

## U.S. Equities April 2018

### KEY HIGHLIGHTS

- The [S&P 500<sup>®</sup>](#) was up 0.27% in April, bringing the YTD return to -0.96%.
- The [Dow Jones Industrial Average<sup>®</sup>](#) was up 0.25% for the month and was down 2.25% YTD.
- The [S&P MidCap 400<sup>®</sup>](#) was down 0.34% for the month and down 1.48% YTD.
- The [S&P SmallCap 600<sup>®</sup>](#) was up 0.96% in April and up 1.20% YTD.

INDEX	1-MONTH (%)	3-MONTH	YTD (%)	1-YEAR (%)
S&P 500	0.27	-6.22	-0.96	11.07
Dow Jones Industrial Average	0.25	-7.60	-2.25	15.39
S&P MidCap 400	-0.34	-4.17	-1.48	8.06
S&P SmallCap 600	0.96	-1.24	1.20	11.29

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

### MARKET SNAPSHOT

April came in like a hawk and went out like a dove, although the FOMC's May 1-2, 2018 meeting could add a footnote to that, as verbiage, but no action, is expected. Specifically for the month, the threats of a trade war and a nuclear armageddon appear to have faded (but not departed), with trade talks moving behind closed doors, where the spread for winners and losers is much less and the ability to live with the results much better. The potential broader conflict walked into a hand-holding momentary border crossing between the two Korean leaders, producing the strange sight of an in-command dictator and a former human rights lawyer—don't tell me politics doesn't make for strange bedfellows. Closer to Broad and Wall, you expected and you received, as earnings season lived up to its "great expectations," meaning no major push from earnings, but some price support. Based on the 65% of market value reported to date, 78% of the issues beat their estimates—which were already high. Lower income tax rates appear to be the main driver, with the result being an easy record for earnings. However, the true winner was sales, which came in with an usually high beat rate of 72.5%, posting a 9.0% year-over-year increase, with the estimate only 3.1% shy of a new record. The earnings increases, however, overpowered the sales gains, as operating margins rose to 11.75%, easily setting a new record and significantly higher than the 20-year average rate of 8.08%. Buybacks played a role in the first quarter, as the initial reports (29% reported; the 10Q reports are still needed for most)

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*S&P Dow Jones Indices' Market Attributes<sup>®</sup> series provides market commentary highlighting developments across various asset classes.*

produced an outrageous 72% gain due to a few significant issue-level increases, but even excluding those buybacks, they are up between 25% and 42%, depending on the exclusions. For Q2 2018, buybacks are expected to increase again, potentially setting a new record for the year, with total shareholder return (of buybacks and dividends for the S&P 500) expected to top USD 1 trillion for the first time.

As for inflation, the sky appeared to be falling, as the 10-year U.S. Treasury Bond went over 3%, with investors fearing inflation and runaway high prices. The concern quickly appeared to fade, as the reality set in that 3% was far from the 15.8% seen in 1981 (when my cousin opened a bottle of champagne to celebrate a 16% mortgage rate on a new home she was purchasing), and significantly lower than the 6.44% 50-year average. The bottom line is that rates have gone up (the 50-year low was 1.34%, set in July 2016) and are expected to continue up, leading to an increase in prices, costs, and interest rates, and adding pressure to the home industry. However, they are still relatively low and affordable, with companies (similar to consumers) already locked in on lower long-term rates, therefore ensuring low fixed costs (and savings) for the next several years. As for the past month, April was volatile, and 6 of 21 days moved at least 1% (three up and three down, including one down more than 2%), although VIX<sup>®</sup> declined to 16.05 from March's 19.78 close. The S&P 500 posted a 0.27% gain after two months of declines (-2.69% and -3.89%), with the YTD return remaining in the red, at -0.96% (-0.38% with dividends). The index's YTD return, however, doesn't show the sector variance, which remains high; consumer discretionary was up 5.09% YTD and consumer staples was off 11.94% YTD, resulting in a 17.03% spread.

The high expectations for earnings, the talk of a trade war, and the continued conflicts in Washington all made for a potential April Fools' month, as the market was already in a stalled trading range (again near the 10% correction point), and prior profits (from the nine-year-old bull) were attractive to money managers. However, the stars were aligned, as earnings came in strong, with sales an unexpected plus, the trade war became trade negotiations, and the potential conflict in Korea subsided (at least for now). The result was a less nervous market, more attention on fundamentals, and, in retrospect, a normal amount of portfolio reallocation. That the index ended the month positive was plus, but that it avoided all the pitfalls was the big win.

May is expected to continue with earnings, as they wind down and retail then starts. The FOMC meeting should dominate the news on May 2, 2018 (2 p.m. release), as the statement is analyzed; at this point no change to policy is anticipated, with many expecting the next increase in June, followed by two more in 2018 (potentially September and December) if the economy continues to cooperate. Tax analysis is expected to be a hot topic in May, as review of the impact on companies is explored, with the actual savings calculated and the expected savings re-evaluated. The tax impact on consumers, which account for 70% of U.S. GDP, will also be a hot topic, as economic reports reveal some details of their expenditures (such as retail and home improvement). Historically, May posts gains 57.8% of the time, with an average gain of 3.17% for the up months and a 4.63% average decrease for the down months, with an overall average decline of 0.13%.

There were three main takeaways for the Q1 2018 earnings season: the quarter estimate was up 10.4% from year-end 2017, as EPS were setting records, the 2018 estimate was up 8.3% and 2019 was up 8.3%; the operating margin was a record high of 11.75%, compared with the 20-year average of 8.08% (the previous record high was 10.27% in Q4 2017); and sales posted a strong 9.0% year-over-year gain, with the estimate only 3.1% shy of a new record. The season has done well so far, even as

expectations were high, which limited stock support from better results. As of April 30, 2018, 279 issues reported their Q1 2018 results (63.7% of the market value and 55.2% of the issues), with 217 beating estimates, 46 missing, and 16 meeting; 200 of the 276 (72.5%) issues with full compatible reporting beat on sales. Information technology issues had the best track record to date, with 31 of the 33 beating on operating earnings (93.9%), followed by health care issues, with 28 of 30 (93.3%). On the down side were telecommunication services and utilities with 50% beat rates: 1 for 2 and 5 for 10, respectively. Financials generally did well, as improved trading helped, with 41 of 52 beating, for a 78.9% beat rate. Overall, the quarter was on track to set a new operating earnings record, up 10.9% over Q4 2017 and up 30.1% over Q1 2017. As Reported (GAAP) earnings picked up nicely and were on track to post a new record, after declining on charges related to the write-down of tax credits in Q4 2017 (with a lower tax rate, the savings are less). For 2018, company guidance continued to be positive, and Q1 2018 estimates have gone up the most: 5.2% since the end of Q1 2018 and up 10.4% YTD. Full-year 2018 earnings estimates were up 1.3% quarter-to-date and up 8.4% YTD. Looking ahead, 2019 estimates were up 8.4% YTD.

The FBI raided Trump's lawyers' office after receiving information supplied by U.S. Special Council Mueller, who is investigating Russian interference in the U.S. 2016 election (reports said the information was discovered by Mueller, but it was unrelated to his investigation). Trump attacked the FBI over the raid, as rumors spread that Trump may fire Mueller. Paul Ryan, Speaker of the House of Representatives, announced that he would leave Congress at the end of his term (January 2019). CIA director Pompeo, who Trump nominated and Congress approved to be Secretary of State, secretly went to North Korea to meet with Kim Jong-un, as plans for Trump and Jong-un to meet progressed. French President Macron visited Washington, as he and Trump made "nice," but Macron publicly said the world needed to come together, countering Trump's "America first" stance. German Chancellor Merkel also visited the U.S. and met with Trump, but they were unable to come to terms on trade, though they publicly put on a warm front. Trump Veterans Affairs nominee Ronny Jackson (formerly the White House doctor) ran into opposition in Congress due to lack of experience and reported "behavior," and he withdrew his name from consideration. The U.S. Supreme Court heard arguments on the Trump travel ban, with a final decision expected in June; at this point the view was that they would not block the ban. Trump delayed all decisions on the exemptions to the steel and aluminum tariffs for an additional month, to June 1, 2018.

The 10-year U.S. Treasury Bond crossed and closed above the 3% level, but it closed the month at 2.95%, up from last month's 2.74% (2.41% for year-end 2017 and 2.45% for year-end 2016). The pound closed down, at 1.3767 from 1.4028 in March (1.3498 for year-end 2017 and 1.2345 for year-end 2016), and the euro moved down to 1.2081 from 1.2303 (1.2000, 1.0520). The yen ended the month at 109.29 from 106.41 (112.68, 117.00), and the yuan closed at 6.3337, up from last month's 6.2990 (6.5030, 6.9448). Oil closed the month at USD 68.45, up 5.4% from March's USD 64.96 (USD 60.09 for year-end 2017 and USD 53.89 for year-end 2016). U.S. gasoline pump prices (all grades) increased, closing the month at USD 2.961 from last month's USD 2.764 per gallon (USD 2.589, USD 2.364). Gold was down for the month, closing at USD 1,316.10 from 1,329.40 for March (USD 1,305.00 for year-end 2017 and USD 1,152.00 for year-end 2016). VIX traded as high as 25.72 and as low as 14.57, and it closed at 16.05 from March's 19.78 (11.05% at year-end 2017 and 14.04 at year-end 2016).

In central bank (and related) news, the FOMC notes from the March 2018 meeting showed that the Fed saw a significant growth boost, with greater confidence that inflation would reach 2%, as a trade war was seen as a downside risk. The Fed Beige Book showed that the members had some concerns over the impact of possible tariffs, as all 12 districts showed job growth. The ECB met and held its rates, as expected, and it reaffirmed its easy monetary policy. The Bank of Japan kept its rates and policy unchanged.

## INDEX REVIEW

### S&P 500

The S&P 500 managed to reverse its past two months of declines—a broad 2.69% decline in March and a worse February, which produced a 3.89% decline, after several record closing highs in January, with a broad opening-month gain of 5.62%. The index posted a modest but much-appreciated gain of 0.27% in April (0.38% with dividends). Year-to-date, the index remained in the red, off 0.96% (off 0.38% with dividends), and it was 7.83% off its Jan. 26, 2018, closing high. From the Nov. 8, 2016, U.S. election, the index was up 23.77% (27.42% with dividends).

April continued the trend of increased volatility that started in February, with 6 of the 21 days moving at least 1% (three up and three down), as trading remained calm, with few significant (by size) swings or affected programmed trades. To start the month, the overall tone of the market was based on news (especially on trade), but it slowly moved toward issue levels as earnings came in—partially because the trade war issues subsided, as did the potential for a Korean conflict.

Sector return variance continued and increased, as positive earnings results were measured against high expectations, and some bargain hunting was seen. For the month, the spread between the best (energy rebounding) and worst (consumer staples continuing to be under pressure) sectors for the month was 13.81%, up from last month's 7.86% and February's 11.23% (January was 12.34%).

For the month, 6 of the 11 sectors posted gains, up from 3 last month and no gainers in February (all 11 fell). Energy did the best, posting another monthly increase, as supply and demand appeared to come closer together; the sector added 9.29% for April, pushing it into the black YTD, up 2.09%. The gain, however, still left it in the red from June 2014 (when oil was USD 105), off 25.16%, the worst sector in the index (information technology was the best from that time period, up 80.56%). Utilities also rebounded, adding 2.05% for the month, but it remained off 2.24% YTD. Consumer groups continued to go their separate ways. Consumer discretionary added 2.27% for the month, as the sector benefited from a better economy and the expectations of consumers having more money from tax cuts, and it was up 5.09% YTD. Meanwhile, consumer staples declined 4.52%, the worst of any sector in April, as it posted a double-digit decline YTD, off 11.94% (the worst of any sector). Information technology managed to post a gain, up 0.03%, even though concern over data use and privacy filled the papers (and congressional halls); the sector was up 3.24% YTD, with the gain since the election at 48.82%. Financials ended the month in the red, off 0.48%, even as earnings (and trading) were good; the sector was off 1.85% YTD, and its gain from the election was 37.26%. To some degree, the past three months of market testing was seen as a consolidation and reassessment of the new economic reality (taxes, trade, and of course politics). At this point, the ability of the market to stay in a trading range, with some background reallocation, was seen as positive, with the hope that a stronger base will be the result.

Breadth turned positive in April, as 265 issues gained (an average of 5.02% each), up from March's 193 issues (88 for February), and 31 issues gained at least 10% (versus eight last month). For the month, 240 issues declined (an average fall of 4.91%), down from last month's 312 issues; 24 issues declined at least 10% (23 in March). Year-to-date, breadth improved but remained negative, as 220 (208 last month) issues gained (an average 9.95% each), with 81 (64) up at least 10%, and 11 of them up at least 25%; 285 (296) issues declined (an average of 9.27% each), as 115 (93) were off at least 10% YTD, with seven of them down at least 25%.

### **The Dow®**

The Dow had a turbulent month, with issues reacting to earnings and guidance, as well as the overall economy. For April, The Dow closed at 24,163.15, up 0.25% (0.34% with dividends) from March's 24,103.11 close, when it declined 3.70%, which was an improvement from February's broad 4.28% decrease. The result was a decline of 2.25% YTD (-1.63% with dividends), leaving The Dow as the worst performer of the four headline indices. Since The Dow's last closing high of 26,616.71 on Jan. 26, 2018, it has declined 9.22%.

For the month, 15 of The Dow's 30 issues gained, with an average 5.09% gain each, up from 6 last month and 4 in February (January posted 25 gainers), and 1 issue gained at least 10% (no issue moved at least 10% in March, either up or down). The index's 15 decliners posted an average fall of 3.30%, and 1 issue declined at least 10%. Year-to-date, breadth was strongly negative, as 10 issues gained (an average of 8.52%) and 20 fell (an average -7.64%). Four issues added at least 10%, and five declined at least 10%.

While the index managed a slight gain, the issue-level variance was significant, with six issues up at least 5% and five down at least 5%, which is part of what an index does—spread the risk, but also the reward. Health care issue UnitedHealth (UNH) added 10.47%, turning positive YTD, up 7.23%. Ethical drug issue Merck (MRK) gained 8.08% and was up 4.62% YTD. Oil issues did well and rebounded, as Chevron added 9.71% but was still off 0.06% YTD, and Exxon Mobil (XOM) gained 4.21% but was down 12.64% YTD. Financials was mixed, as charge card issue Visa (V) added 6.07% (up 11.28% YTD), with American Express (AXP) gaining 5.86% (still in the red YTD, off 0.56%); insurance issue Travelers (TRV), however, declined 5.23% (and was off 2.98% YTD), as Goldman Sachs (GS) fell 5.27% and was off 6.45% YTD (but up 31.01% from the U.S. election). Apple (AAPL) declined 1.50% and was off 2.35% YTD, as concern over its sales grew (ahead of its earnings release, scheduled for May 1, 2018).

### **S&P MidCap 400**

The S&P MidCap 400 was the only headline index in the red for April, as it declined 0.34% after last month's 0.76% gain (off 4.57% in February). The loss left the index off 4.17% for the three-month period, off 1.48% YTD, and up 8.06% for the one-year period (which was the worst of the core indices).

Of the 11 sectors, 6 gained for the month, compared with 8 last month and only 1 the month before that. Energy was again the big stand out, as it rebounded 13.37% in April, and it was up 4.94% YTD and up 10.85% over the one-year period. Over the longer periods, however, energy remained deeply in the red, off 37.35% over the three-year period and off 41.05% over the five-year period. Utilities moved up 3.78% but remained in the red for 2018, off 0.58% YTD, as real estate added 2.06% but remained off 5.70% YTD. Information technology fell 2.89% but remained positive YTD, up 0.90%, as

financials fell 0.87% and was up 0.83% YTD. Consumer discretionary bucked the large and small caps, as it declined 0.94% (off 4.75% YTD), and consumer staples added 0.08% (and was off 3.65% YTD).

Sector returns continued to vary; the spread between the best and worst group decreased to 10.08% from February's 13.71% and January's 12.65%. Year-to-date, the spread was 13.63% and the one-year spread was 53.73%, demonstrating the blending of sectors (information technology was up 20.57% and telecommunication services was down 33.15%). Energy did the best for the month, up 6.60%, but the gain still left it down 7.44% YTD and down 55.09% over the five-year period. Utilities did well (as it did across most market caps), rebounding 5.18% but still the red YTD, off 4.20%. Materials did the worst, declining 3.47% and posting a 4.64% decline for the quarter. Information technology posted a slight gain of 0.30% (the large-cap equivalent declined 3.95%) and was up 1.32% YTD. Consumer issues again split, as consumer discretionary was down 1.64% and consumer staples was up 1.48%; year-to-date, they were both down, returning -3.85% and -3.72%, respectively.

Breadth remained positive for April, but not by much, as 201 issues gained (an average gain of 6.52%), down from 212 last month, but up significantly from the prior month's 90 (there were 247 gainers in January), while 198 (183 last month and 309 in February) declined (an average decrease of 5.91%). For the month, 39 issues (20 last month) gained at least 10% (average 18.29%), as 33 (24) declined at least 10% (average -15.25%). Year-to-date, breadth remained negative, with 164 (148) gaining (average 11.11%) and 235 (250) declining (average -11.77%), as 69 (52) were up at least 10% and 106 (104) were down at least 10%.

### **S&P SmallCap 600**

The S&P SmallCap 600 was on a roll; after posting a 1.86% gain in March, when its peers were in the red, it made it two months in a row, again as its peers were in the red. For the month, the S&P SmallCap 600 posted a 0.96% gain, and its YTD gain was 1.20%—the only headline index to post a YTD gain. Over the one-year period, the S&P SmallCap 600 posted an 11.29% gain (The Dow was better, up 15.39%), with the five-year gain at 78.91%—the best of the core indices.

For April, 8 of the 11 sectors gained, the same number as March, compared with all 11 down in February (8 were up in January). Sector variance remained significant; the difference between the best and worst sector increased to 18.32% from March's 6.55% and February's 12.16% (16.90% in January). The increase was due to energy, which rebounded 16.57% in April, the best performance of any sector in any index, as oil prices increased and the prospect of big oil spending again spilled into the market. Year-to-date, energy turned positive, up 1.60%, but over the three-year period it was still down 48.35%, as the pullback (from when oil was over USD 100) still dominated the return. Telecommunication services was next best (but much lower down), adding 5.19% for the month but down 5.96% over the one-year period.

Utilities did the best, as its stability and yield were more attractive than risk (little chance of a trade issue), but its April gain still left the sector off 6.22% YTD, the worst of the group. Health care added 4.24% (a sharp contrast to the S&P 500 health care sector, which declined 3.21% for the month) and was up 12.99% YTD, the best sector in any of the headline indices. Telecommunication services did the worst, off 1.46% for the month, and it was down 4.93% YTD. Energy declined 0.35% and was off 10.12% YTD, as real estate posted a 2.91% gain but ended the quarter with the worst sector record, off 11.59%. Small-cap consumer groups were both up for the month, with 1.33% for consumer

discretionary and 0.11% for consumer staples, though their YTD returns remained in the red at -0.70% and -6.12%, respectively. Small-cap information technology declined 1.64% and fell into the red YTD, off 0.35%.

For the month, breadth remained positive but fell, as 328 issues gained (an average of 8.03%), down from March's 362 issues (176 for February and 337 for January). On the down side, 273 fell (an average of 6.02%), up from last month's 234 issues (424 in February). Gains of at least 10% grew, as 88 issues posted double-digit advances (64 last month and 43 the month before that), with 51 (38 last month and 137 the month before that) issues off at least 10%. Year-to-date, breadth remained negative, even though the index was up 1.20%, as 271 (258 last month) issues were up, with an average gain of 16.82%, and 331 (341) were down, with an average loss of 12.52%. Year-to-date, over one-half of the index moved at least 10%—149 (137) up and 162 (flat from last month) down—and 67 issues moved up at least 25% and 38 declined at least 25%.

### **S&P Global BMI**

Global markets started to pull back in late January, continued to do so in early February, and then stabilized in March with the return of the declines, while April showed stabilization again and posted a slight gain (although not uniformly across the globe). For April, global markets added 0.79%, compared with March's broad 2.16% decline, which was an improvement from February's 4.29% fall, and after January's strong 5.33% gain, which all combined to leave global markets with a YTD decline of 0.58%.

For April 2018, the S&P Global BMI increased USD 0.408 trillion in market value (down USD 1.264 trillion in March and off USD 2.476 trillion in February), with the U.S. portion up USD 0.062 trillion (off USD 0.682 trillion last month and down USD 1.442 trillion the month before that). The non-U.S. portion was up USD 0.346 trillion (off USD 0.582 trillion last month and off USD 1.134 trillion the month before that). Year-to-date, global markets were down USD 0.415 billion, to USD 54.375 trillion.

For April, global markets advanced 0.79%, after March's broad 2.16% decline and February's decline of 4.29% (January posted a 5.33% gain), leaving the YTD return down 0.58%. For the month, 29 of the 47 markets gained, up from 10 of the 47 markets last month and only 4 gainers the month before that. The U.S. returned lower than the average for April, gaining 0.25% (it declined 2.14% in March and was off 3.90% the month before that), as the global ex-U.S. return for April was up 1.34%. Year-to-date, the S&P Global BMI was down 0.58%, with the U.S. down 0.80% and globals excluding the U.S. down 0.37%. For the one-year period, the U.S. underperformed, as global markets were up 12.27%, and absent the U.S.'s 10.98% return, they were up 13.60%. Since the U.S. election (Nov. 8, 2016), the non-U.S. global market slightly outperformed the U.S., returning 24.69% while the U.S. gained 24.38%. Over the longer term, the U.S. did better; the global three-year return was 17.98%, but absent the U.S.'s 26.02%, it was 9.85%.

Sector returns continued to vary, as 8 of the 11 gained for the month, up from 3 gainers last month and no gainers (all 11 down) the month before that. The spread between the best (energy was up 8.33%) and worst (consumer staples was down 1.63%) sector for the month was 9.96%, up from last month's 7.26% spread. Consumer staples continued to be under pressure from sales and margins, as it declined 1.63% for the month and was down 6.39% YTD, the worst of any sector. Consumer discretionary gained 1.84% and was up 1.84% YTD (it was flat YTD last month). Energy issues did the best, with oil again posting a strong month, as the sector added 8.33% in April and was up 3.12% YTD and up 13.86% over the one-year period; it remained down 6.33% over the three-year period.

Information technology was volatile, due to earnings and “issues” (privacy and data use), and it declined 0.34%; it was up 2.62% YTD and up 23.97% over the one-year period (the best of any sector).

While global markets were up, emerging markets did not do as well, posting a 0.85% April decline, after March’s broad 2.83% decline (they fell 4.23% in February, after January’s 8.55% gain); however, they remained in the black YTD, up 0.16%. For April, 12 of 22 markets gained, up from 6 in March and 3 in February. The one-year return was 17.13% (it was 20.59% in March). Over the two-year period, emerging markets increased 36.59% and their three-year return was up 10.95%, reflecting the cycle of the gains. Greece was the best performer for the month (it was the worst last month, falling 8.13%), up 11.93% and turning positive YTD, up 5.66%. Colombia was next, adding 7.50% (up 10.05% YTD), followed by Qatar, which added 6.77% for the month (up 5.95% YTD). On the down side, Turkey did the worst, off 11.37% (off 16.43% YTD), followed by Russia’s 8.27% decline (up 0.19% YTD), with Indonesia the third worst, off 4.57% (but up 5.79% YTD).

Developed markets did better (and were positive), adding 0.99% (1.96% ex-the U.S.), after last month’s 2.08% fall (-2.00% ex-the U.S.), and they were down 0.67% YTD (off 0.51% ex-the U.S.) Of the 25 markets, 17 gained for the month, compared with 4 last month and 1 the month before that. Developed markets were up 11.73% for the one-year period (up 12.70% ex-the U.S.) Luxembourg did the best (it was the worst last month, off 7.77%), adding 5.76% and turning positive YTD, up 1.63%. Italy was next, adding 4.69% (and up 9.51% YTD). Belgium did the worst, off 3.97% for the month (and turning negative YTD, off 3.35%), followed by Austria, which declined 2.01% (and was up 2.48% YTD). Notable gainers for the month included the UK’s 4.25% increase (off 0.590% YTD), Japan’s 1.30% advance (up 0.77% YTD), and Germany’s 1.40% gain (off 2.01% YTD).



## PERFORMANCE RECAP

Exhibit 2: Monthly Returns							
S&P 500	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	544.56	9.29	2.09	9.14	-9.68	-5.92	156.00
Materials	356.71	0.10	-5.87	7.07	12.91	43.33	123.00
Industrials	607.17	-2.85	-4.80	6.67	26.69	69.20	122.10
Consumer Discretionary	825.31	2.27	5.09	15.15	38.17	90.78	175.74
Consumer Staples	517.25	-4.52	-11.94	-8.70	4.18	22.46	148.62
Health Care	951.27	1.12	-0.53	9.06	14.77	73.50	191.10
Financials	455.35	-0.48	-1.85	16.53	40.02	80.70	41.54
Information Technology	1141.98	0.03	3.24	23.01	61.09	134.31	41.43
Telecommunication Services	148.24	-2.25	-10.74	-7.54	-7.40	-11.49	-54.08
Utilities	261.39	2.05	-2.24	-0.29	16.39	24.24	83.52
Real Estate	190.59	-0.76	-6.51	-2.45	3.61	11.95	-
S&P 500	2648.05	0.27	-0.96	11.07	26.97	65.76	80.23
DOW JONES INDUSTRIAL AVERAGE	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Dow Jones Industrial Average	24163.15	0.25	-2.25	15.39	35.44	62.83	110.17
S&P MIDCAP 400	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	443.03	13.37	4.94	10.85	-37.35	-41.05	152.49
Materials	490.79	0.54	-4.13	6.40	31.10	59.57	342.28
Industrials	956.41	-3.95	-6.66	8.02	33.49	73.88	437.26
Consumer Discretionary	757.86	-0.94	-4.75	7.14	8.09	48.42	281.00
Consumer Staples	1663.91	0.08	-3.65	-3.20	2.73	58.80	855.08
Health Care	1703.29	0.55	6.61	14.71	41.39	124.34	862.77
Financials	1019.08	-0.87	0.83	11.27	43.38	72.23	208.02
Information Technology	2333.14	-2.89	0.90	15.25	44.50	95.88	176.88
Telecommunication Services	145.00	-2.50	-1.69	-31.88	-47.20	-26.09	-69.35
Utilities	524.81	3.78	-0.58	2.10	28.67	39.85	278.87
Real Estate	214.80	2.06	-5.70	-7.60	-	-	-
S&P MidCap 400	1872.45	-0.34	-1.48	8.06	24.81	61.42	321.09
S&P SMALLCAP 600	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	588.57	16.57	4.77	1.60	-48.35	-57.70	278.75
Materials	518.02	0.36	-1.97	8.22	24.46	47.61	275.76
Industrials	1038.55	-1.75	-1.91	11.15	36.48	83.14	419.43
Consumer Discretionary	555.50	1.33	-0.70	11.44	16.44	59.35	309.87
Consumer Staples	1664.70	0.11	-6.12	-1.62	30.03	67.40	735.06
Health Care	2741.42	2.93	16.29	40.09	73.48	196.24	1414.26
Financials	1070.17	1.65	3.13	11.82	45.26	70.00	265.36
Information Technology	665.10	-1.64	-0.35	4.97	48.25	129.43	143.21
Telecommunication Services	2.84	5.19	0.00	-5.96	21.37	23.64	-96.13
Utilities	927.91	3.20	-3.30	5.91	45.13	64.01	394.36
Real Estate	178.71	-0.63	-12.14	-12.07	-	-	-
S&P SmallCap 600	947.51	0.96	1.20	11.29	34.79	78.91	379.05

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 3: Total Returns**

INDEX	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
S&P 500	0.38	-0.38	13.27	35.17	83.93	137.11
S&P MidCap 400	-0.26	-1.03	9.77	30.98	74.42	160.66
S&P SmallCap 600	1.03	1.60	12.82	40.56	91.28	184.68
S&P Composite 1500	0.36	-0.36	13.00	35.02	83.43	140.61
Dow Jones Industrial Average	0.34	-1.63	18.09	45.99	83.96	145.35

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 4: S&P Global BMI, Emerging, Sorted by April Performance**

BMI MEMBER	1-MONTH (%)	3-MONTH	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Global	0.79	-5.61	-0.58	12.27	27.04	17.78
Global Ex-U.S.	1.34	-5.51	-0.37	13.60	24.98	9.85
Emerging	-0.85	-7.73	0.16	17.13	36.59	10.95
Greece	11.93	-5.16	5.66	25.69	39.93	-15.83
Colombia	7.50	0.85	10.05	19.36	17.52	-4.04
Qatar	6.77	-0.93	5.95	-8.16	-7.02	-24.53
Egypt	4.77	20.75	22.89	44.46	16.53	-8.99
India	4.10	-6.30	-3.80	12.59	42.60	33.26
Mexico	1.97	-4.31	3.09	0.13	-4.62	-11.37
Peru	1.89	1.79	10.68	43.45	58.68	51.82
Chile	1.37	-4.87	2.02	26.47	45.62	31.71
Poland	0.69	-14.17	-7.26	7.22	35.99	1.66
U.A.E.	0.42	-5.46	-1.82	-2.36	-2.80	-19.61
China	0.18	-8.84	2.27	30.64	54.85	11.54
Thailand	0.05	-3.41	4.00	24.32	41.10	22.04
Hungary	-0.33	-8.69	-1.94	26.28	43.99	67.59
Malaysia	-0.87	-3.09	3.89	14.71	11.73	-5.72
Philippines	-1.29	-10.92	-11.28	-2.42	0.31	-11.80
South Africa	-1.96	-8.05	-4.92	14.75	23.38	-0.47
Czech Republic	-2.76	-4.37	3.32	28.42	24.83	13.85
Taiwan	-3.63	-6.01	-0.03	9.85	38.33	10.90
Brazil	-4.11	-8.65	5.79	17.63	51.24	21.21
Indonesia	-4.57	-13.88	-8.52	-1.21	12.95	4.85
Russia	-8.27	-10.68	0.19	6.19	25.67	13.78
Turkey	-11.37	-20.04	-16.43	-6.54	-18.50	-20.31

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 5: S&P Global BMI, Developed, Sorted by April Performance**

<b>BMI MEMBER</b>	<b>1-MONTH (%)</b>	<b>3-MONTH</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>2-YEAR (%)</b>	<b>3-YEAR (%)</b>
Developed	0.99	-5.35	-0.67	11.73	26.02	18.49
Developed Ex-U.S.	1.96	-4.88	-0.51	12.70	22.24	9.46
Luxembourg	5.76	-7.01	1.63	14.08	23.41	0.06
Italy	4.69	-1.38	9.51	26.98	35.16	12.92
United Kingdom	4.25	-3.38	-0.59	10.78	12.86	-2.52
France	4.22	-2.34	4.32	17.17	32.68	21.22
Norway	3.81	-0.09	5.66	25.32	31.90	8.51
Singapore	3.07	-0.08	6.07	22.02	29.75	6.62
Korea	2.78	-2.27	2.47	26.46	44.05	25.68
Hong Kong	2.63	-3.50	0.96	13.27	27.42	1.56
Canada	2.31	-6.30	-5.76	7.36	10.24	-2.80
Australia	2.23	-7.59	-4.73	2.39	13.88	0.19
Finland	2.11	0.63	7.02	15.25	31.69	25.20
Ireland	2.01	-3.99	-1.09	10.90	17.36	26.07
Spain	1.83	-7.24	0.25	4.38	17.27	-5.30
Germany	1.40	-7.61	-2.01	12.41	28.61	14.63
Japan	1.30	-3.55	0.77	17.97	28.97	21.84
Netherlands	0.37	-4.92	1.20	15.65	34.85	26.00
United States	0.25	-5.72	-0.80	10.98	28.95	26.02
Portugal	-0.09	-3.74	2.97	17.82	14.45	0.15
Israel	-0.27	-7.62	-3.73	-3.94	-7.54	-14.13
New Zealand	-0.91	-5.64	-1.08	14.19	16.47	20.65
Sweden	-1.44	-10.26	-4.95	-0.02	10.90	2.16
Switzerland	-1.45	-10.28	-6.14	2.57	11.39	-1.74
Denmark	-1.78	-6.14	-2.87	13.59	11.22	14.08
Austria	-2.01	-6.16	2.48	30.43	63.51	48.94
Belgium	-3.97	-9.29	-3.35	3.29	6.30	6.03

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

<b>Exhibit 6: Price-to-Earnings Ratios</b>				
<b>INDEX</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>ESTIMATED 2018</b>
S&P 500	14.73	22.69	21.27	16.75
S&P 500 Consumer Discretionary	16.89	22.17	23.42	20.28
S&P 500 Consumer Staples	15.96	22.18	18.91	16.77
S&P 500 Energy	12.03	-38.97	40.98	20.18
S&P 500 Financials	13.46	16.83	17.12	13.10
S&P 500 Health Care	14.68	21.02	21.10	15.87
S&P 500 Industrials	14.76	19.49	20.05	16.21
S&P 500 Information Technology	14.19	22.20	22.57	18.02
S&P 500 Materials	16.20	38.50	20.76	16.09
S&P 500 Telecommunication Services	43.21	14.02	14.56	10.37
S&P 500 Utilities	14.84	22.21	17.99	16.60
S&P 500 Real Estate	-	-	-	35.76
<b>INDEX</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>ESTIMATED 2018</b>
S&P MidCap 400	18.71	30.41	23.97	17.56
S&P 400 Consumer Discretionary	18.19	20.80	17.87	14.40
S&P 400 Consumer Staples	16.80	23.84	22.62	17.36
S&P 400 Energy	22.82	-4.95	-276.89	47.38
S&P 400 Financials	18.61	25.05	19.67	14.60
S&P 400 Health Care	21.24	27.39	33.00	19.72
S&P 400 Industrials	15.55	21.56	20.94	17.51
S&P 400 Information Technology	23.60	40.03	31.26	18.74
S&P 400 Materials	17.93	28.08	17.87	13.03
S&P 400 Telecommunication Services	34.07	13.29	-12.74	28.49
S&P 400 Utilities	15.52	23.42	20.05	20.04
S&P 400 Real Estate	-	-	-	27.57
<b>INDEX</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>ESTIMATED 2018</b>
S&P SmallCap 600	22.04	42.43	30.38	18.90
S&P 600 Consumer Discretionary	21.45	23.16	23.12	15.91
S&P 600 Consumer Staples	18.26	20.41	26.08	18.73
S&P 600 Energy	77.57	-2.48	-28.71	26.30
S&P 600 Financials	20.10	26.37	19.90	14.88
S&P 600 Health Care	21.59	43.30	-598.56	31.29
S&P 600 Industrials	17.85	24.72	23.46	18.25
S&P 600 Information Technology	31.37	41.01	28.79	17.67
S&P 600 Materials	22.56	46.69	22.29	16.22
S&P 600 Telecommunication Services	24.20	36.50	-	-94.67
S&P 600 Utilities	16.69	23.40	25.63	23.16
S&P 600 Real Estate	-	-	-	-

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 7: Operating EPS Changes**

<b>INDEX</b>	<b>Q1 2017 OVER Q1 2016 (%)</b>	<b>Q2 2017 OVER Q2 2016</b>	<b>Q3 2017 OVER Q3 2016</b>	<b>Q4 2017 OVER Q4 2016</b>	<b>Q1 2018E OVER Q1 2017</b>	<b>2017 OVER 2016 (%)</b>	<b>2018E OVER 2017 (%)</b>
S&P 500	20.23	18.72	9.20	21.36	30.12	17.18	26.96
S&P 500 Consumer Discretionary	4.55	1.75	3.75	13.18	12.17	5.83	15.49
S&P 500 Consumer Staples	4.90	6.67	5.60	14.40	15.86	7.97	12.80
S&P 500 Energy	243.17	233.50	328.74	614.63	50.52	480.80	103.09
S&P 500 Financials	24.86	27.84	-12.29	13.31	27.96	11.77	30.76
S&P 500 Health Care	0.29	7.68	6.36	10.66	32.51	6.24	32.98
S&P 500 Industrials	8.33	12.32	7.33	19.85	40.97	11.90	23.67
S&P 500 Information Technology	28.27	30.71	32.18	38.80	44.27	33.20	25.26
S&P 500 Materials	176.65	-0.41	9.92	31.73	20.56	31.95	29.05
S&P 500 Telecommunication Services	-3.57	45.83	5.38	-23.62	31.85	3.25	40.37
S&P 500 Utilities	2.46	14.18	-5.48	27.50	10.67	6.29	8.40
S&P 500 Real Estate	-	-	-	-	-	-	-4.82
<b>INDEX</b>	<b>Q1 2017 OVER Q1 2016 (%)</b>	<b>Q2 2017 OVER Q2 2016</b>	<b>Q3 2017 OVER Q3 2016</b>	<b>Q4 2017 OVER Q4 2016</b>	<b>Q1 2018E OVER Q1 2017</b>	<b>2017 OVER 2016 (%)</b>	<b>2018E OVER 2017 (%)</b>
S&P MidCap 400	34.11	20.82	-2.15	37.11	26.78	21.03	36.49
S&P 400 Consumer Discretionary	7.07	19.91	14.21	6.63	28.00	11.72	24.09
S&P 400 Consumer Staples	1.16	0.61	16.98	-0.66	35.42	4.50	30.30
S&P 400 Energy	101.77	116.18	-138.67	115.35	168.97	96.99	684.38
S&P 400 Financials	50.32	47.46	-25.51	7.13	11.40	15.57	34.73
S&P 400 Health Care	1.12	-33.62	37.27	16.00	49.01	3.43	67.30
S&P 400 Industrials	3.85	7.93	14.90	28.62	24.54	13.69	19.55
S&P 400 Information Technology	68.15	27.26	19.04	7.56	58.12	25.05	66.82
S&P 400 Materials	93.36	32.97	48.01	60.41	41.95	53.64	37.13
S&P 400 Telecommunication Services	-450.00	-267.40	-569.86	-324.44	180.36	-456.74	144.73
S&P 400 Utilities	14.54	0.00	1.67	10.38	0.52	7.47	0.08
S&P 400 Real Estate	-	-	-	-	-	-	7.01
<b>INDEX</b>	<b>Q1 2017 OVER Q1 2016 (%)</b>	<b>Q2 2017 OVER Q2 2016</b>	<b>Q3 2017 OVER Q3 2016</b>	<b>Q4 2017 OVER Q4 2016</b>	<b>Q1 2018E OVER Q1 2017</b>	<b>2017 OVER 2016 (%)</b>	<b>2018E OVER 2017 (%)</b>
S&P SmallCap 600	34.14	15.96	9.94	30.60	39.92	21.79	60.72
S&P 600 Consumer Discretionary	-19.44	-6.72	-8.01	28.81	25.75	0.67	45.28
S&P 600 Consumer Staples	-40.92	8.32	-34.07	11.99	49.66	-16.14	39.25
S&P 600 Energy	85.61	95.50	63.43	73.61	116.51	82.77	209.17
S&P 600 Financials	40.02	12.00	-2.22	21.07	24.36	16.81	33.73
S&P 600 Health Care	-119.35	-101.70	897.92	-576.47	1391.30	-133.02	2012.88
S&P 600 Industrials	21.23	-5.23	11.55	68.94	13.16	19.27	28.56
S&P 600 Information Technology	92.43	39.13	18.85	24.59	65.01	36.28	62.99
S&P 600 Materials	84.11	17.57	-16.88	47.40	-5.41	21.74	37.44
S&P 600 Telecommunication Services	-150.00	-50.00	-50.00	-200.00	-100.00	-100.00	-
S&P 600 Utilities	0.51	58.27	-32.44	4.38	19.68	1.51	10.63
S&P 600 Real Estate	-	-	-	-	-	-	-

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 8: Breadth of Change (Issues With Monthly Price Changes as Described by Type)**

<b>S&amp;P 500</b>						
<b>TYPE</b>	<b>APRIL 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	265	5.02	143	6.21	220	9.85
Down	240	-4.91	360	-9.90	285	-9.27
Up >= 10%	31	15.88	27	17.17	81	18.65
Down <= -10%	24	-14.52	162	-15.56	115	-16.33
Up >= 25%	3	32.87	4	34.32	11	38.27
Down <= -25%	1	-25.67	12	-28.60	7	-32.38
Up >= 50%	0	0.00	1	50.90	2	60.44
Down <= -50%	0	0.00	0	0.00	0	0.00
<b>S&amp;P MIDCAP 400</b>						
<b>TYPE</b>	<b>APRIL 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	201	6.52	143	8.23	164	11.11
Down	198	-5.91	256	-11.33	235	-11.77
Up >= 10%	39	18.29	41	18.13	69	19.92
Down <= -10%	33	-15.25	116	-19.18	106	-19.80
Up >= 25%	7	31.02	8	32.60	15	34.83
Down <= -25%	3	-27.62	23	-30.60	24	-31.02
Up >= 50%	0	0.00	1	62.74	3	59.20
Down <= -50%	0	0.00	1	-55.21	1	-55.23
<b>S&amp;P SMALLCAP 600</b>						
<b>TYPE</b>	<b>APRIL 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	328	8.03	255	13.46	271	16.82
Down	273	-6.02	344	-11.49	331	-12.52
Up >= 10%	88	18.46	123	22.74	149	26.60
Down <= -10%	51	-16.79	151	-20.00	162	-20.24
Up >= 25%	16	33.34	33	41.95	67	39.78
Down <= -25%	5	-42.15	31	-34.24	38	-33.89
Up >= 50%	1	76.92	6	70.28	12	63.93
Down <= -50%	1	-66.84	3	-63.17	2	-73.86
<b>DOW JONES INDUSTRIAL AVERAGE</b>						
<b>TYPE</b>	<b>APRIL 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	15	5.09	4	4.06	10	8.52
Down	15	-3.30	26	-8.33	20	-7.64
Up >= 10%	1	10.47	0	0.00	4	12.96
Down <= -10%	1	-11.45	11	-14.08	5	-15.94
Up >= 25%	0	0.00	0	0.00	0	0.00
Down <= -25%	0	0.00	0	0.00	0	0.00
Up >= 50%	0	0.00	0	0.00	0	0.00
Down <= -50%	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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