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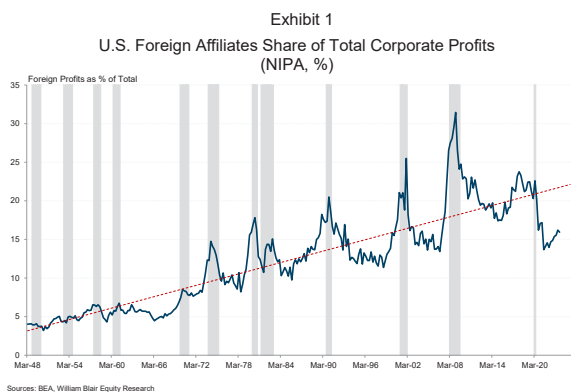
Three Tailwinds for Earnings This Reporting Season



When it comes to earnings for the U.S. corporate sector, sentiment around the impact from changes in the value of the dollar seems to be somewhat asymmetrical. When the dollar is strong, investors are told it was a major headwind to earnings, but when it is weak and acts as a tailwind its impact is often ignored. Any improved earnings performance typically gets put down to the company’s wonderful products, sales execution, and efficiencies. **With corporate earnings season once again upon us, in this *Economics Weekly* we highlight three areas that likely helped to support earnings this past quarter: the dollar, pricing power, and productivity.**

The Softer Dollar

According to data from S&P, the foreign revenue share of the S&P 500 is around 43%. Based on data from the Bureau of Economic Analysis on *all* U.S. corporate businesses, the total foreign share of corporate profits for the third quarter accounts for just 16% of total profits. This is down from a pre-COVID 21% and well below the historical trendline (exhibit 1).

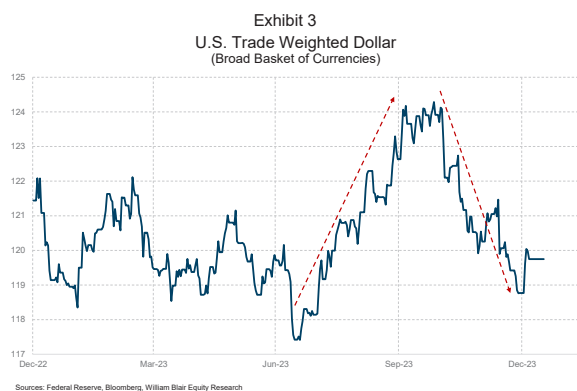


As the chart shows, the share of profits tends to be quite cyclical, falling sharply after recessions when U.S. domestic growth accelerates and those earnings rise faster than foreign earnings. The share of profits then rises as domestic growth opportunities wane and relative growth in foreign profitability improves.

Changes in corporate profit margins are also negatively correlated with changes in the value of the dollar over time. As exhibit 2 shows, this negative correlation really only began from 2002 onward, when the U.S. became much more globalized and following China’s inclusion in the WTO in 2001.



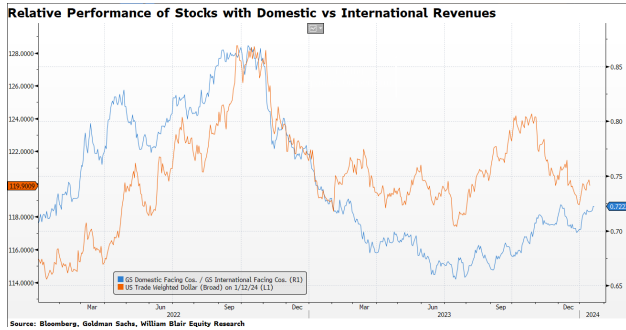
When the value of the U.S. dollar increased sharply through the third quarter as investors became increasingly drawn to the higher-for-longer narrative, it was often cited as a major headwind. But the dollar then peaked at the end of September, and the dollar has fallen through most of the fourth quarter (exhibit 3).



With respect to the third quarter’s dollar strength, FactSet found that for companies with less than 50% of their sales outside the U.S., their blended earnings growth in that quarter increased by 6.8%. Those companies with more than 50% of their sales growth outside the U.S. experienced a 4.7% decline in their blended earnings growth, a considerable difference.

This performance was also reflected in the relative performance of companies with domestic revenues versus those with more international revenues (exhibit 4).

Exhibit 4



Reluctance to Pass Along Lower Prices to Consumers

The strong employment data through the fourth quarter was consistent with a corporate sector that still feels able to offset these costs via a combination of stronger top-line revenue growth (nominal retail sales increased by 0.7% in the quarter, though just 0.2% after inflation), pricing power, and productivity gains.

One crude way to gauge the extent of markup is to simply look at the relative changes between consumer prices and producer prices (exhibit 5). Through 2021 as demand increased and supply chains remained gummed up, there was significant pressure on corporate profitability. Companies did not feel they were able to pass along such price increases to the end-consumer. Over the last year, however, they have shown little such compunction and have been increasingly dragging their heels to pass through the lower prices they have been receiving from their suppliers. Currently, headline producer prices are rising by just 1.0% annually, with the core rate up 1.8%. Consumer prices, meanwhile, are up 3.4% and 3.9%, respectively.

Exhibit 5

Consumer Prices vs Producer Prices
% Change on Year Ago



Strong Productivity Growth Offsetting Wage Costs Pressure

Pricing power should also be looked at in conjunction to what's happening to both wages and productivity growth. High wage growth can be perfectly tolerable and may in fact be desirable, as long as it is being offset by faster productivity growth. Compensation costs that have been adjusted for productivity growth are referred to as unit labor costs. Exhibits 6 and 7 show that this is exactly what has been happening—strong productivity gains have been dampening growth in unit labor costs.

Exhibit 6.
All Nonfarm Business Productivity,
% Change Year over Year

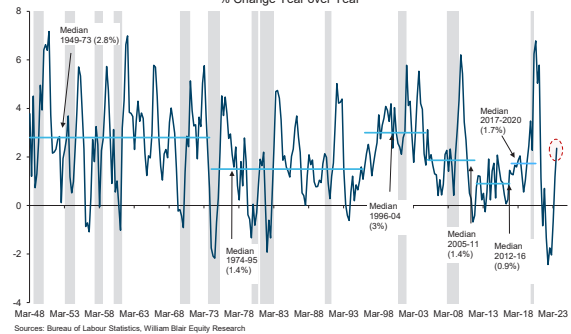


Exhibit 7.
Unit Labor Costs - All Nonfarm Business
% Change on Year Ago

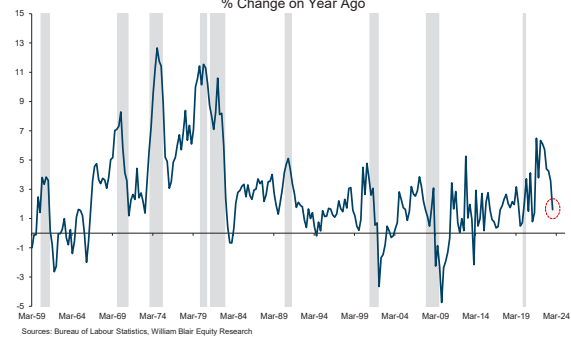


Exhibit 8 then combines both markup and productivity growth and shows that softer margin growth of late has likely been due to factors other than markup and productivity growth. For example, moderate unit volume growth is likely due to consumers having balked at higher inflation. And while we do not yet have the fourth quarter's productivity data, the expected decent GDP growth (+1.9%), in the face of what we already know has been weakness in the pace of hours worked, should be consistent with a continuation of strong productivity growth (exhibit 9).

Exhibit 8
Ratio of Selling Prices to Unit Labor Costs vs Pre-Tax Profit Margins
For All U.S. Domestic Corporate Business

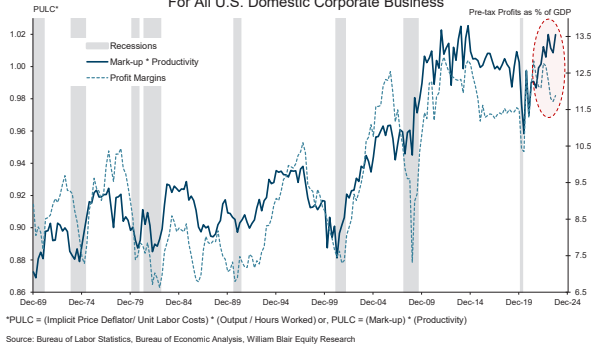
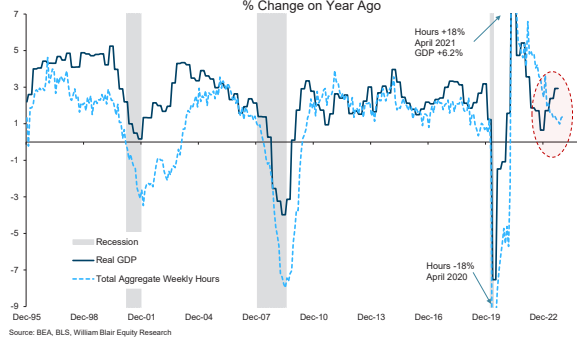


Exhibit 9
Growth in Real GDP & Aggregate Weekly Hours
% Change on Year Ago



Conclusion

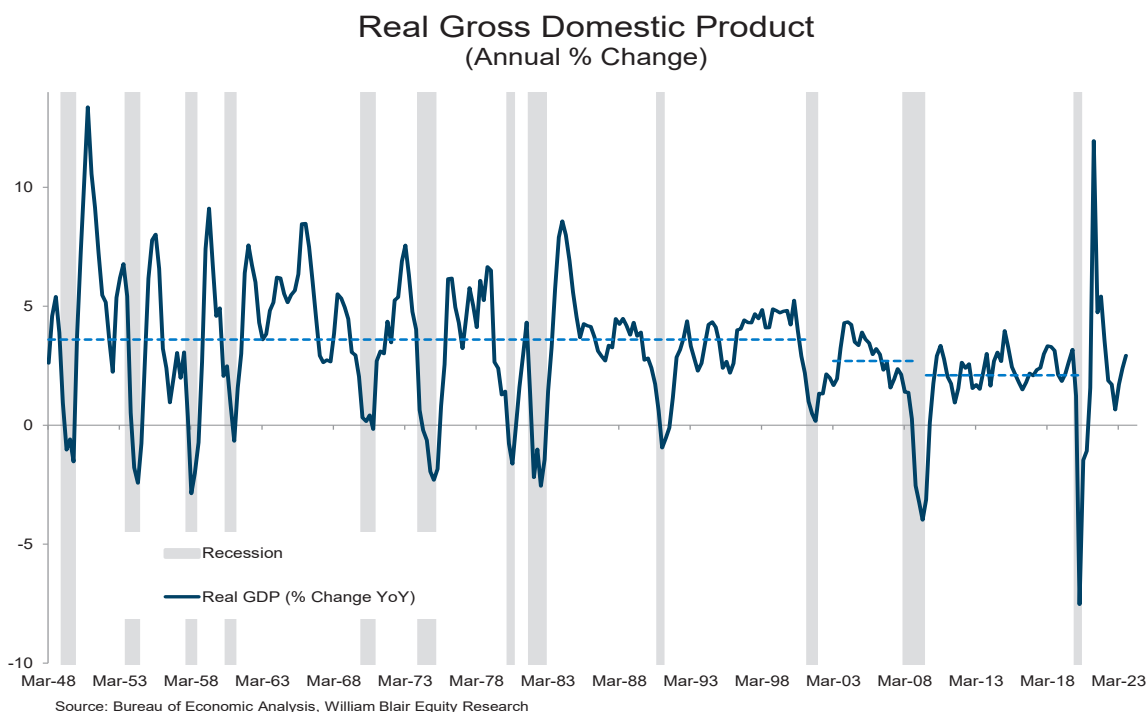
As we plow through the fourth quarter's earnings season, there are three major tailwinds that we anticipate will have been significant factors in helping corporate profitability during the quarter. These include a weaker dollar, stronger pricing power, and very strong productivity growth.

Highlights in the Week Ahead

Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
22 Jan	10:00 a.m.	Leading Economic Indicators (Dec)	-0.5%	-0.3%	-0.3%	
25 Jan	8:30 a.m.	GDP (Q4 Advance)	4.9%	1.8%	2.0%	
25 Jan	10:00 a.m.	New Home Sales (Dec)	-12.2%	10.2%	6.9%	
26 Jan	8:30 a.m.	Personal Income (Dec)	0.4%	0.3%	0.3%	
		Personal Spending	0.2%	0.3%	0.4%	

Sources: Bloomberg, William Blair Equity Research

Indicator of the Week: Gross Domestic Product



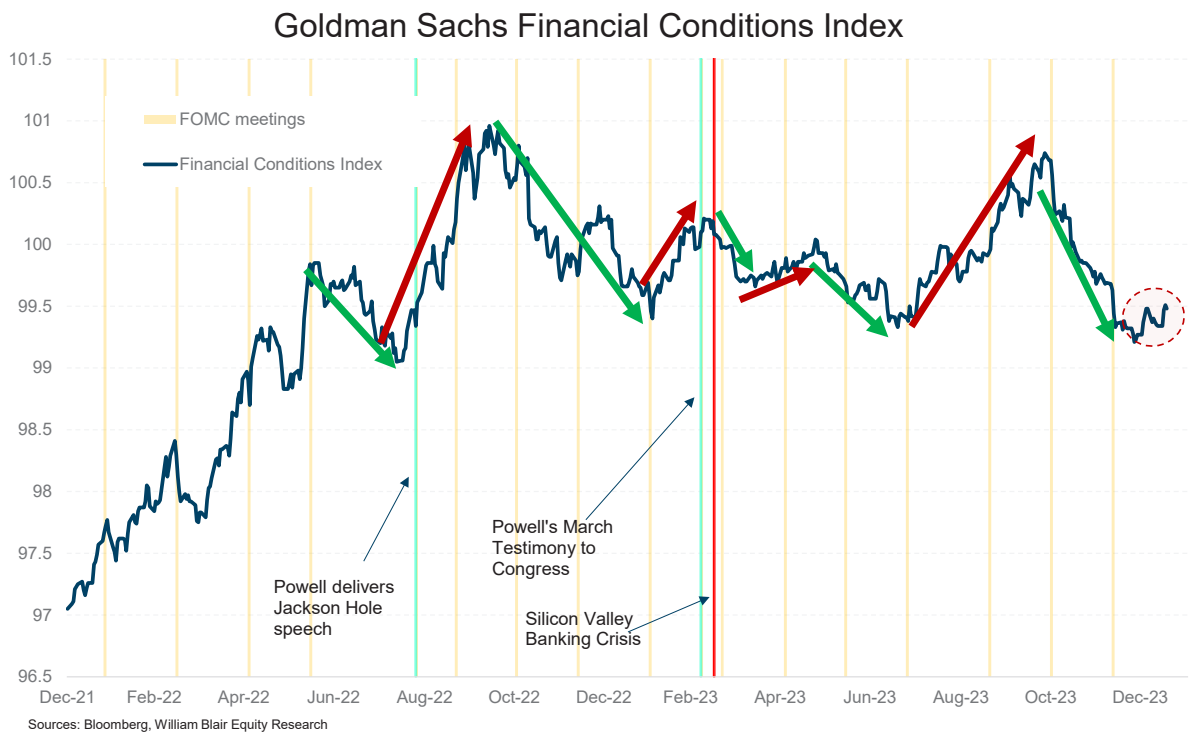
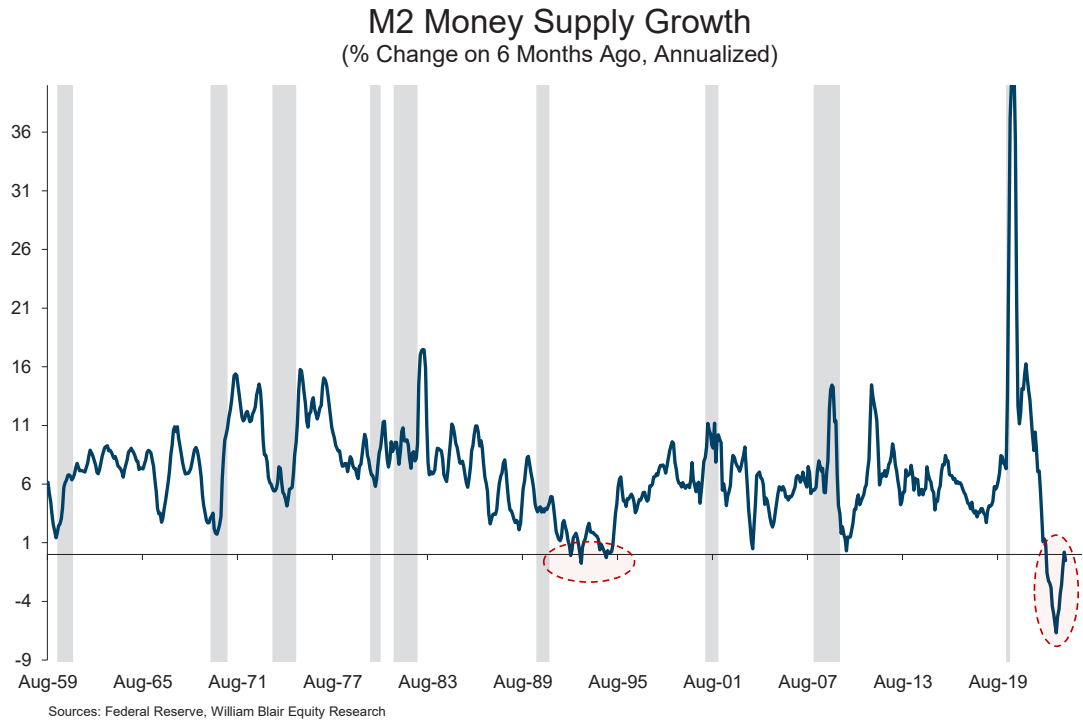
Economic Scorecard

Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

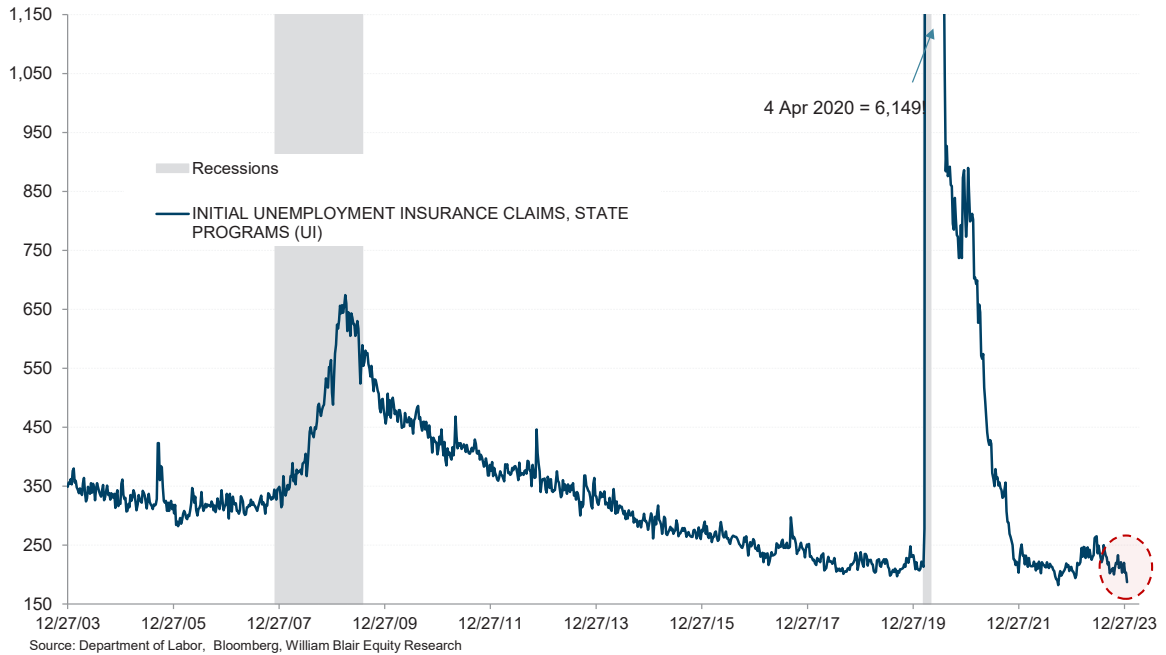
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Growth																			
US Leading Indicators	-0.3	-1.1	-1.6	-3.2	-4.6	-6.0	-6.0	-6.8	-7.9	-8.1	-7.9	-7.9	-7.6	-7.7	-7.9	-8.0	-7.6		
US Coincident Indicators	2.0	2.2	2.4	1.9	1.4	1.5	1.5	1.3	1.4	1.3	1.7	1.8	1.7	1.5	1.6	1.5	1.7		
US Lagging Indicators	6.6	7.4	7.5	7.4	7.6	7.5	6.7	6.7	5.6	5.0	3.9	3.0	2.5	2.0	1.1	1.2	1.3		
Consumer																			
Total Retail Sales	10.4	10.1	9	8.9	6.2	5.8	7.4	5.3	2.2	1.3	2.1	1.5	2.8	2.8	4	2.2	4.0	5.6	
Personal Income	3.6	3.9	5.1	4.9	4.6	4.5	5.8	5.7	5.8	5.7	5.6	5.4	4.8	4.8	4.6	4.3	4.6		
Real Disposable Personal Income	-4.3	-3.8	-2.3	-2	-1.6	-0.9	3.2	3.5	4.4	4.5	5	5.3	4.3	4	3.8	3.9	4.3		
Real Personal Consumption	1.9	1.8	1.9	1.4	0.9	1.3	2.3	2.3	1.7	1.6	1.8	2.1	2.5	2	2.1	2	2.7		
Personal Saving Rate (%)	3.5	3.2	3	3	3.3	3.4	4.4	4.7	5.2	5.2	5.3	4.8	4.4	4.4	3.8	4	4.1		
Consumer Confidence (Conference Board)**	95.3	103.6	107.8	102.2	101.4	109	106	103.4	104	103.7	102.5	110.1	114	108.7	104.3	99.1	101	110.7	
Employment																			
Employment Growth	4.4	4.2	4.0	3.7	3.4	3.2	3.3	2.8	2.7	2.6	2.6	2.4	2.2	2.1	2.0	1.8	1.8	1.8	
ASA Temporary Staffing Index	9.3	9.3	5.4	1.1	0.2	1.0	-2.1	-6.1	-6.5	-6.8	-5.9	-6.6	-4.7	-4.8	-5.5	-7.5	-7.6	-5.5	
ISM Employment Index Manufacturing*	49.8	54.2	49.3	49.9	48.9	50.8	50.6	49.1	46.9	50.2	51.4	48.1	44.4	48.5	51.2	46.8	45.8	48.1	
ISM Employment Index Services*	49.5	50.2	52.3	49.2	50.6	49.4	50	54	51.3	50.8	49.2	53.1	50.7	54.7	53.4	50.2	50.7	43.3	
Unemployment Rate, %	3.5	3.6	3.5	3.6	3.6	3.5	3.4	3.6	3.5	3.4	3.7	3.6	3.5	3.8	3.8	3.8	3.7	3.7	
Average Hourly Earnings	5.4	5.4	5.1	4.9	5	4.8	4.4	4.7	4.3	4.4	4.3	4.4	4.3	4.3	4.2	4.1	4	4.1	
Initial Jobless Claims (avg. wkly. chg. '000s)	216	210	191	202	213	209	200	219	238	239	230	254	228	238	209	211	220	208	
Job Openings	4.6	-7.0	-0.3	-7.9	-4.3	-5.0	-8.0	-14.0	-19.0	-12.2	-16.0	-16.4	-21.6	-6.9	-13.9	-15.5	-18.2	-21.8	
Layoff Announcements	36.3	30.3	67.6	48.3	416.5	129.1	440	410.1	319.4	175.9	286.7	25.2	-8.2	266.9	58.2	8.8	-40.8	-20.2	
Housing Market																			
Housing Starts	-13.9	-4.5	-6.2	-8.9	-16.6	-24.1	-19.7	-18.9	-19.4	-25.2	2.6	-9.2	5.8	-13.3	-7.3	-5.1	9.3		
New Home Sales	-28.6	-7.5	-23.6	-15.1	-24.6	-23.4	-19.9	-19.1	-9.5	11.1	11.6	21.3	34.1	2.5	23.5	16.5	1.4		
Existing Home Sales	-19.9	-20.2	-24.0	-28.2	-35.2	-34.0	-36.9	-23.1	-22.1	-23.0	-20.4	-18.9	-16.6	-15.3	-15.6	-14.6	-7.3		
Median House Price (Existing Homes)	17.8	8.9	15.6	16.3	7.4	17	0.4	1.4	0.7	-8.9	-6.5	-3.5	-8.9	0.1	-10.5	-16.5	-6		
Existing Homes Inventory (Mths' supply)	2.9	3	3	3.2	3.4	3.5	3.4	2.9	2.8	2.8	2.8	2.9	3	3.3	3.5	3.7			
New Homes Inventory (Mths' supply)	10.1	8.7	9.7	9.7	9.4	8.5	8.1	8.4	8.1	7.6	7.2	7.5	7.1	7.9	7.4	7.9	9.2		
NAHB Homebuilder Sentiment*	55	49	46	38	33	31	35	42	44	45	50	55	56	50	44	40	34	37	
Inflation																			
Consumer Price Index	8.5	8.3	8.2	7.7	7.1	6.5	6.4	6	5	4.9	4	3	3.2	3.7	3.7	3.2	3.1	3.4	
CPI Less-food & energy	5.9	6.3	6.6	6.3	6	5.7	5.6	5.5	5.6	5.5	5.3	4.8	4.7	4.3	4.1	4	4	3.9	
Producer Price Index	9.7	8.7	8.5	8.2	7.4	6.4	5.7	4.7	2.7	2.3	1.1	0.3	1.1	1.9	2	1.2	0.8	1	
PPI Less-food & energy	7.6	7.2	7.2	6.9	6.3	5.7	5	4.6	3.3	3.1	2.8	2.5	2.7	2.5	2.6	2.3	2	1.8	
PCE Price Index	6.6	6.5	6.6	6.3	5.9	5.4	5.5	5.2	4.4	4.4	4	3.2	3.3	3.3	3.4	2.9	2.6	2.6	
PCE Prices Less-food & energy	5.0	5.2	5.5	5.3	5.1	4.9	4.9	4.8	4.8	4.8	4.7	4.3	4.2	3.7	3.6	3.4	3.2	3.2	
Business Activity - US																			
Industrial Production	3.0	3.1	4.5	3.1	1.9	0.6	1.5	0.9	0.2	0.4	0.1	-0.4	0.1	0.0	-0.2	-0.9	-0.6	1.0	
New Cap Gds Orders less-aircraft & parts	6.3	8.2	5.6	5	3.2	1	5.6	2.7	1.9	1	3.2	1.4	0.4	0.6	0.5	0.8	1.5		
Business Inventories	20.6	19.8	19.5	18.3	16.9	15.2	12.6	10.7	8.8	6.2	5.2	3.3	1.8	1.4	1	1	0.7	0.4	
ISM Manufacturing PMI*	52.7	52.9	51	50	49	48.4	47.4	47.7	46.3	47.1	46.9	46	46.4	47.6	49	46.7	46.7	47.4	
Markit US Manufacturing PMI*	52.2	51.5	52	50.4	47.7	46.2	46.9	47.3	49.2	50.2	48.4	46.3	49	47.9	49.8	50	49.4	47.9	
ISM Services Index*	56.4	56.1	55.9	54.5	55.5	49.2	55.2	55.1	51.2	51.9	50.3	53.9	52.7	54.5	53.6	51.8	52.7	50.6	
Markit US Services PMI*	47.3	43.7	49.3	47.8	46.2	44.7	46.8	50.6	52.6	53.6	54.9	54.4	52.3	50.5	50.1	50.6	50.8	51.4	
Business Activity - International																			
Germany Manufacturing PMI Markit/BME*	49.3	49.1	47.8	45.1	46.2	47.1	47.3	46.3	44.7	44.5	43.2	40.6	38.8	39.1	39.6	40.8	42.6	43.3	
Japan Manufacturing PMI Jibun Bank*	52.1	51.5	50.8	50.7	49	48.9	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	
Caixin China Manufacturing PMI*	50.4	49.5	48.1	49.2	49.4	49	49.2	51.6	50	49.5	50.9	50.5	49.2	51	50.6	49.5	50.7	50.8	
China Manufacturing PMI*	49	49.4	50.1	49.2	48	47	50.1	52.6	51.9	49.2	48.8	49	49.3	49.7	50.2	49.5	49.4	49	
UK Manufacturing PMI Markit/CIPS*	52.1	47.3	48.4	46.2	46.5	45.3	47	49.3	47.9	47.8	47.1	46.5	45.3	43	44.3	44.8	47.2	46.2	
France Manufacturing PMI Markit*	49.5	50.6	47.7	47.2	48.3	49.2	50.5	47.4	47.3	45.6	45.7	46	45.1	46	44.2	42.8	42.9	42.1	
Currencies***																			
Euro (EUR/USD)	-13.9	-14.9	-15.4	-14.5	-8.2	-5.8	-3.3	-5.7	-2.1	4.5	-0.4	4.1	7.6	7.8	7.9	7.0	4.6	3.1	
Renmibi (USD/CNY)	4.4	6.7	10.4	14.0	11.4	8.5	6.2	9.9	8.4	4.7	6.5	8.3	5.9	5.3	2.6	0.2	0.6	2.9	
Yen (USD/Yen)	21.5	26.3	30.1	30.5	22.0	13.9	13.0	18.4	9.2	5.1	8.3	6.3	6.8	4.7	3.2	2.0	7.3	7.6	
Sterling (GBP/USD)	-12.5	-15.5	-17.1	-16.2	-9.3	-10.7	-8.4	-10.4	-6.1	-0.1	-1.3	4.3	5.5	9.0	9.2	6.0	4.7	5.4	
Canadian \$ (USD/CAD)	2.6	4.1	9.1	10.0	5.0	7.3	4.7	7.7	8.1	5.5	7.3	2.9	3.1	2.9	-1.8	1.8	1.1	-2.3	
Mexican Peso (USD/MXN)	2.5	0.3	-2.4	-3.7	-10.2	-5.0	-8.7	-10.6	-9.2	-11.9	-10.0	-14.9	-17.8	-15.4	-13.5	-8.9	-9.8	-13.0	
US Equities																			
S&P 500	-6.0	-12.6	-16.8	-15.9	-10.7	-19.4	-9.7	-9.2	-9.3	0.9	1.2	17.6	11.1	14.0	19.6	8.3	12.0	24.2	
S&P 400 Midcap	-7.1	-11.7	-16.6	-12.9	-4.8	-14.5	0.7	-2.3	-6.7	-0.4	-4.3	15.6	8.6	8.8	13.6	-2.7	-0.5	14.4	
S&P 600 Smallcap	-7.6	-13.4	-20.0	-13.1	-7.4	-17.4	-2.5	-5.1	-10.4	-5.5	-8.9	7.8	3.4	3.6	8.1	-9.3	-5.9	13.9	
Russell 2000	-15.3	-18.9	-24.5	-19.6	-14.2	-21.6	-4.8	-7.4	-12.9	-5.1	-6.1	10.6	6.3	3.0	7.2	-10.0	-4.1	15.1	

* Diffusion Index, **1985=100, ***Currencies - green/red = strengthening/weakening foreign currency vs dollar
 Source: ISM, Federal Reserve, Census Bureau, Bureau of Labor Statistics, Conference Board, Bloomberg, William Blair

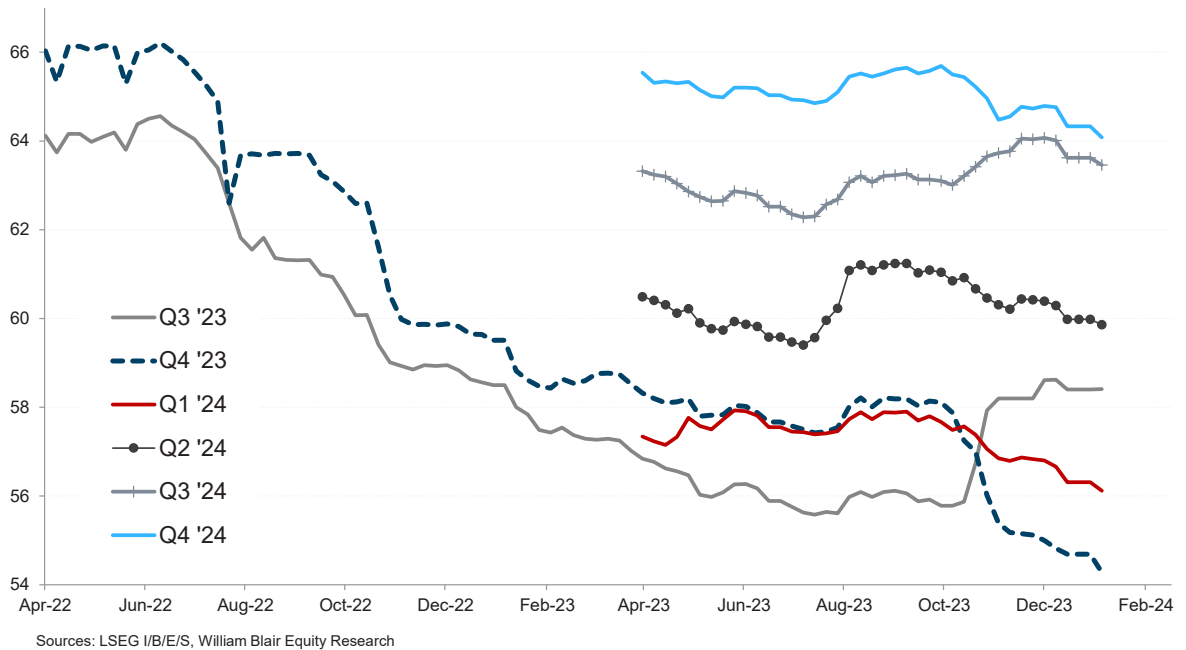
Other Economic Indicators



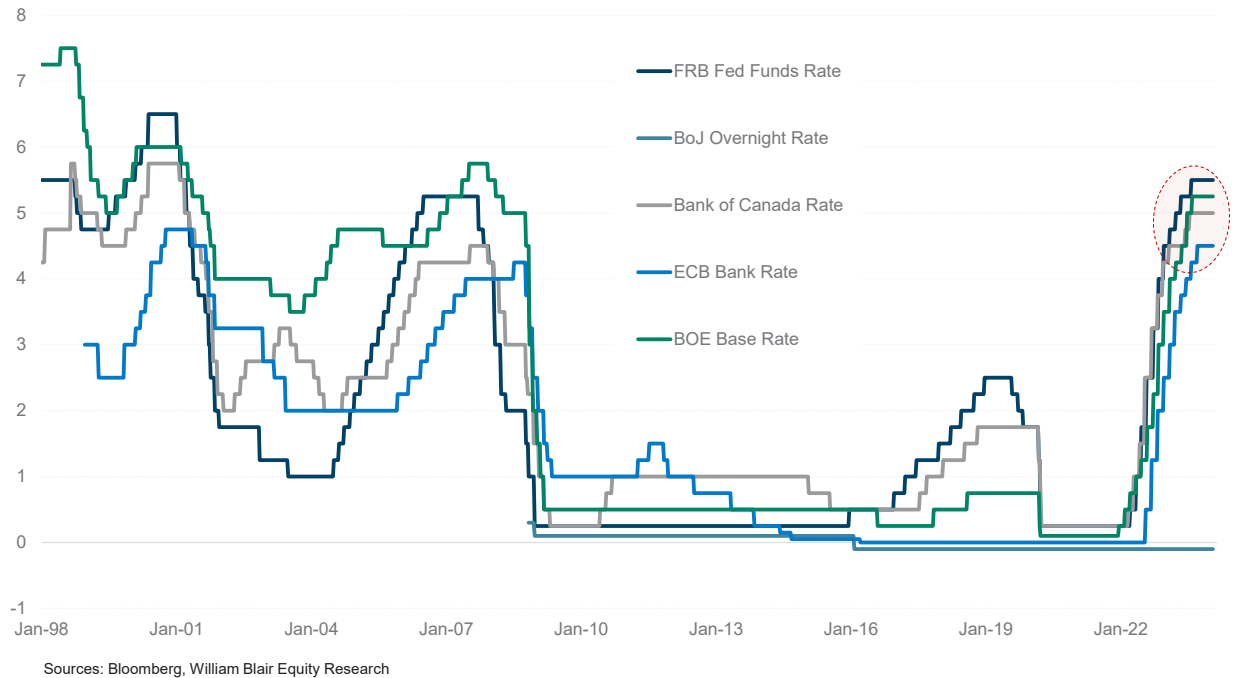
Initial Jobless Claims ('000s, Seasonally Adjusted)



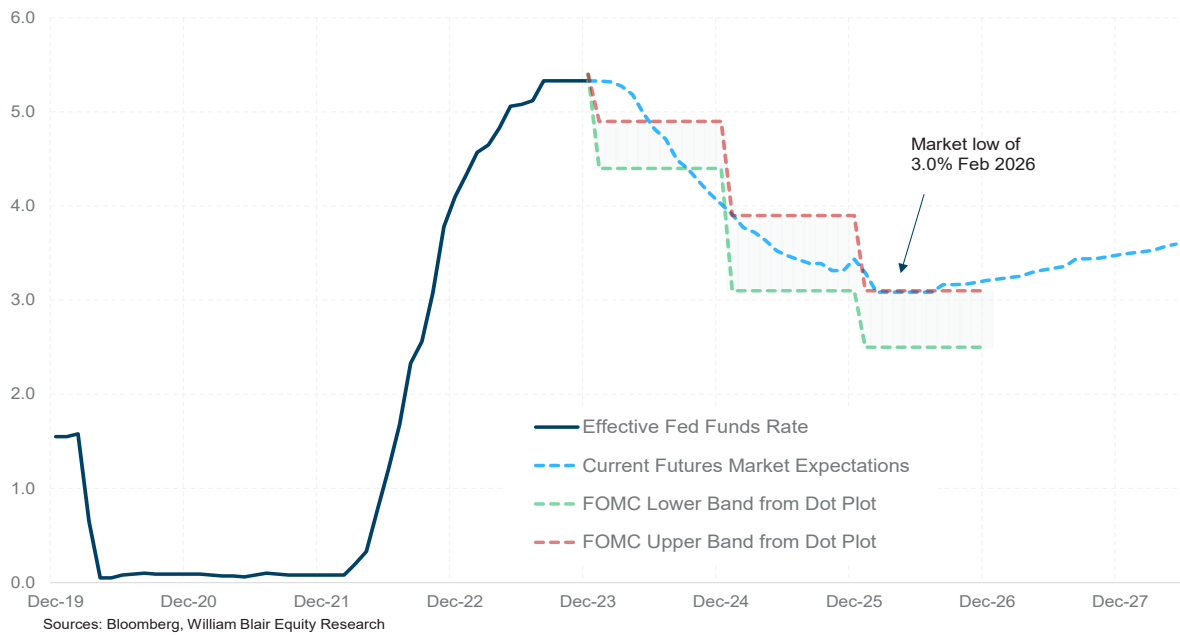
Progression of S&P 500 Bottom-Up EPS Estimates (2023-2024, \$/Shr)



Central Bank Target Short-term Interest Rates, %



Fed Funds Rate, Futures Market Expectations & FOMC Projections, %



S&P 500 Sector Performance

Global Industry Classification System	Current Weight* 18-Jan-24	Week Ago 11-Jan-24	Month Ago 18-Dec-23	Qtr-to-Date 29-Dec-23	Year-to-Date 29-Dec-23
S&P 500 Index	100.00	0.01	0.85	0.23	0.23
S&P 400 MidCap Index		-0.62	-1.34	-2.44	-2.44
S&P 600 SmallCap Index		-1.28	-2.44	-4.69	-4.69
Dow Jones Industrials		-0.64	0.44	-0.59	-0.59
Nasdaq Composite		0.57	1.01	0.30	0.30
Communication Services	9.06	0.94	4.37	2.57	2.57
Advertising	0.07	-1.73	-0.12	-0.17	-0.17
Broadcasting	0.05	-0.72	-3.96	-2.16	-2.16
Cable & Satellite	0.54	-1.54	-4.87	-3.57	-3.57
Integrated Telecommunication Services	0.67	2.02	1.77	0.90	0.90
Interactive Home Entertainment	0.15	-0.33	0.32	0.21	0.21
Interactive Media & Services	6.06	1.21	6.85	3.95	3.95
Movies & Entertainment	1.02	0.32	-1.34	-0.01	-0.01
Publishing & Printing	0.03	-2.75	0.89	-4.06	-4.06
Wireless Telecommunication Svcs	0.46	1.68	5.52	2.84	2.84
Consumer Discretionary	10.95	-1.54	-3.16	-2.47	-2.47
Apparel Retail	0.37	-0.22	4.35	0.50	0.50
Apparel & Accessories & Luxury Goods	0.19	-2.73	-5.17	-6.96	-6.96
Auto Parts & Equipment	0.07	-5.08	-8.55	-11.12	-11.12
Automobile Manufacturers	1.83	-6.49	-14.64	-13.74	-13.74
Automobile Retail	0.28	6.04	3.21	4.38	4.38
Broadline Retail	3.88	-1.13	-0.55	0.80	0.80
Casinos & Gaming	0.18	0.17	1.61	-0.35	-0.35
Computer & Electronics Retail	0.04	-4.97	-8.25	-9.38	-9.38
Consumer Electronics	0.06	0.89	-1.73	-3.32	-3.32
Distributors	0.11	0.61	-0.18	-0.96	-0.96
Footwear	0.29	-4.68	-16.67	-7.03	-7.03
Home Furnishings	0.02	-4.02	-2.72	-3.13	-3.13
Home Improvement Retail	1.16	0.05	0.78	1.86	1.86
Homebuilding	0.32	-1.89	2.81	1.01	1.01
Hotels, Resorts & Cruise Lines	0.91	0.09	0.20	-0.35	-0.35
Household Appliances	0.01	-6.62	-4.66	-7.70	-7.70
Leisure Products	0.02	-3.71	-8.29	-6.66	-6.66
Restaurants	1.09	0.61	-0.01	-0.81	-0.81
Other Specialty Retail	0.14	0.78	2.08	1.39	1.39
Consumer Staples	6.71	-0.37	1.10	0.47	0.47
Agricultural Products	0.12	-1.11	-6.19	-5.36	-5.36
Brewers	0.03	-1.37	1.45	2.65	2.65
Hypermarkets	2.08	1.06	3.71	2.45	2.45
Distillers & Vintners	0.15	-1.52	3.49	2.94	2.94
Drug Retail	0.05	-7.82	-11.33	-15.17	-15.17
Food Distributors	0.09	-0.33	3.21	2.83	2.83
Food Retail	0.08	0.65	1.36	0.96	0.96
Household Products	1.20	-1.09	1.84	1.24	1.24
Packaged Foods & Meats	0.80	-0.04	0.93	-0.18	-0.18
Personal Products	0.17	-6.03	-5.27	-7.51	-7.51
Soft Drinks	1.43	0.30	0.54	-0.13	-0.13
Tobacco	0.52	-2.30	-2.58	-0.55	-0.55
Energy	3.66	-2.22	-5.14	-4.68	-4.68
Integrated Oil & Gas	1.69	-2.04	-4.92	-3.96	-3.96
Oil & Gas Equipment & Services	0.39	-1.09	-7.87	-7.69	-7.69
Oil & Gas Exploration & Production	0.94	-3.34	-7.24	-7.09	-7.09
Oil & Gas Refining & Marketing & Transportation	0.38	-2.00	-2.26	-1.56	-1.56
Oil & Gas Storage & Transportation	0.33	-1.21	-0.41	-1.60	-1.60

William Blair

Financials	12.41	-0.92	-0.04	-0.89	-0.89
Asset Management & Custody Banks	0.88	-0.89	-1.93	-3.79	-3.79
Consumer Finance	0.52	-4.42	-3.47	-5.73	-5.73
Diversified Banks	2.79	-3.30	-2.39	-3.62	-3.62
Financial Exchanges & Data	1.15	1.20	0.19	-1.72	-1.72
Insurance Brokers	0.62	2.40	2.69	4.84	4.84
Investment Banking & Brokerage	0.95	-3.71	-5.15	-6.56	-6.56
Life & Health Insurance	0.40	-0.89	1.33	0.33	0.33
Multi-line Insurance	0.13	-0.07	1.07	-0.82	-0.82
Multi-Sector Holdings	1.14	-0.27	0.76	1.60	1.60
Property & Casualty Insurance	0.92	1.20	6.74	4.83	4.83
Regional Banks	0.30	-3.38	-3.05	-3.98	-3.98
Reinsurance	0.04	-1.45	1.41	4.34	4.34
Transaction & Payment Processing	2.58	0.80	2.26	1.87	1.87
Health Care	12.80	-1.07	4.06	2.17	2.17
Biotechnology	2.06	0.05	7.80	4.98	4.98
Health Care Distributors	0.35	0.78	8.53	5.94	5.94
Health Care Equipment	2.47	0.11	4.85	2.85	2.85
Health Care Facilities	0.21	0.51	6.26	4.83	4.83
Health Care Services	0.55	-2.61	1.83	-1.78	-1.78
Health Care Supplies	0.11	-1.52	3.60	-0.54	-0.54
Life Sciences Tools & Services	1.41	-0.89	0.53	-1.83	-1.83
Managed Health Care	1.68	-4.31	-1.89	-1.83	-1.83
Pharmaceuticals	3.96	-0.99	5.66	3.92	3.92
Industrials	8.62	-0.37	-0.65	-1.91	-1.91
Aerospace & Defense	1.61	-0.06	-2.15	-3.74	-3.74
Agricultural & Farm Machinery	0.26	-2.26	-0.36	-4.62	-4.62
Air Freight & Logistics	0.49	-1.60	-5.68	-1.22	-1.22
Building Products	0.48	-1.93	0.92	-2.12	-2.12
Construction & Engineering	0.07	-0.28	-6.09	-6.44	-6.44
Construction Machinery & Heavy Trucks	0.60	-2.13	-1.07	-3.54	-3.54
Data Processing & Outsourced Services	0.06	0.01	2.30	-2.20	-2.20
Diversified Support Svcs	0.26	0.74	2.50	-1.68	-1.68
Electrical Components & Equipment	0.59	-1.36	-0.69	-2.05	-2.05
Environmental & Facilities Services	0.40	1.80	1.76	0.65	0.65
Human Resource & Employment Services	0.41	0.34	-2.05	0.07	0.07
Industrial Conglomerates	0.79	-1.13	0.73	-2.05	-2.05
Industrial Machinery	0.83	-0.07	-0.39	-2.20	-2.20
Passenger Airlines	0.15	-6.70	-3.69	-1.72	-1.72
Railroads	0.64	0.94	-0.45	-2.05	-2.05
Research & Consulting Svcs	0.23	0.88	0.50	0.02	0.02
Trading Companies & Distributors	0.29	4.47	2.92	2.71	2.71
Information Technology	29.31	2.27	2.60	2.54	2.54
Application Software	2.55	0.40	0.34	0.27	0.27
Communications Equipment	0.87	1.15	3.09	3.09	3.09
Electronic Components	0.20	-0.34	-1.30	-2.03	-2.03
Electronic Equipment & Instruments	0.17	-1.51	-3.02	-5.23	-5.23
Electronic Manufacturing Services	0.14	-2.16	-6.83	-6.03	-6.03
Internet Software & Services	0.09	0.92	-0.80	-0.08	-0.08
IT Consulting & Services	1.16	2.93	3.47	2.08	2.08
Semiconductor Equipment	0.83	3.95	0.46	-1.08	-1.08
Semiconductors	7.47	3.55	7.02	6.39	6.39
Systems Software	8.51	2.47	5.71	4.94	4.94
Technology Distributors	0.07	1.75	0.60	-1.01	-1.01
Technology Hardware, Storage & Peripherals	7.24	1.52	-3.70	-2.10	-2.10
Materials	2.27	-1.46	-3.13	-4.00	-4.00
Commodity Chemicals	0.16	-1.76	-2.75	-3.22	-3.22
Construction Materials	0.15	0.75	1.84	0.00	0.00
Copper	0.13	-6.87	-7.59	-10.24	-10.24
Fertilizers & Agricultural Chemicals	0.15	-4.19	-6.59	-8.04	-8.04
Gold	0.10	-7.72	-15.74	-16.35	-16.35
Industrial Gases	0.61	-0.04	-1.19	-1.71	-1.71

William Blair

Metal & Glass Containers	0.04	-3.16	-4.54	-4.64	-4.64
Paper Packaging	0.16	-1.86	-1.47	-0.77	-0.77
Specialty Chemicals	0.63	-0.19	-1.82	-3.32	-3.32
Steel	0.14	-0.86	-5.47	-4.44	-4.44
Real Estate	2.35	-2.31	-3.15	-4.30	-4.30
Data Center REITs	0.28	-0.45	-0.40	-0.95	-0.95
Health Care REITs	0.19	-1.30	-1.51	-2.05	-2.05
Hotel & Resort REITs	0.03	-1.16	3.20	0.77	0.77
Industrial REITs	0.28	-3.86	-4.84	-5.28	-5.28
Multi-Family Residential REITs	0.00	-3.07	-3.82	-3.46	-3.46
Office REITs	0.08	-3.71	-5.48	-4.28	-4.28
Real Estate Service	0.14	-0.47	-7.51	-7.72	-7.72
Retail REITs	0.29	-3.39	-2.78	-2.72	-2.72
Self-Storage REITs	0.20	-1.04	-1.00	-6.27	-6.27
Single-Family Residential REITs	0.20	-1.04	-1.00	-6.27	-6.27
Telecom Tower REITs	0.40	-2.69	-3.84	-6.22	-6.22
Timber REITs	0.06	-3.73	-2.86	-6.28	-6.28
Utilities	2.17	-3.01	-3.49	-3.65	-3.65
Electric Utilities	1.43	-3.10	-3.50	-3.66	-3.66
Gas Utilities	0.04	-2.57	-1.62	-3.00	-3.00
Independent Power Producers & Energy Traders	0.03	-3.61	-8.62	-9.71	-9.71
Water Utilities	0.06	-4.33	-3.85	-4.67	-4.67
Multi-Utilities	0.61	-2.67	-3.29	-3.26	-3.26

*Current Weight is market cap based, based on calculations by William Blair Intl. Ltd.

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 S&P 500: 4780.94
 NASDAQ: 15055.70

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