

## U.S. Balancing Act July 2018

- ***Summary:*** *Information Technology continues to be our largest sector overweight, where we continue to be overweight both in Tech Hardware Storage & Peripherals and Semiconductor & Semiconductor Equipment. We have reduced the overweight in Consumer Discretionary to a marketweight. Industrials continue as a marketweight. While Energy is still an underweight, we have increased our exposure to Energy.*
- **Information Technology continues as the largest sector overweight**  
We maintain a large overweight in Tech Hardware Storage & Peripherals and Semiconductors. Both look attractive on our growth and momentum measures. They have high return on invested capital - 20% and 13% respectively. Both have strong year-over-year price momentum. Software is a modest underweight. Valuations continue to be expensive although 1-year change in free cash flow and year-over-year price momentum are high.
- **We have decreased our allocation to Consumer Discretionary to a marketweight**  
However, Multiline Retail continues as an overweight with its inexpensive valuations, including high CFO/EV, and with strong year-over-year price momentum. Also, both Automobiles and Auto Components are overweight—both with inexpensive valuations (both with CFO/EV of 9x). However, we continue to underweight Internet Catalog & Retail as it falls at the bottom on our valuation measure.
- **Industrials continues as a marketweight**  
Most industries in Industrials are close to a benchmark weight. Nonetheless, Air Freight & Logistics continues to be overweighted. Air Freight & Logistics looks attractive on valuation, with high sales to enterprise value ratio and free cash flow to enterprise value. It has a return on invested capital of 17% compared with an average of 8% over all industries. Airlines are also overweighted with inexpensive valuations. We are underweighted Machinery with negative change in free cash flow over the last year.
- **While Energy is still an underweight, we have increased our exposure to Energy**  
We continue to have an underweight in Oil & Gas, although year-over-year price momentum has improved. It continues to look expensive on a trailing basis (price-to-earnings of 35x), although it is to be more reasonable on a forecasted basis (forecasted 2018 price-to-earnings of 19x). It looks attractive on growth with a high 1-year change in free cash flow. Energy Equipment & Services remains close to the bottom of our valuation rankings, with a 32x forecasted 2018 price-to-earning. It also does not look good on our risk measures with a high beta risk and 12-month volatility.

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## Purpose

The US Industry rotation model provides a systematic method to actively discriminate between attractive and unattractive US GICS Level 3 industries. Expectations for risk and return are expressed in terms of over or underweight of each industry relative to the MSCI USA GICS Industry benchmark.

## Factor Weightings

	Weight in Model (%)
<b>Valuation</b>	
Price-to-Earnings Ratio (Trailing)	10
Price-to-Earnings Ratio (Forecast)	10
Cash from ops-to-enterprise value – CFO/EV	10
Sales-to-enterprise value – SALES/EV	10
<b>Profitability/Growth</b>	
Return on Invested Capital – ROIC	10
One year change in operating profit margins – DELTA OPM	10
One year change in free cash flow – DELTA FCF	5
<b>Earnings Quality/Efficiency</b>	
Accruals	5
Total Asset Turnover – TAT	5
<b>Risk</b>	
12-Month Volatility	5
Beta	5
<b>Momentum</b>	
Year-over-Year Price Momentum	15

## Investment Factor Summary

### VALUATION

**Trailing Price-to-Earnings:** The trailing price-to-earnings ratio is calculated by dividing the aggregate market capitalization of an industry's MSCI constituents by the aggregate of their most recently reported 12 months of earnings. A lower trailing P/E receives a higher score. *Source: MSCI*

**Forecasted Price-to-Earnings:** The forecasted price-to-earnings ratio is calculated by dividing the aggregate market capitalization of an industry's MSCI constituents by the aggregate of their forecast earnings. Industry-level data are aggregated from *FactSet Research Systems, Inc* company-level data by HGA. A lower forecast P/E receives a higher score *Source: FactSet Research Systems, Inc, Heckman Global Advisors*

**CFO/EV:** The ratio of the aggregate cash flow from operations to the enterprise value of all the companies in the MSCI industry index. An industry with a higher ratio gets a higher score. *Source: MSCI*

**Sales/EV:** The ratio of the last four quarter sales to the enterprise value of all the companies in the MSCI industry index. An industry with a higher ratio gets a higher score. *Source: MSCI*

### GROWTH (Higher Values Preferred)

**ROIC:** The measure of earnings generated from *sunk* capital. It is the ratio of trailing four quarter net income to the total invested capital *Source: MSCI*

**Delta OPM:** It is a measure of absolute increase in operating profit margins. An industry with an increase in its operating profit receives a higher score. *Source: MSCI, Heckman Global Advisors*

**Delta FCF:** It is a measure of the growth in free cash flow the firm generates. An industry with an increase in its FCF receives a higher score. *Source: MSCI, Heckman Global Advisors*

### Earnings Quality/Efficiency (Higher Values Preferred)

**Accrual:** Difference between CFO and absolute value of net income divided by assets. *Source: MSCI*

**TAT:** It is the measure of sales over assets. Industries with a higher asset turnover, is assumed to make efficient use of assets, all else constant. *Source: MSCI*

### RISK (Lower Values Preferred)

**Twelve Month Volatility:** Twelve month volatility is defined as the standard deviation of total returns of each industry over the last twelve months. Industries with lower volatility score higher than industries with higher volatility. *Source: MSCI*

**Beta:** Beta measures the combination of volatility and correlation for each industry relative to US market returns based on the last 18 months of returns. *Source: MSCI, Heckman Global Advisors*

### SENTIMENT/MOMENTUM (Higher Values Preferred)

**Price Momentum:** The price momentum factor is defined as the one-year percentage change in each industry's price index. *Source: MSCI*

## US Sector Summary: July 2018

<b>Sector</b>	<b>Bench Weight (%)</b>	<b>Recommended Weight (%)</b>	<b>Overweight/Underweight (%)</b>
Information Technology	26.3%	32.0%	5.7%
Financials	13.5%	16.4%	2.8%
Telecommunication Services	2.0%	4.1%	2.0%
Materials	2.7%	3.4%	0.7%
Industrials	9.5%	9.5%	0.0%
Consumer Discretionary	13.4%	13.4%	0.0%
Real Estate	2.9%	1.9%	-0.9%
Healthcare	13.7%	12.1%	-1.7%
Utilities	2.8%	0.8%	-2.1%
Energy	6.3%	3.9%	-2.4%
Consumer Staples	6.8%	2.5%	-4.2%

## Summary of Investment Factor Performance:

The table below shows the performance of each investment factor run individually for US sector allocation. During this period, the best performing factor was CFO/EV on a gross basis while 12-month volatility was the weakest performing factor on a gross basis.

### Annualized Return by Factor

	<b>Factors</b>	<b>Dec '94 through May '18 (Gross %)</b>	<b>Dec '94 through May '18 (Net %)</b>
Valuation	CFO/EV	11.0	10.7
	SALES/EV	9.3	9.2
	Trailing P/E	9.3	9.0
	Forecasted P/E	8.7	8.4
Growth	ROIC	10.6	10.4
	Delta OPM	8.9	8.3
	FCF Growth	9.5	8.9
Earnings Quality	Accrual, Asset Scaled	10.3	10.0
	Total Asset Turnover	10.3	10.2
Risk	12-Month Volatility	8.4	8.1
	Beta	8.5	8.2
Momentum	Price Momentum	9.3	8.7
	<b>Overall Model</b>	<b>10.4</b>	<b>10.1</b>
	<b>Benchmark</b>	<b>8.6</b>	<b>8.6</b>

Source: MSCI, Heckman Global Advisors. See important disclosures on page 11.  
All returns are rounded to the nearest decimal place.

## Industry Rankings – July 2018

	Current Rank	Previous Rank	Valuation Rank (40%)	Growth Rank (25%)	Earnings Quality Rank (10%)	Risk Rank (10%)	Momentum Rank (15%)
Multiline Retail	1	3	2	32	4	53	2
Metals & Mining	2	2	7	6	17	43	16
Semiconductor & Semiconductor Equipment	3	6	17	1	16	46	7
Diversified Consumer Services	4	4	3	2	5	33	61
Consumer Finance	5	1	10	3	27	34	23
Healthcare Providers & Svcs.	6	5	4	30	12	45	24
Tech. Hardware Storage & Peripherals	7	8	19	4	31	35	10
Airlines	8	7	1	37	18	39	59
Auto Components	9	10	6	35	6	59	22
Real Estate Management & Dev.	10	11	22	18	26	37	9
Trading Cos & Distributors	11	12	26	19	10	49	4
Air Freight & Logistics	12	9	9	25	21	42	36
Diversified Telecommunication Svcs.	13	15	8	14	59	26	44
Specialty Retail	14	19	38	8	7	52	14
Automobiles	15	16	5	58	23	29	39
Containers & Pkg.	16	18	14	24	43	12	51
Insurance	17	14	16	33	44	7	47
Food & Staples Retailing	18	25	15	44	1	60	31
Capital Markets	19	17	18	38	56	17	21
Banks	20	13	11	36	50	48	27
Oil & Gas	21	26	43	17	24	41	17
Aerospace & Defense	22	21	44	11	36	47	13
Communications Equipment	23	29	40	57	13	16	3
Gas Utilities	24	28	31	23	48	9	29
IT & Svcs.	25	30	49	13	35	23	8
Road & Rail	26	24	46	9	62	27	15
Software	27	20	55	15	15	31	5
Hotels Restaurants & Leisure	28	23	45	10	34	3	38
Bldg. Products	29	22	21	7	41	21	58
Textiles & Apparel	30	27	52	46	2	24	6
Real Estate Inv. Trusts	31	34	51	5	22	1	37
Chemicals	32	39	34	21	58	18	28

## Industry Rankings – July 2018

	Current Rank	Previous Rank	Valuation Rank (40%)	Growth Rank (25%)	Earnings Quality Rank (10%)	Risk Rank (10%)	Momentum Rank (15%)
Independent Power & Renewable Electricity Producers	33	35	30	60	28	19	18
Household Durables	34	33	12	48	53	14	56
Electrical Equipment	35	32	36	22	45	22	35
Electric Utilities	36	36	23	43	51	4	42
Machinery	37	31	29	31	42	30	33
Household Products	38	38	39	12	33	15	54
Commercial Svcs & Supls.	39	41	50	27	32	6	25
Pharmaceuticals	40	37	35	45	30	5	50
Multi Utilities	41	40	37	39	54	2	40
Wireless Telecommunication Svcs.	42	51	33	26	47	11	55
Personal Products	43	45	60	47	25	8	11
Internet Software & Svcs.	44	46	53	28	11	54	12
Thriffs & Mortgage Finance	45	42	13	42	46	57	57
Electronic Equipment Instruments	46	44	41	56	9	32	34
Healthcare Technology	47	48	54	16	8	20	48
Food Products	48	43	25	41	57	25	52
Tobacco	49	49	24	20	61	38	62
Beverages	50	53	48	29	39	10	41
Distributors	51	50	20	50	29	58	46
Biotechnology	52	47	28	53	19	51	45
Constr & Engr.	53	52	27	61	20	61	26
Media	54	54	32	54	55	44	49
Diversified Financial Services	55	55	47	55	52	28	30
Internet & Catalog Retail	56	56	62	52	3	62	1
Healthcare Equipment & Supplies	57	57	58	49	38	36	20
Life Sciences Tools & Services	58	58	57	40	49	50	19
Industrial Congloms.	59	59	42	59	37	13	60
Energy Equipment & Svcs.	60	61	61	34	40	56	32
Construction Matls.	61	62	59	51	60	55	43
Leisure Equipment & Pdts	62	63	56	62	14	40	53

Office Electronics Industry has been discontinued by MSCI and hence is not included. Gas Utilities Industry and Transportation Infrastructure currently have no security and hence are not included.

## Recommended Industry Allocation – July 2018

In accordance with our proprietary mapping algorithm, which is based on value, growth, earnings efficiency, risk, and momentum factors, the recommended industry allocation is shown below:

U.S Industry Allocation			
	MSCI-Based** Benchmark Weight (%)	Heckman Global Advisors Recommended Weight (%)	Heckman Global Advisors U.S Industry Allocation Model Overweight (Underweight) (percentage points)
<b>CONSUMER DISCRETIONARY</b>			
Auto Components	0.3%	1.6%	1.4%
Automobiles	0.6%	1.9%	1.3%
Household Durables	0.4%	0.1%	-0.3%
Leisure Products	0.1%	0.0%	-0.1%
Textiles Apparel & Luxury Goods	0.8%	0.2%	-0.6%
Hotels Restaurants & Leisure	1.9%	1.3%	-0.6%
Diversified Consumer Services	0.0%	1.0%	0.9%
Media	2.4%	0.7%	-1.7%
Distributors	0.1%	0.0%	-0.1%
Internet & Catalog Retail	4.1%	1.1%	-3.0%
Multiline Retail	0.5%	2.2%	1.7%
Specialty Retail	2.2%	3.2%	0.9%
► SECTOR SUMMARY	13.4%	13.4%	0.0%
<b>CONSUMER STAPLES</b>			
Food & Staples Retailing	1.4%	1.1%	-0.3%
Beverages	1.8%	0.5%	-1.3%
Food Products	1.1%	0.3%	-0.8%
Tobacco	1.0%	0.3%	-0.7%
Household Products	1.3%	0.4%	-1.0%
Personal Products	0.2%	0.0%	-0.1%
► SECTOR SUMMARY	6.8%	2.5%	-4.2%
<b>ENERGY</b>			
Energy Equipment & Svcs.	0.8%	0.2%	-0.6%
Oil & Gas	5.5%	3.7%	-1.8%
► SECTOR SUMMARY	6.3%	3.9%	-2.4%
<b>FINANCIALS</b>			
Banks	6.1%	6.2%	0.1%
Thriffs & Mortgage Finance	0.0%	0.0%	0.0%
Diversified Financial Services	1.0%	0.3%	-0.8%
Consumer Finance	0.7%	2.9%	2.2%
Capital markets	3.0%	3.4%	0.4%
Insurance	2.6%	3.5%	0.9%
► SECTOR SUMMARY	13.5%	16.4%	2.8%
<b>HEALTHCARE</b>			
Healthcare Equipment & Supplies	3.0%	0.8%	-2.2%
Healthcare Providers & Svcs	3.0%	9.1%	6.1%
Healthcare Technology	0.1%	0.0%	
Biotechnology	2.6%	0.7%	-1.9%
Pharmaceuticals	4.2%	1.2%	-3.1%
Life Sciences Tools & Services	0.8%	0.2%	
► SECTOR SUMMARY	13.7%	12.1%	-1.7%

Source for benchmark weight: Morgan Stanley Capital International (MSCI) Index. MSCI USA is a registered trademark of Morgan Stanley.

Note: Whereas our industry rankings are a snapshot of relative attractiveness, our model portfolios are slower-moving. A sustained improvement in an industry's ranking will be fully reflected in our model portfolios only after three months.



## Recommended Industry Allocation – July 2018

In accordance with our proprietary mapping algorithm, which is based on value, growth, earnings efficiency, risk, and momentum factors, the recommended industry allocation is shown below:

	MSCI-Based** Benchmark Weight (%)	Heckman Global Advisors Recommended Weight (%)	Heckman Global Advisors U.S. Industry Allocation Model Overweight (Underweight) (percentage points)
<b>INDUSTRIALS</b>			
Aerospace & Defense	2.6%	2.4%	-0.2%
Building Products	0.3%	0.1%	-0.2%
Construction & Engineering	0.1%	0.0%	0.0%
Electrical Equipment	0.5%	0.1%	-0.4%
Industrials Conglomerates	1.5%	0.4%	-1.1%
Machinery	1.6%	0.4%	-1.1%
Trading Cos. & Distributors	0.2%	1.5%	1.3%
Commercial Svcs & Supls	0.9%	0.2%	-0.6%
Air Freight & Logistics	0.7%	2.8%	2.1%
Airlines	0.1%	1.2%	
Road & Rail	1.0%	0.3%	-0.7%
► SECTOR SUMMARY	9.5%	9.5%	0.0%
<b>INFORMATION TECHNOLOGY</b>			
Internet Software & Svcs	5.3%	1.5%	-3.8%
IT Services	4.7%	3.4%	-1.3%
Software	6.1%	5.2%	-0.9%
Communications Equipment	1.2%	0.3%	-0.9%
Tech. Hardware Storage & Peripherals	4.4%	9.9%	5.5%
Electronic Equip. Instruments	0.6%	0.2%	-0.5%
Semiconductor & SC Equip.	4.0%	11.6%	7.6%
► SECTOR SUMMARY	26.3%	32.0%	5.7%
<b>MATERIALS</b>			
Chemicals	1.9%	0.5%	-1.4%
Construction Materials	0.1%	0.0%	-0.1%
Containers & Packaging	0.3%	1.1%	0.7%
Metals & Mining	0.3%	1.8%	1.5%
► SECTOR SUMMARY	2.7%	3.4%	0.7%
<b>REAL ESTATE</b>			
Real Estate Inv. Trusts	2.8%	0.8%	-2.0%
Real Estate Management & Dev.	0.1%	1.2%	1.1%
► SECTOR SUMMARY	2.9%	1.9%	-0.9%
<b>TELECOMMUNICATION SVCS</b>			
Diversified Telecommunications	1.9%	4.0%	2.1%
Wireless Telecommunications	0.1%	0.0%	-0.1%
► SECTOR SUMMARY	2.0%	4.1%	2.0%
<b>UTILITIES</b>			
Electric Utilities	1.8%	0.5%	-1.3%
Gas Utilities	0.1%	0.0%	-0.1%
Multi Utilities	0.9%	0.2%	-0.6%
Ind. Power & Renewable Electricity Prod.	0.1%	0.0%	-0.1%
► SECTOR SUMMARY	2.8%	0.8%	-2.1%

Source for benchmark weight: Morgan Stanley Capital International (MSCI) Index. MSCI USA is a registered trademark of Morgan Stanley.

Note: Whereas our industry rankings are a snapshot of relative attractiveness, our model portfolios are slower-moving. A sustained improvement in an industry's ranking will be fully reflected in our model portfolios only after three months.

## Quantitative Investment Indicators

Figure 1: Data Summary – July 2018

	VALUATION				PROFITABILITY/GROWTH			EARNINGS QLTY/EFFCNCY		RISK		MOMENTUM
	Trailing P/E	Forecasted 2018 P/E	CFO/EV %	Sales/EV	ROIC - Ret. on Inv. Cap. %	Op. prof. margin 1 Yr. chg. %	Free Cash Flow 1 Yr. chg. %	Accruals %	Asset Turnover %	12-Month Volatility %	Beta	Price Momentum Y-O-Y
<b>CONSUMER DISCRETIONARY</b>												
Auto Components	16	14	9	0.9	10	-1	6	6	119	6	1.9	24
Automobiles	10	11	9	0.9	2	0	-50	6	62	4	0.9	6
Household Durables	14	12	5	0.7	8	0	-28	-1	74	4	0.7	-9
Leisure Products	-581	30	5	0.6	-9	-6	-47	3	117	6	0.9	-10
Textiles Apparel & Luxury Goods	27	24	4	0.4	9	-1	-6	7	117	4	0.8	39
Hotel Restaurants & Leisure	22	21	6	0.3	15	1	18	4	67	3	0.7	8
Diversified Consumer Services	15	12	8	0.4	17	2	13	13	121	7	-0.1	7
Media	18	16	7	0.3	9	-1	-12	2	41	5	1.1	-11
Distributors	20	16	5	1	9	-1	-19	1	121	6	1.5	1
Internet & Catalog Retail	125	81	2	0.2	8	0	-30	7	114	7	1.6	58
Multiline Retail	15	14	17	2.0	13	-1	-18	5	167	6	1.3	31
Specialty Retail	22	19	6	0.6	23	0	-10	4	193	5	1.4	18
<b>CONSUMER STAPLES</b>												
Food & Staples Retailing	19	17	9	1.8	10	0	-28	7	255	6	1.7	0
Beverages	24	20	4	0.3	9	1	-8	4	53	3	0.8	-3
Food Products	17	15	4	0.6	11	0	-44	-3	72	4	1.0	-14
Tobacco	15	15	5	0.2	37	-3	1	-2	57	5	0.9	-28
Household Products	19	18	6	0.3	16	0	2	4	67	5	0.6	-15
Personal Products	46	30	4	0.3	3	0	-4	5	62	4	0.3	34
<b>ENERGY</b>												
Energy Equipment & Svcs.	102	32	4	0.4	-1	8	-29	4	47	8	1.2	6
Oil & Gas	35	19	8	0.5	6	2	50	5	62	5	0.8	23
<b>FINANCIALS</b>												
Banks	14	12	NA	NA	NA	-1	-7	0	NA	4	1.4	22
Thriffs & Mortgage Finance	13	15	NA	NA	NA	-5	50	1	NA	6	1.5	-5
Diversified Financial Services	39	21	NA	NA	NA	-2	-33	0	NA	4	1.2	16
Consumer Finance	14	11	NA	NA	NA	13	36	4	NA	4	1.1	28
Capital Markets	18	16	NA	NA	NA	1	-50	-1	NA	3	1.0	28
Insurance	17	12	NA	NA	NA	0	9	1	NA	3	0.7	4
<b>Average</b>	<b>23</b>	<b>18</b>	<b>6</b>	<b>0.4</b>	<b>8</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>56</b>	<b>5</b>	<b>1.0</b>	<b>17</b>

## Quantitative Investment Indicators

Figure 1: Data Summary – July 2018

	VALUATION				PROFITABILITY/GROWTH			EARNINGS QLTY/EFFCNCY		RISK		MOMENTUM
	Trailing P/E	Forecasted 2018 P/E	CFO/EV %	Sales/EV	ROIC - Ret. on Inv. Cap. %	Op. prof. margin 1 Yr. chg. %	Free Cash Flow 1 Yr. chg. %	Accruals %	Asset Turnover %	12-Month Volatility %	Beta	Price Momentum Y-O-Y
<b>HEALTHCARE</b>												
Healthcare Equipment & Supplies	37	23	4	0.2	3	0	2	5	39	4	1.3	20
Healthcare Providers & Svcs.	18	14	16	3.5	10	0	0	2	164	4	1.3	19
HealthCare Technology	30	30	6	0.2	16	-2	50	8	75	4	1.0	-1
Biotechnology	19	15	7	0.2	9	-5	2	9	39	5	1.2	8
Pharmaceuticals	23	14	6	0.2	6	-1	17	6	39	2	0.7	0
Life Sciences Tools & services	38	25	4	0.2	6	0	16	3	44	5	1.4	20
<b>INDUSTRIALS</b>												
Aerospace & Defense	24	21	5	0.5	14	1	14	3	79	5	1.5	31
Building Products	19	15	5	0.6	8	4	50	2	76	4	0.8	-9
Construction & Engineering	27	18	4	1.8	3	-1	-50	1	142	6	1.7	18
Electrical Equipment	21	19	6	0.4	13	0	5	1	72	4	1.0	12
Industrial Conglomerates	23	18	5	0.4	0	-6	50	5	42	3	0.9	-20
Machinery	20	16	5	0.5	9	2	-22	2	70	4	1.2	14
Trading Companies & Distributors	23	16	6	0.4	13	-1	17	5	98	6	1.2	39
Commercial Svcs. & Svcs.	31	23	6	0.3	9	-1	16	5	58	2	0.8	12
Air Freight & Logistics	21	16	9	1.4	17	2	-50	-1	148	5	1.1	22
Airlines	11	9	65	4.8	15	-1	-44	5	82	5	0.9	-5
Road & Rail	23	19	6	0.2	22	-1	29	-5	39	5	0.8	27
<b>INFORMATION TECHNOLOGY</b>												
Internet Software & Svcs.	29	26	6	0.2	11	1	-11	11	55	5	1.6	19
IT Services	27	22	5	0.2	12	0	30	5	51	3	1.1	29
Software	35	27	10	0.3	5	3	29	10	45	4	1.1	36
Communications Equipment	24	18	7	0.3	0	-1	-2	12	48	4	0.8	38
Tech. Hardware Storage & Peripherals	17	16	7	0.3	20	2	5	4	73	6	0.6	23
Electronic Equipment Instr.	24	18	5	0.8	4	0	-38	4	111	4	1.2	8
Semiconductor & SC Equip.	21	15	7	0.2	13	6	44	8	53	6	1.1	34
<b>Average</b>	23	18	6	0.4	8	1	6	4	56	5	1.0	17

## Quantitative Investment Indicators

Figure 1: Data Summary – July 2018

	VALUATION				PROFITABILITY/GROWTH			EARNINGS QLTY/EFFCNCY		RISK		MOMENTUM
	Trailing P/E	Forecasted 2018 P/E	CFO/EV %	Sales/EV	ROIC - Ret. on Inv. Cap. %	Op. prof. margin 1 Yr. chg. %	Free Cash Flow 1 Yr. chg. %	Accruals %	Asset Turnover %	12-Month Volatility %	Beta	Price Momentum Y-O-Y
<b>MATERIALS</b>												
Chemicals	21	17	6	0.4	7	-1	6	3	54	3	1.0	12
Construction Materials	38	27	4	0.2	8	-1	-23	0	43	6	1.2	2
Containers & Packaging	20	14	8	0.8	9	2	-9	2	72	3	0.9	4
Metals & Mining	15	12	10	0.6	8	4	49	6	70	6	0.8	27
<b>REAL ESTATE</b>												
Real Estate Investment Trusts	40	41	NA	NA	NA	12	9	4	NA	3	0.3	2
Real Estate Mgmt & Dev	18	16	NA	NA	NA	0	50	4	NA	5	1.0	36
<b>TELECOMM SVCS</b>												
Diversified Telecom. Svcs.	17	11	11	0.4	12	0	50	1	39	5	0.7	-4
Wireless Telecom. Svcs.	26	23	13	0.6	10	2	-45	3	46	5	0.1	-23
<b>UTILITIES</b>												
Electric Utilities	18	15	8	0.3	4	0	7	4	23	4	0.1	-3
Gas Utilities	17	20	8	0.4	8	0	50	3	43	4	0.1	5
Multi Utilities	19	17	7	0.3	5	0	12	3	24	4	0.2	-4
Ind. Power & Renewable Electricity Product	115	12	8	0.4	-1	2	-48	7	38	4	0.5	17
<b>AVERAGE</b>	23	18	6	0.4	8	1	6	4	56	5	1.0	17

Source: Heckman Global Advisors, FactSet Research Systems, MSCI, Bloomberg, OECD  
All data is rounded to the nearest decimal or whole number.

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