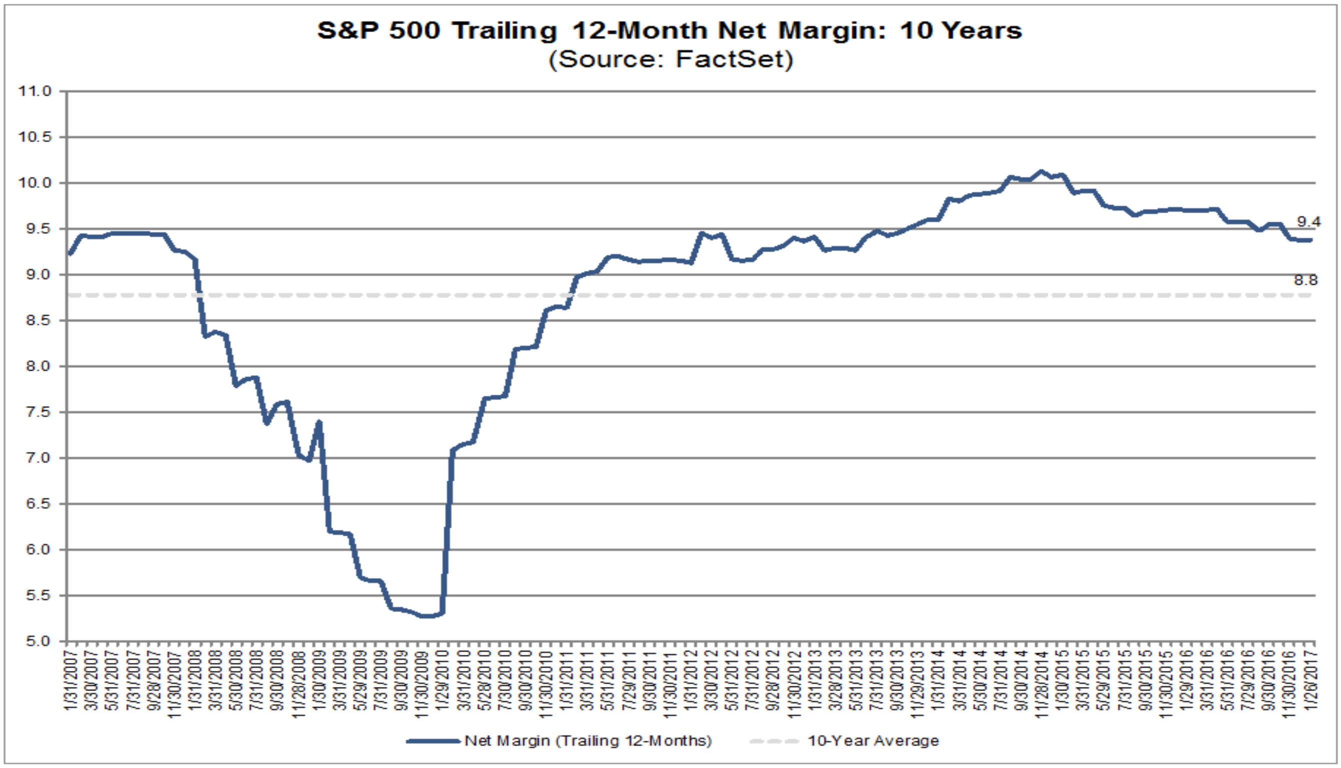


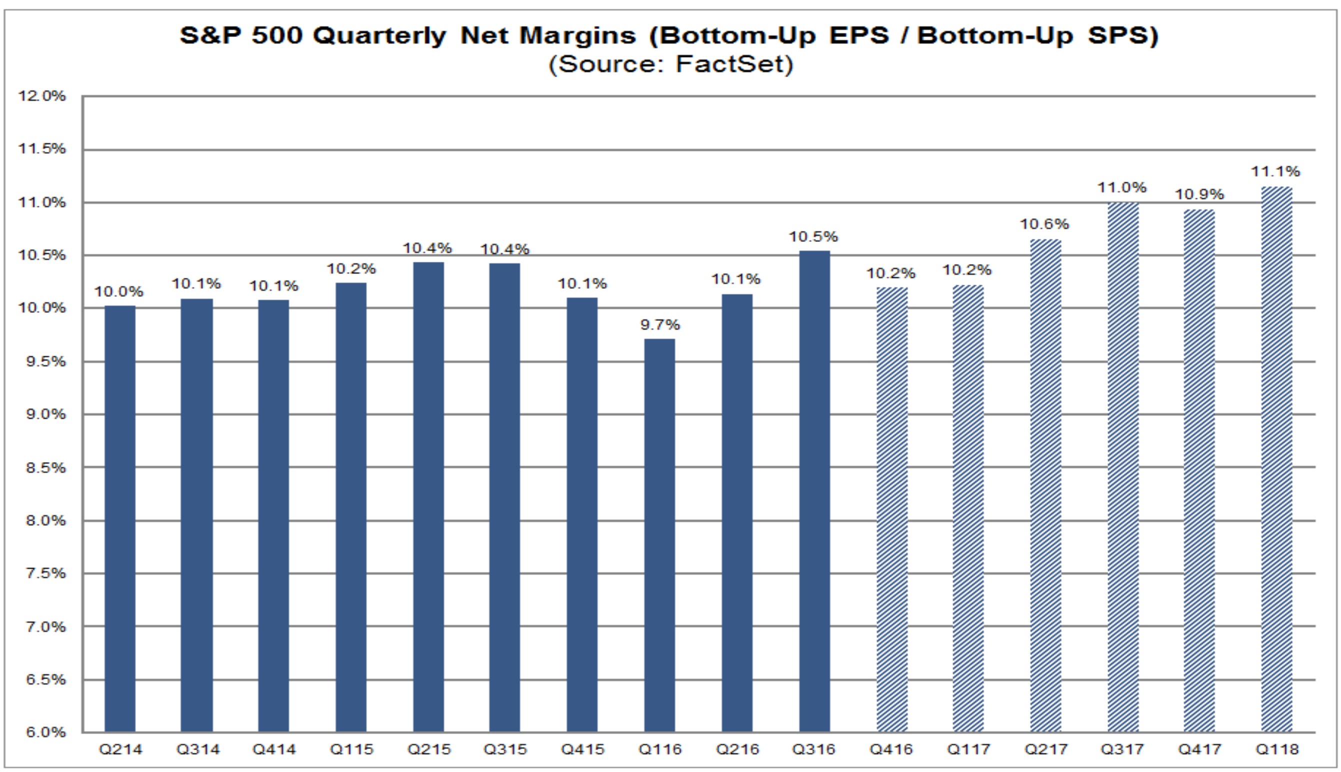
Bottom-up SPS Estimates: Current & Historical



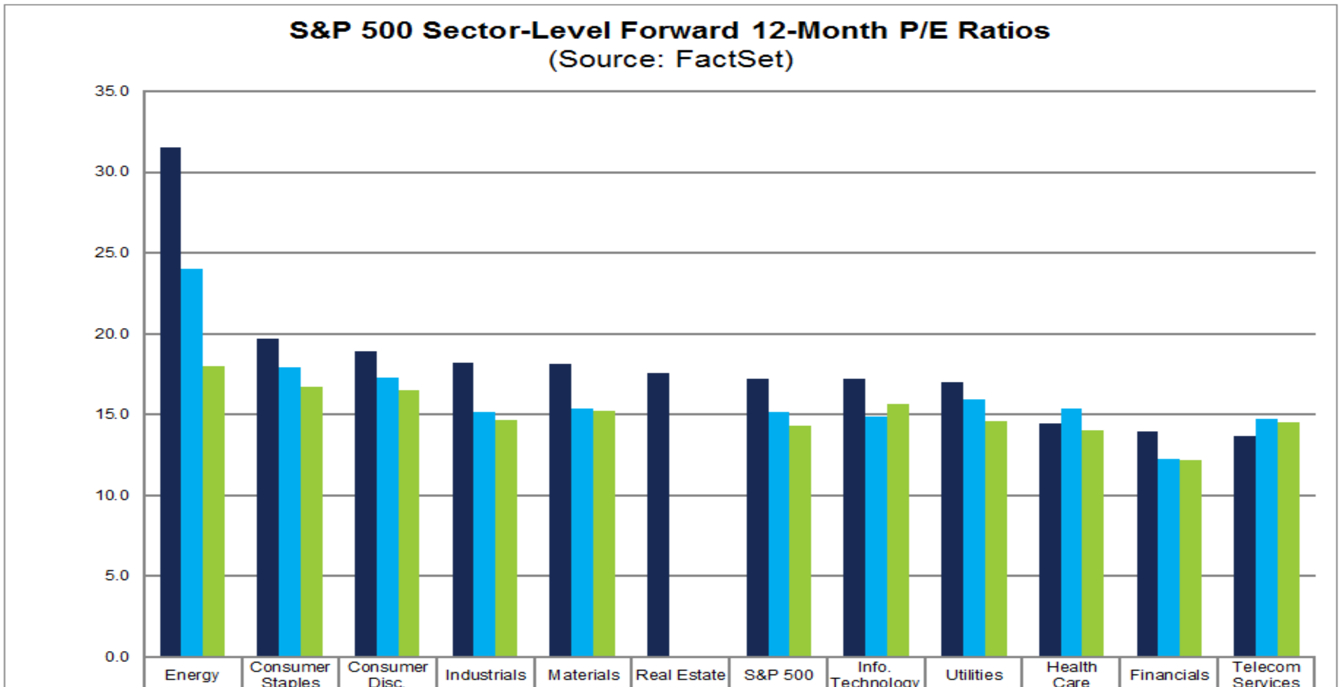


Net Margins: Current & Historical

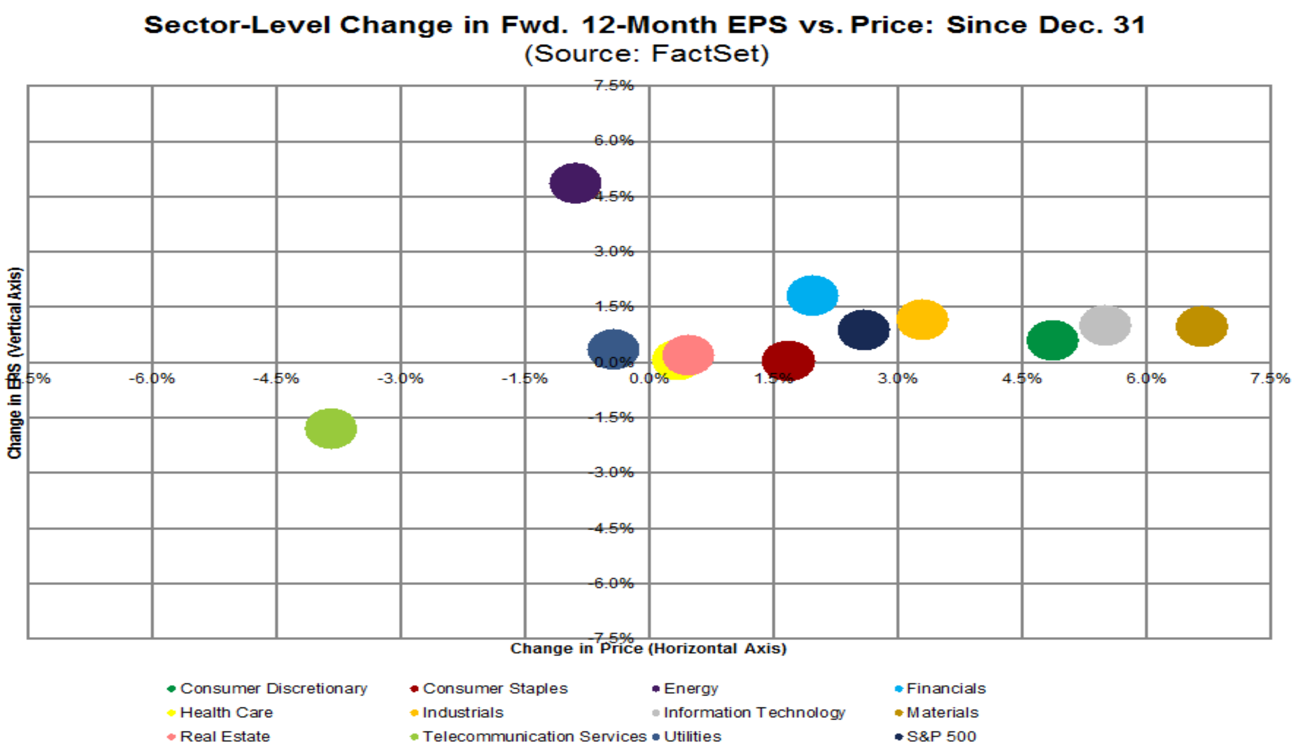




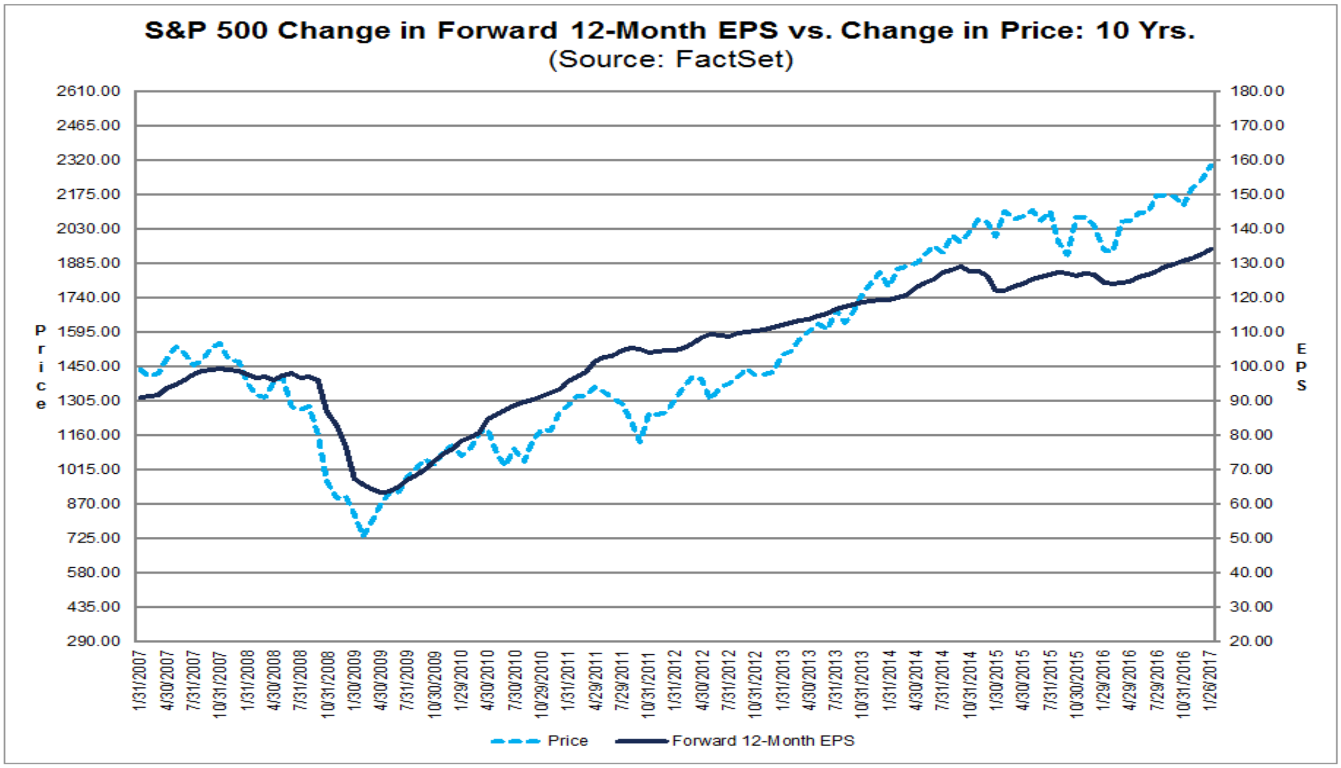
Forward 12M P/E Ratio: Sector Level

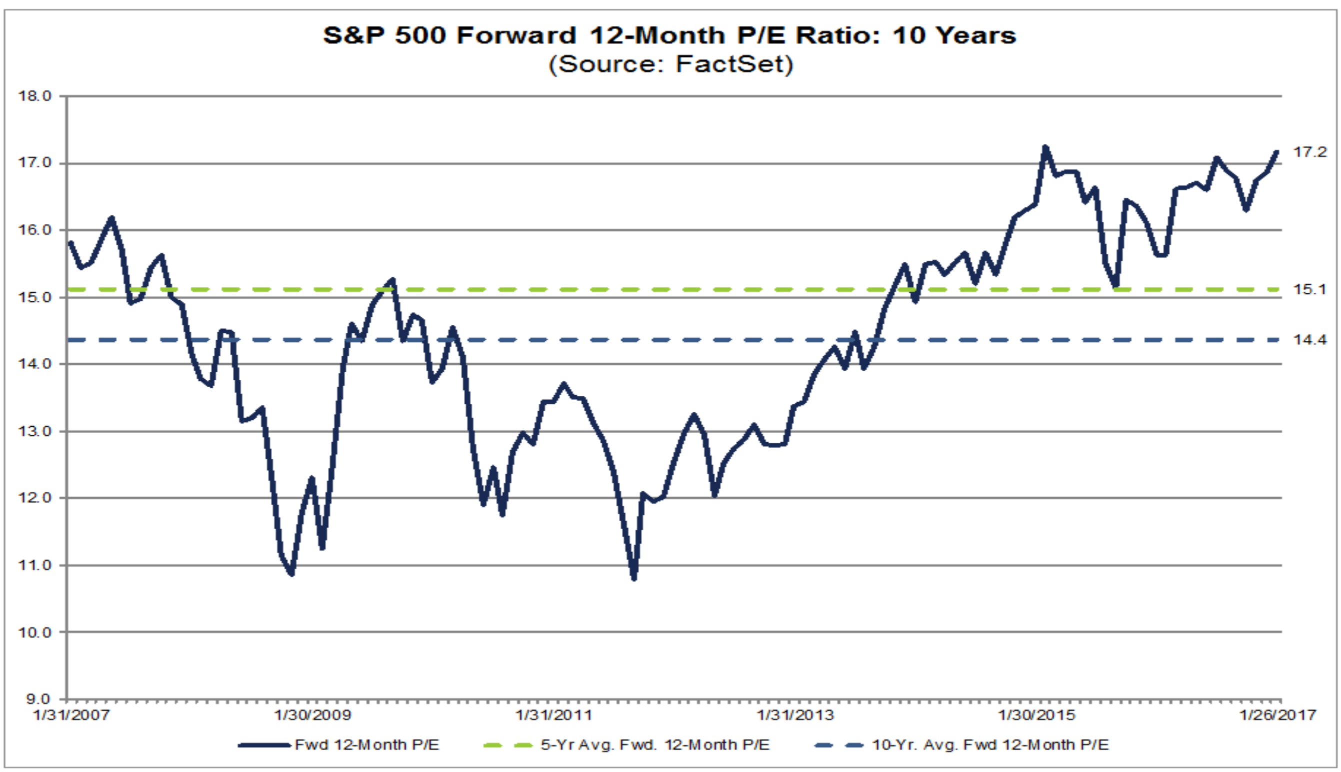


	Energy	Consumer Staples	Consumer Disc.	Industrials	Materials	Real Estate	S&P 500	Info. Technology	Utilities	Health Care	Financials	Telecom Services
Fwd P/E	31.5	19.7	18.9	18.2	18.1	17.5	17.2	17.2	17.0	14.5	14.0	13.7
5-Yr Avg.	24.0	17.9	17.3	15.1	15.3		15.1	14.9	15.9	15.3	12.3	14.8
10-Yr Avg.	17.9	16.7	16.5	14.7	15.2		14.4	15.6	14.6	14.1	12.2	14.6

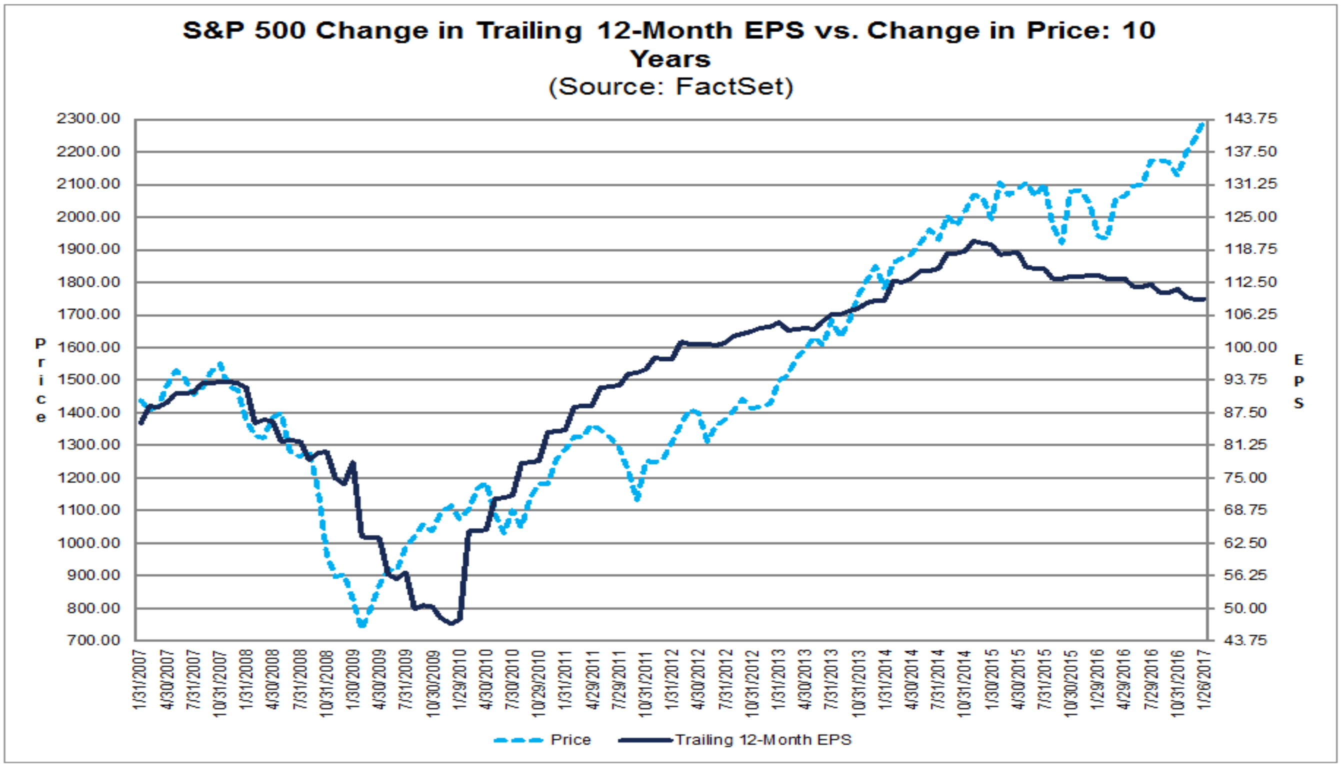


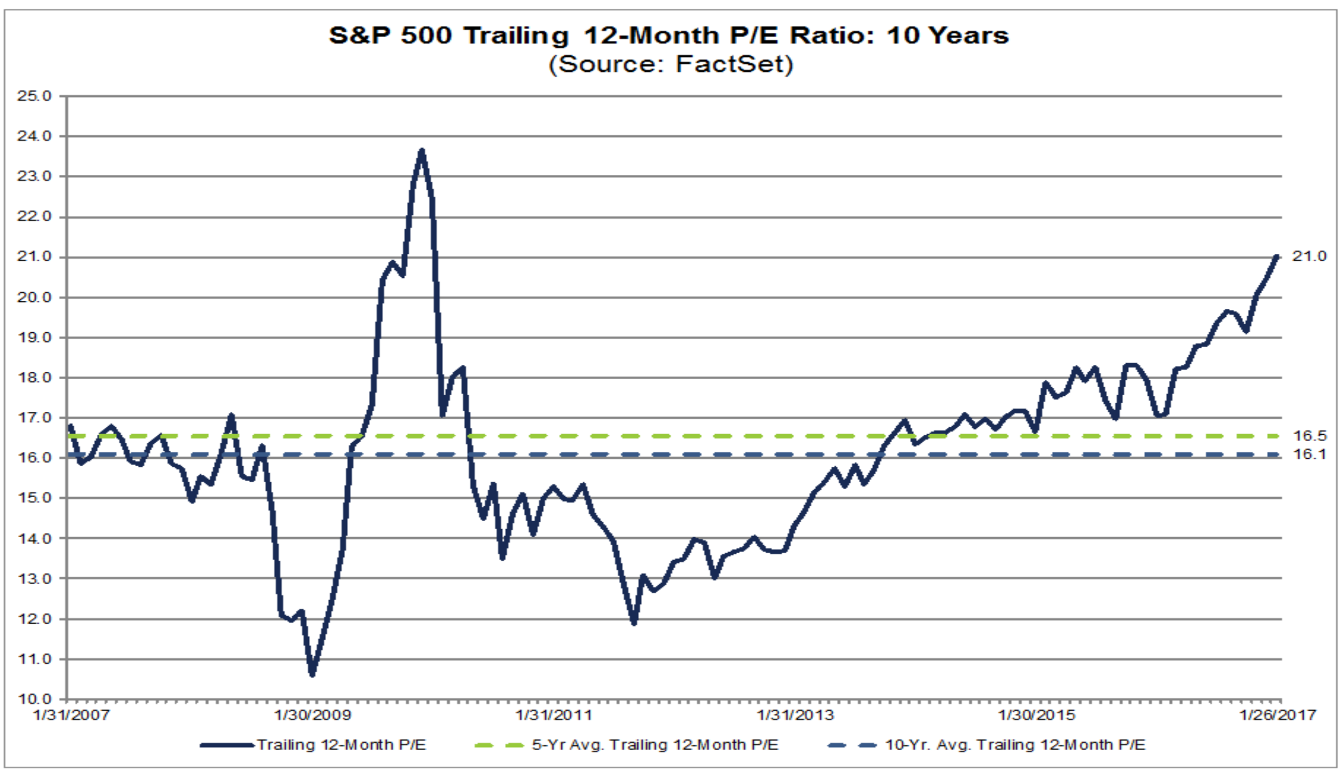
Forward 12M P/E Ratio: Long-Term Averages





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





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