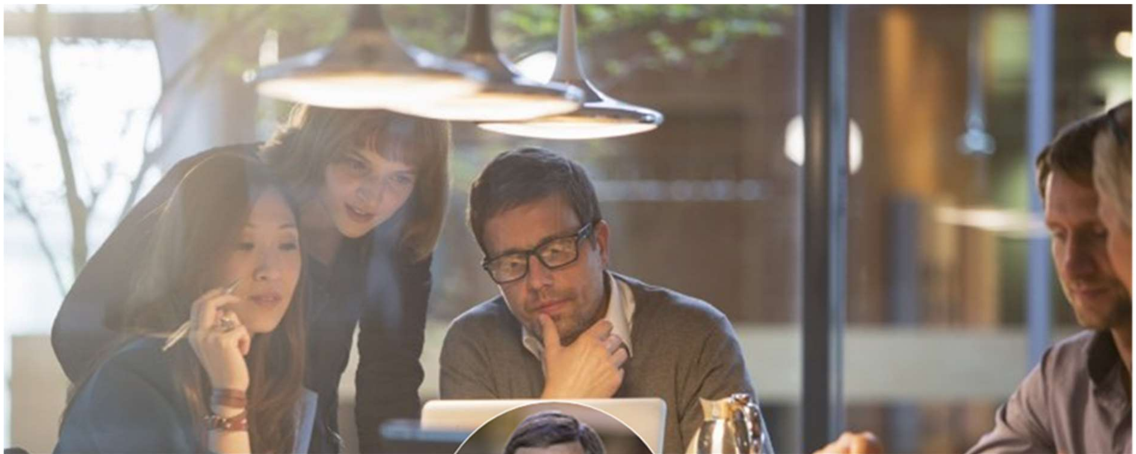
SECTOR FOCUS

27 January 2020



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Equities

AT A GLANCE:

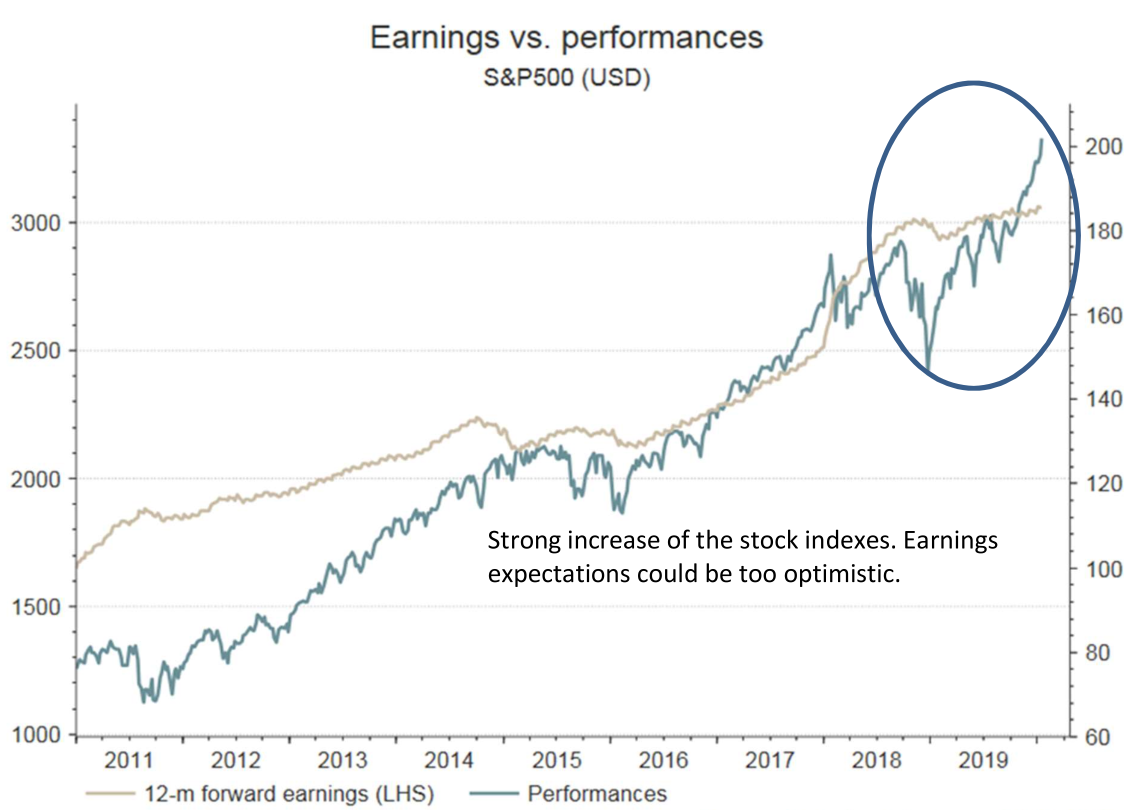
- **Late 2019/ early 2020, equity markets have continued rallying. We still favour the 'Value' style and relatively cheap sectors. In this framework, we are turning positive on Energy, one of the worst performing sectors in 2019 and also having very much underperformed the last few years. It is now a deep value sector.**

- **Apart from Energy, another of the cheapest and most obvious cyclical sectors to play in this context is the Financials, in particular Insurance globally and US Banks. We also believe that Health Care as a whole, European Technology and Building Materials still have potential. On the other hand, we remain neutral on European Banks (many headwinds).**

- **We still recommend caution on the Consumer Staples sector (-) and on Industrials (-) because these two sectors are relatively expensive.**

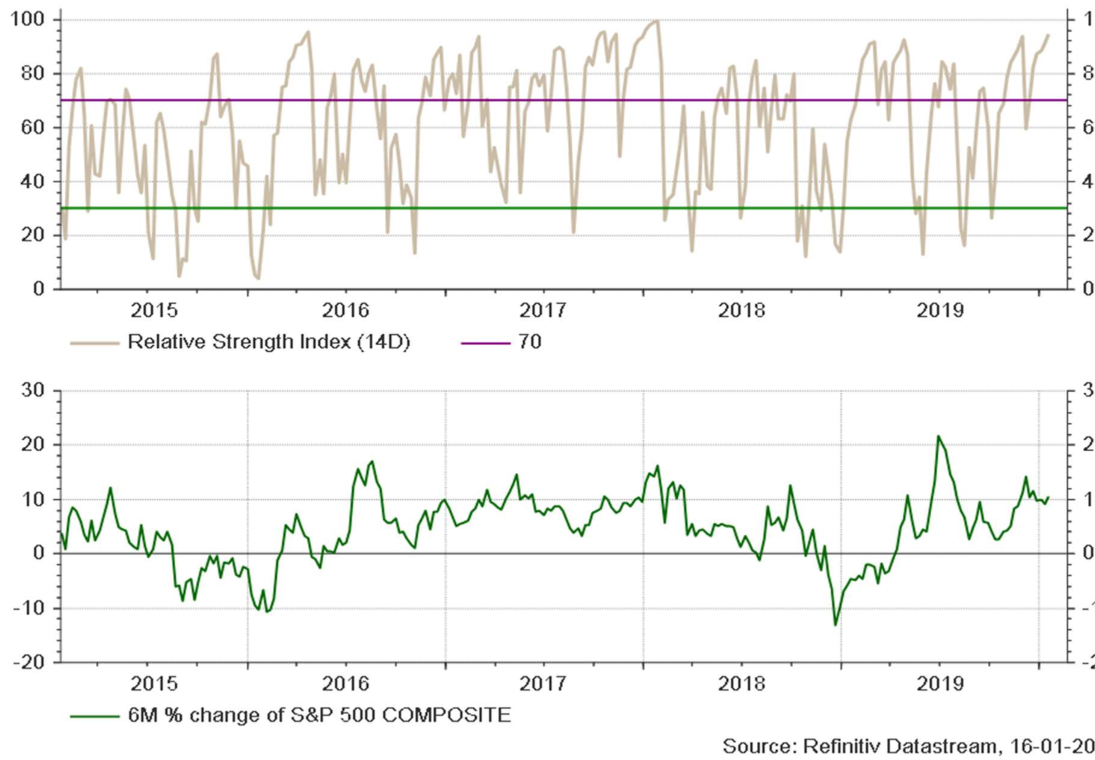
- **We are entering the peak earnings season for 4Q-19 and 2019 in general. Corporate results and, more importantly, the outlook provided by companies could impact our sector recommendations.**

	SECTOR (MSCI level 1)	INDUSTRY (MSCI level 2) +	=	-
+	Energy	Energy		
+	Health Care	Pharmaceuticals & Biotechnology	Health Care Equipment & Services	
+	Financials	Insurance US Banks & Divers. Fin.	EU Banks & Divers. Fin.	
=	Technology	EU Tech Hardware EU Software & Services EU Semiconductors & Equip	US Tech Hardware US Software & Services US Semiconductors & Equip	
=	Materials	EU Construction Materials	Materials (except EU Construction)	
=	Consumer Discretionary		Consumer Durables & Apparel (Luxury goods) Consumer Services Retail Automobile & Components	
=	Communication Services		Telecom Media	
=	Utilities		Utilities	
=	Real Estate		Real Estate	
-	Industrials			Commercial Services & Supplies Infrastructure Capital Goods Transportation
-	Consumer Staples			HPC Food & Beverage Food Retail



Source: Refinitiv Datastream, 16/01/2020

S&P500: overbought again (as of end of January)



<u>Late 2019/ early 2020, equity markets have continued. We still favour the 'Value' style and relatively cheap sectors.</u>

<u>Introductory remarks :</u>

1. Our recommendations obviously fit into a scenario where the coronavirus that has emerged in China and to a lesser extent in other countries would remain relatively under control. The experience of recent epidemics (notably SARS) has shown that related market corrections have generated nice buying opportunities.
2. We are also entering the peak earnings season for 4Q-19 and 2019 in general. Corporate results and, more importantly, the outlook provided by companies could impact our sector recommendations.

<u>We move from = to + on the Energy sector based on the following factors:</u>

- The sector lagged significantly in 2019. Indeed last year, this sector was the worst performer in the MSCI US and second worst in Europe.
- One of the few still cheap sectors, particularly in Europe: 2020 P/E is 10.9, a discount of 24% against the MSCI Europe and a standard deviation of more than 1 against its historical relative discount (other indicators such as the P/BV or dividend yield lead to the same conclusion). In the US, the discount is less pronounced but still: the US Energy sector P/E is 17.5 against 18.8 for the MSCI USA.
- This new recommendation fits very well in our 'Value' call.
- The Energy sector is the most underweighted sector in global portfolios historically (according to the BofA Global Fund Manager monthly Survey).
- It could partly be due to major flow of funds having gone out of the sector to 'clean energies' for instance as many investors are interested in SRI. However, oil majors, particularly in Europe now have more manoeuvre for buybacks to support their stock prices.

- Good dividends should also attract investors thirsty for yields.
- Rising tensions between US and Iran could lead to some supply disruptions and act as a catalyst for further increases.

No other change in sectors this month.

In our sector allocation, we keep our bias for 'Value' style after a great performance of most Defensive/Growth sectors between 2010 and August 2019. Mainly Consumer Staples are expensive (we are negative), especially in a context in which global economic growth seems to be stabilising and is expected to pick up this year.

On the other hand, many investors are still underweight on Value and cyclical stocks at a time when the valuation gap between Value and Growth stocks is still close to their historical highs. Apart from **Energy, another of the cheapest and most obvious cyclical sectors to play in this context is the Financials**. The latest results and the health of major US Banks and other US Financials are quite encouraging, hence our positive recommendation. The same applies to the Insurance sector (positive recommendation) in the United States and Europe. Although some selectivity is preferable, **in general, Insurance stocks are cheap, recent results have been good, especially in Europe, and dividends remain well covered and attractive. Many investors appreciate the insurers' earnings predictability.**

But we have kept our neutral recommendation on European Banks because i) growth and inflation in Europe remain weak; ii) numerous banks in Europe are still fragile; iii) negative (bank deposits) interest rates will continue to hurt the sector for a long time; iv) the new regulations are relatively burdensome and restrictive; v) there is a trend of losing market shares, particularly in investment banking to American banks; vi) uncertainty over Brexit (it is a strong headwind above all for UK banks, which are expected to lose market share to eurozone banks); vii) digitalisation costs; viii) in Northern Europe, scandals of banks involved in money laundering, damaging the reputation of the financial industry. **Some banks could do well, especially the strongest (well-capitalised) banks that operate in an already well-consolidated market. These are mainly large banks in core eurozone countries (France, the Netherlands, Belgium).** We would return to positive overall on European Financials if the economic recovery were to accelerate, for example in the event of major stimulus packages, particularly in Germany. On the other hand, if the economy does not pick up, we might have to downgrade our positive recommendation on US Banks after their great performance in 2019.

We also recommend delaying new investments in the Real Estate sector (neutral) after the good performance in 2019.

As discussed above, some technological disruption is affecting the financial sector. **Why not then benefit from the relatively low valuations of European Technology stocks (positive recommendation) relative to their US peers and even, in absolute terms**, given the cyclical improvement but also the growing share of this sector? In addition, most of these companies reported good 3Q19 results and bright outlooks.

In any case, one industry that remains attractive and less affected by disruption is Building Materials in Europe (positive recommendation), which generally reported good results for 3Q19. Stocks are trading at reasonable valuations compared with other industrial stocks in Europe but also in the United States (more expensive). Costs are fairly well controlled in the sector, with some pricing power over customers.

As the global economic recovery looks too weak at present to lead to significant increases in raw material prices, we remain neutral on Materials sub-sectors such as chemicals, mining, steel and metals.

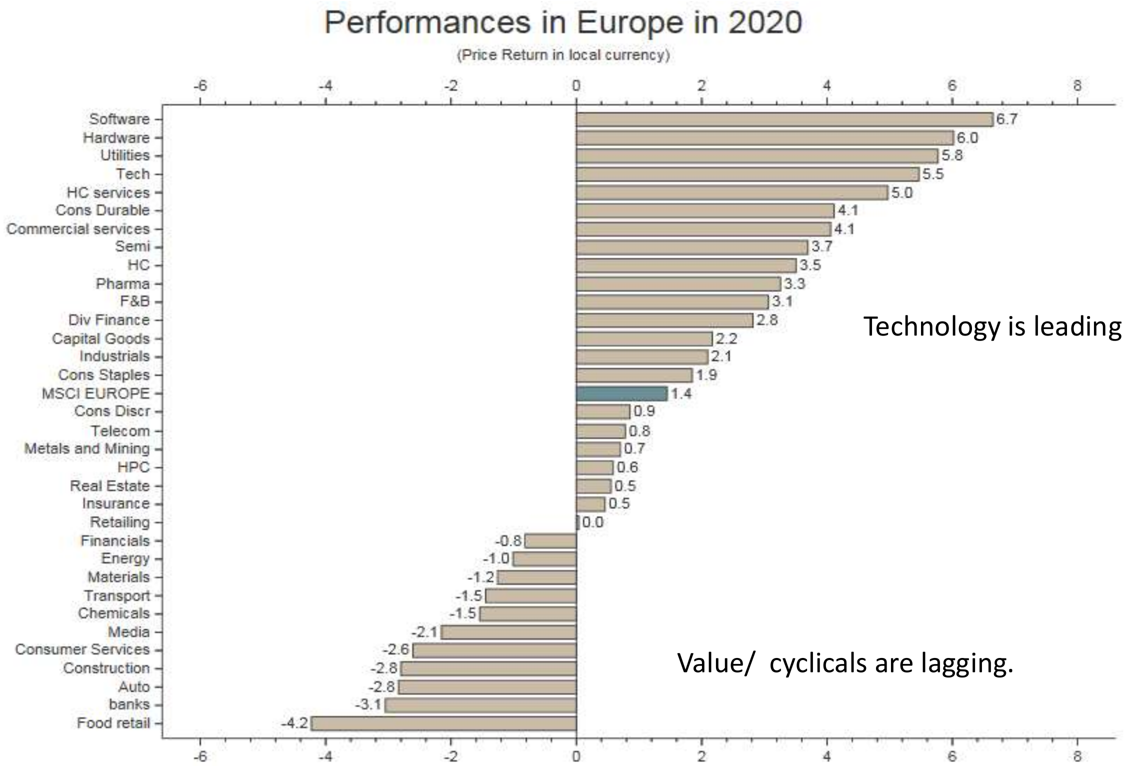
On the other hand, **'Green' investments are booming, which could selectively benefit some leading Industrial/Utility companies, especially in Europe.**

Regarding the Industrial sector in general (-) and Consumer Cyclicals (=), some discounted stock opportunities can certainly be found. But in general, these sectors are not cheap and/or still face many disruptions, making them moderately attractive.

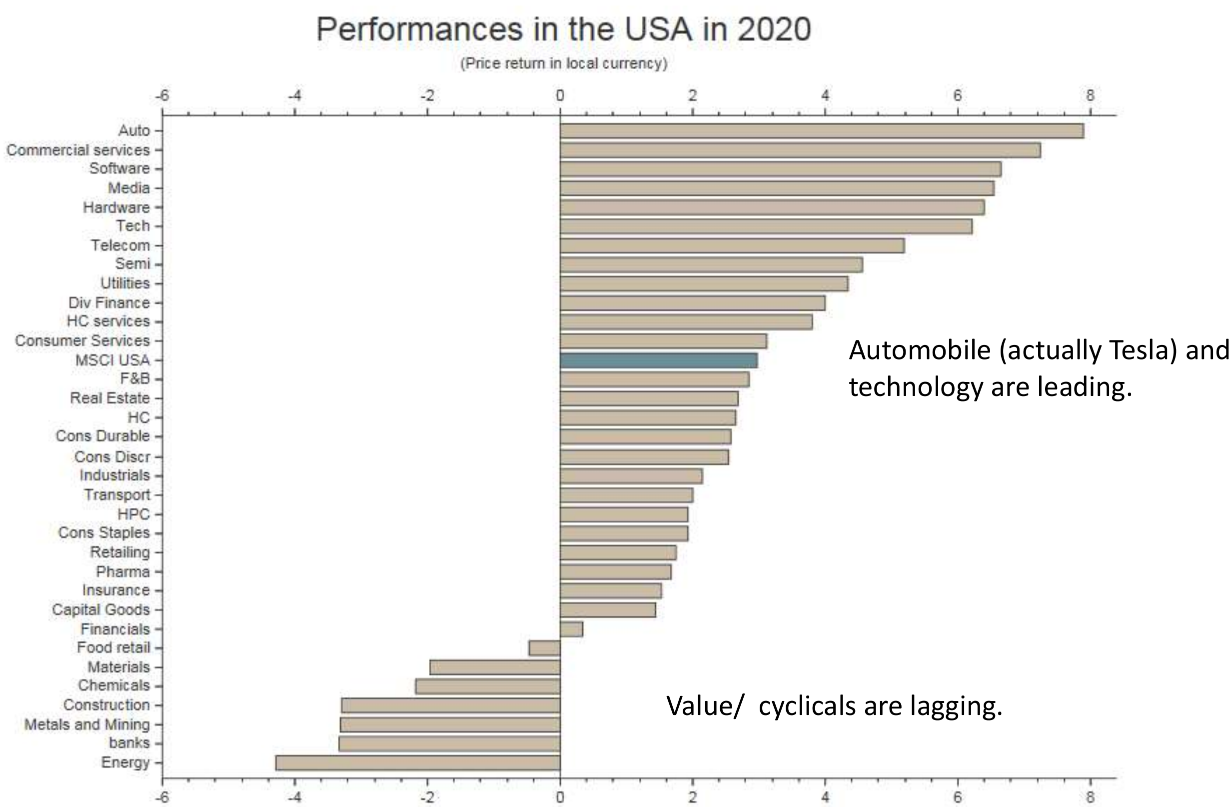
Last but not least, our favourite defensive sector, Health Care (+), is doing remarkably well. This is due to valuations, which were too cheap compared with other defensive/growth sectors whereas their latest financial results and forecasts are very good. The sector had suffered - particularly in the US - from the ongoing debate in the US Congress about the very high costs for patients. Mr. Sanders and Mrs. Warren would put much pressure on profit margins in the Health Care industry if he/she were elected US President. However, in the latest polls, they have both been losing ground. In Congress, the debate has not led to significant reforms and, before any decision is taken and implemented, many astute observers believe that several more years could pass by before anything materialises.

In December, our favourite sectors (Technology, Health Care and Financials) did well. And vice-versa for Consumer Staples (- reco), Industrials (- reco) and Real Estate (neutral), on which we had recently reduced our recommendation. See graph for the US below:

Which sectors are doing well so far in 2020? (performance as at 23 January 2020)



Source: Refinitiv Datastream, 23/01/2020



Source: Refinitiv Datastream, 23/01/2020

Sector performance in the US and Europe

22/01/2020	MSCI USA (in $)		MSCI EUROPE (in LC)	
	-3M	YTD	-3M	YTD
MSCI Zone	*11,2*	*3,0*	*6,9*	*1,7*
Energy	0,4	-4,3	-0,2	-0,7
Materials	5,7	-2,0	**7,5**	-0,9
Industrials	6,6	2,2	**10,4**	**2,3**
Consumer Discretionary	6,7	2,5	6,9	1,0
Consumer Staples	5,4	1,9	5,4	**2,3**
Health Care	**15,0**	2,6	**13,8**	**4,1**
Financials	8,7	0,3	3,5	-0,5
Information Technology	**21,0**	**6,2**	**12,4**	**5,6**
Communication Services	**12,6**	**5,2**	-3,6	0,9
Utilities	4,7	**4,4**	**9,5**	**5,9**

Relative sector performance for the US and Europe

US	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	-22 Jan 20
TOP	Industrials 3,3%	IT 3,7%	IT 2,7%	Financials 4,8%	Utilities 5,4%	Materials 4,9%	Com. Services 2,0%	Utilities 6,9%	Financials 2,9%	Health Care 2,9%	IT 1,8%	Energy 3,0%	IT 3,2%
	Energy 3,0%	Industrials 3,3%	Cons. Staples 2,2%	Com. Services 2,5%	Health Care 4,0%	Energy 2,2%	IT 1,9%	Cons. Staples 3,5%	Utilities 2,5%	IT 1,7%	Health Care 1,6%	IT 1,3%	Com. Services 2,4%
	Com. Services 2,2%	Utilities 0,6%	Cons. Discr. 1,7%	IT 2,4%	Cons. Staples 2,5%	IT 1,9%	Financials 1,2%	Health Care 1,2%	Energy 2,0%	Com. Services 0,9%	Financials 1,4%	Health Care 0,5%	Utilities 1,3%
	Cons. Discr. 1,9%	Materials 0,0%	Utilities 1,0%	Cons. Discr. 1,4%	Com. Services 0,6%	Cons. Discr. 0,8%	Cons. Staples 0,9%	Cons. Discr. 0,3%	Materials 1,5%	Financials 0,0%	Industrials 0,7%	Utilities 0,4%	Health Care -0,3%
	Financials 1,0%	Financials -0,7%	Com. Services 0,4%	Industrials 0,0%	Financials -0,6%	Industrials 0,7%	Cons. Discr. -0,5%	Com. Services 0,2%	Industrials 1,0%	Industrials -1,2%	Com. Services -0,1%	Cons. Discr. 0,2%	Cons. Discr. -0,5%
	IT -0,8%	Energy -0,9%	Energy 0,3%	Materials -0,5%	Industrials -1,0%	Health Care -0,3%	Industrials -0,9%	IT -0,3%	Cons. Staples 0,0%	Cons. Discr. -1,5%	Materials -0,6%	Materials 0,1%	Industrials -0,9%
	Materials -2,2%	Cons. Staples -1,1%	Materials -0,8%	Cons. Staples -1,5%	Cons. Discr. -1,3%	Financials -0,4%	Utilities -1,9%	Industrials -0,8%	IT -0,3%	Materials -2,0%	Cons. Discr. -2,1%	Financials -0,3%	Cons. Staples -1,1%
	Cons. Staples -3,1%	Health Care -2,1%	Health Care -1,4%	Utilities -3,1%	Materials -2,4%	Cons. Staples -1,8%	Materials -1,9%	Materials -1,3%	Cons. Discr. -1,0%	Cons. Staples -2,3%	Energy -2,1%	Cons. Staples -0,5%	Financials -2,6%
	Health Care -3,2%	Cons. Discr. -2,3%	Industrials -2,8%	Energy -4,0%	IT -2,4%	Com. Services -2,8%	Health Care FALSE	Financials -3,2%	Com. Services -1,6%	Utilities -3,0%	Cons. Staples -2,5%	Com. Services -0,9%	Materials -5,0%
WORST	Utilities -4,6%	Com. Services -2,4%	Financials -4,5%	Health Care -6,7%	Energy -4,7%	Utilities -3,8%	Energy -3,4%	Energy -6,3%	Health Care -2,2%	Energy -4,5%	Utilities -5,7%	Industrials -3,1%	Energy -7,3%
MSCI USA	8,2%	3,3%	1,8%	4,0%	-6,3%	7,0%	1,5%	-1,7%	1,8%	2,2%	3,8%	2,9%	3,1%

Europe	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	-22 Jan 20
TOP PERFORMERS	Cons. Discr. 3,3%	Industrials 1,5%	Cons. Staples 4,9%	IT 5,0%	Utilities 4,6%	Materials 3,4%	Cons. Staples 2,5%	Utilities 4,9%	Financials 4,6%	Cons. Discr. 2,7%	IT 3,1%	Utilities 2,0%	Utilities 4,8%
	IT 2,5%	Health Care 1,2%	Health Care 1,8%	Financials 4,0%	Cons. Staples 3,4%	Cons. Discr. 3,2%	Cons. Discr. 0,9%	Cons. Staples 4,6%	Energy 2,3%	Industrials 2,6%	Industrials 1,4%	Financials 1,4%	IT 4,0%
	Materials 2,1%	Financials 1,0%	Utilities 1,2%	Industrials 3,9%	Health Care 2,9%	Industrials 2,0%	Utilities 0,9%	Health Care 4,1%	Utilities 0,7%	IT 1,1%	Health Care 1,1%	Materials 1,2%	Health Care 2,0%
	Utilities 2,0%	IT 0,8%	IT 0,7%	Cons. Discr. 2,3%	Energy 1,7%	IT 1,8%	Health Care 0,9%	Com. Services 2,1%	Materials 0,6%	Financials 1,0%	Materials 0,9%	Cons. Discr. 0,2%	Industrials 0,6%
	Industrials 1,5%	Materials 0,3%	Com. Services 0,6%	Materials -0,6%	Com. Services 0,7%	Health Care 1,0%	Com. Services 0,6%	Industrials 0,3%	IT 0,2%	Health Care 0,8%	Cons. Discr. 0,1%	IT -0,1%	Cons. Staples 0,4%
	Financials -0,4%	Cons. Discr. 0,2%	Energy 0,6%	Cons. Staples -1,7%	IT -1,9%	Utilities -0,4%	IT 0,4%	Cons. Discr. -1,7%	Com. Services -0,3%	Materials 0,7%	Financials -0,2%	Health Care -0,2%	Cons. Discr. -0,5%
	Cons. Staples -0,7%	Cons. Staples -0,7%	Materials 0,0%	Com. Services -2,0%	Industrials -2,1%	Energy -0,6%	Industrials -0,4%	Materials -2,4%	Industrials -0,4%	Utilities -1,0%	Cons. Staples -1,1%	Energy -0,4%	Com. Services -0,7%
	Energy -1,0%	Energy -1,1%	Industrials -1,3%	Energy -4,1%	Cons. Discr. -2,2%	Financials -1,4%	Energy -1,2%	IT -2,6%	Cons. Discr. -0,4%	Com. Services -1,0%	Energy -2,1%	Industrials -0,5%	Energy -2,2%
	Health Care -2,3%	Com. Services -3,5%	Cons. Discr. -1,8%	Utilities -4,5%	Financials -2,4%	Com. Services -2,6%	Financials -1,7%	Financials -3,9%	Health Care -2,1%	Energy -4,3%	Com. Services -2,6%	Cons. Staples -1,1%	Financials -2,3%
WORST	Com. Services -7,2%	Utilities -3,8%	Financials -4,1%	Health Care -5,6%	Materials -2,7%	Cons. Staples -3,0%	Materials -3,0%	Energy -5,8%	Cons. Staples -4,2%	Cons. Staples -4,5%	Utilities -2,8%	Com. Services -3,7%	Materials -2,7%
MSCI Europe	5,6%	3,6%	2,1%	4,3%	-4,3%	4,6%	0,7%	-1,7%	3,1%	0,5%	2,3%	1,7%	1,5%

Cyclical stocks
Defensive stocks
Financial stocks

MONTHLY SECTOR COMMENTS (MSCI LEVEL 1)

Energy

Underperformance in 2019

The energy sector was relatively lacklustre last year. It posted the worst sector performance in the USA (+7.43% against +29.07% for the MSCI USA) and the second-worst performance in Europe (+3.73% against +22.24% for the MSCI Europe). In addition to uncertainties about global economic growth and some erosion in the demand for oil, there were outflows throughout the year from this sector: many investors are switching from investments considered as not very 'socially responsible' - such as fossil fuels - and are reinvesting in 'cleaner' industries.

Results for the first half of 2019 were generally disappointing. Oil prices, like other commodities, were on a downward trend from May to October because of trade tensions and a slowdown in global economic growth. Margins were under pressure, particularly in petrochemicals and refining. Moreover, gas prices are not picking up (they reached new lows at the beginning of 2020). However, 3Q19 results in the energy sector were more in line with expectations, albeit depressed.

Energy: one of the last 'Value' pockets

The fossil fuels industry is now the cheapest on the stock market, along with the automobile and banking sectors, which are also suffering from structural problems.

The sector is trading at attractive levels, especially in Europe: the price-to-earnings ratio in 2020 is 10.9x, representing a 24% discount to the MSCI Europe and more than a standard deviation from its historical average discount to the market. Other valuation metrics, such as the price-to-book and the dividend yield, lead to a similar conclusion. In general, dividends are not at risk because they are covered by large free cash flows. In the United States, the discount is not as big, but still: the energy sector is trading at a P/E of 17.5x vs. 18.8x for the MSCI USA (data as at 31/12/2019).

As such, this new sector recommendation fits perfectly with our 'Value'/ cheap stocks call we launched in the fourth quarter of last year.

In terms of oil supply, we are seeing many disruptions and controls: i) the Americans are starting to be more disciplined in shale oil production and are reducing loss-making oil and gas exploration and production; ii) OPEC - especially Russia and Saudi Arabia - appear to be meeting the new quota cut (-500,000 barrels per day) announced in early December; iii) numerous tensions in the Near and Middle East (Saudi Arabia, Iraq, Iran, Libya, Syria, etc.).

A hedge against the risk of a new conflagration in the Middle East

We are amazed at the speed at which the markets seem to be turning the page after the killing of the Iranian General Al Soleimani. A small risk premium has been integrated into oil prices. It is likely that in several countries in the region, the recent skirmishes are just the beginnings of larger conflicts to come (although we obviously do not wish it). In particular, the increasingly united Shia of Iran and Iraq (and Syria, or even Yemen?) will probably do their utmost to ensure that the Americans leave the region, which was also voted on in the Iraqi Parliament. Other tensions are building up or reviving in Libya, Syria and so on.

Thus, against possible new turmoil in the region that could have global repercussions, we believe it is necessary to hedge investment portfolios, especially after the excellent performance of equity markets in general in 2019. Gold is an option but it has already risen strongly. Another hedge we like today is the energy sector.

Technical factors add to our fundamental call

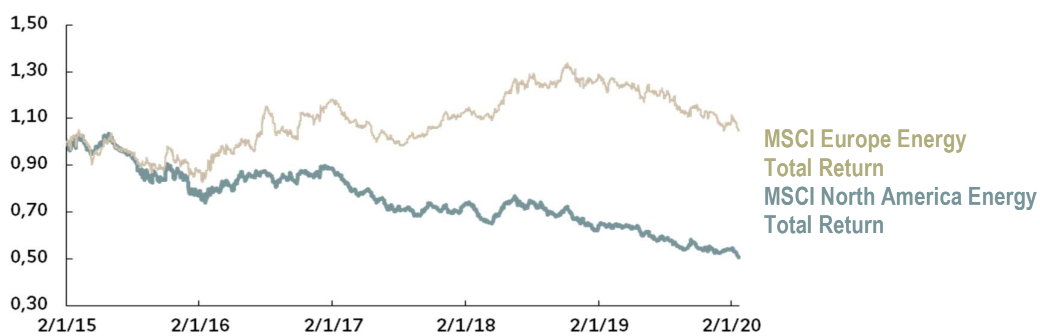
The energy sector, following continued fund outflows in 2019 (see above), its weak momentum, the relatively disappointing results of oil companies in 2019, and the fact that it now represents a very limited weight in the indices, is now the most underweight sector in global portfolios. Any rebalancing would cause considerable fund flows into it. The recent fall in prices therefore seems to be a very good entry point for the sector, in our view.

Large oil companies ('the Majors') are generating so much cash that, in addition to fat dividends, they can now launch sizeable share buybacks or deleveraging in order to optimise their balance sheets.

Oil services

Looking at Schlumberger's results published on 17 January 2020, it appears that the worst is behind this industry. Although a strong pick-up in projects is not expected in the short term, it is clear that due to the notorious underinvestment in the sector in recent years, any rebound in oil prices would lead to new, juicy projects for oil services and an explosion in margins. It is probably time to look closely at this industry, which in some cases even pays good dividends!

Total relative performance (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Energy - POSITIVE	6.7%	4.2%

Materials

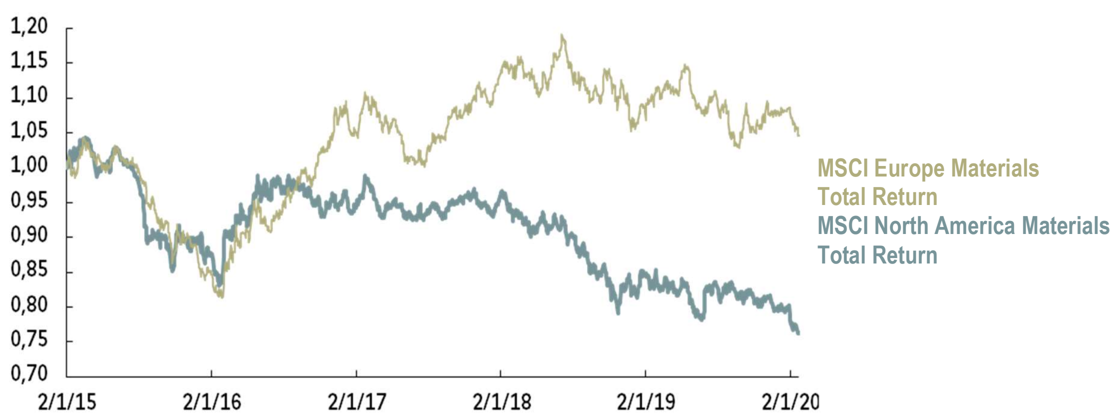
On several occasions in the last 12 months, the Mining industry had recovered in anticipation of an economic upturn in China. But this economic recovery will be weaker than expected given the commercial tensions and relatively limited room for manoeuvre and now the coronavirus.

Our preference in this sector goes to European Construction Materials that we raised to positive. This industry should benefit from the recent sector rotation into European Value and cyclical stocks. Whereas we feel less comfortable on other deep cyclical industries like Automotive, Metals and Chemicals, **construction activity is 'late cyclical' and still enjoying well-filled order books.**

Increasing fiscal spending by several governments for big infrastructure projects and renovation incentives will boost demand for construction materials. Also the low interest rate environment still supports construction activity. So, while the cement industry was facing overcapacity in recent years, supply and demand have now come more into balance, resulting in better pricing power. And compared to previous years, margins should also be supported by a correction of raw material and energy prices.

Those trends have been confirmed in recent earnings publications, with most companies reporting higher organic growth and higher margins. Although the sector already recovered quite well over the past year, the average valuation of European construction materials companies is still attractive (2020 P/E: 13 and EV/EBITDA: 7.6).

Total relative performance (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Materials - NEUTRAL	**7.4%**	**2.6%**
Chemicals - NEUTRAL	3.0%	1.3%
Mining - NEUTRAL	3.2%	0.8%
Construction - POSITIVE	0.8%	0.4%
Goldmines - NEUTRAL	0.0%	0.1%
Steel - NEUTRAL	0.3%	0.1%

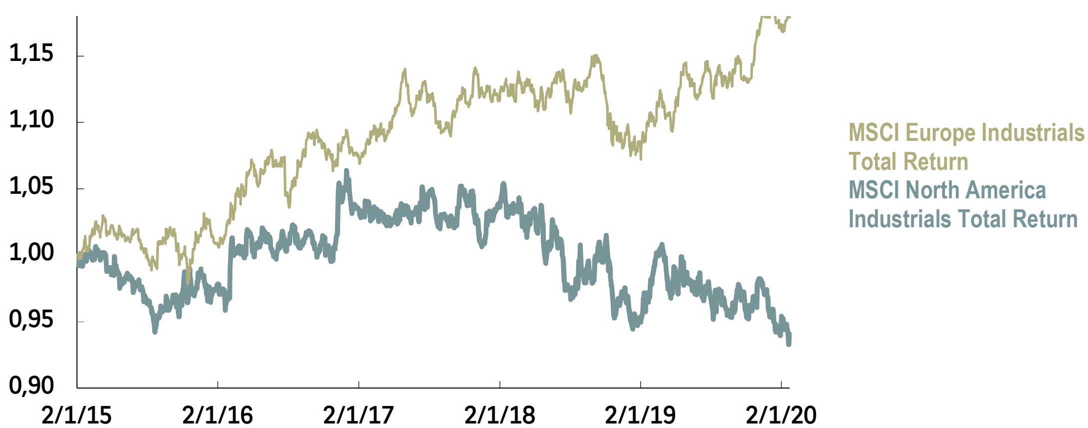
Industrials

In 2019, the sector recovered thanks to the economic improvement. However, after a strong (out)performance, a lot of good news has been priced in. The bulk of the recovery in industrial stocks is due to a rerating of the sector, i.e. valuations are becoming more expensive rather than better earnings. Earnings might catch up later but we estimate that a significant earnings recovery is already priced in and that the sector is now fully priced.

Significant risks still exist such as: i) trade tensions. For instance, China is not happy now that Germany wants to ban Huawei and it could retaliate against German automobile; industrial stocks are very sensitive to international tensions; ii) US tariffs on a range of European (industrial) products are still possible; iii) In addition, the new coronavirus creates new uncertainties. Obviously, the whole transport sector could be severely affected.

Considering the ongoing trade tensions, the coronavirus, margin pressure and the expensive valuation of the sector, we maintain our negative recommendation.

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Industrials - NEGATIVE	**13.9%**	**9%**
Capital Goods - NEGATIVE	9.4%	6%
Commercial services - NEGATIVE	3.8%	1.6%
Transportation - NEGATIVE	0.7%	1.4%

Consumer Discretionary

The sector was supported in 2019 by the overall recovery in consumption. But given the relatively unattractive valuations in some segments, the disruptions in others and more recently the coronavirus epidemic :

1) We stay neutral on the retail industry in Europe and in the US. The industry is undergoing a digital transformation. We are cautious on companies with a 'traditional' business model as margins are under pressure. On the other hand, Internet/ e-commerce stocks such as Amazon or Alibaba are still showing high growth and profitability thanks to their IT/ Cloud business. But many stocks trade at high valuation levels.

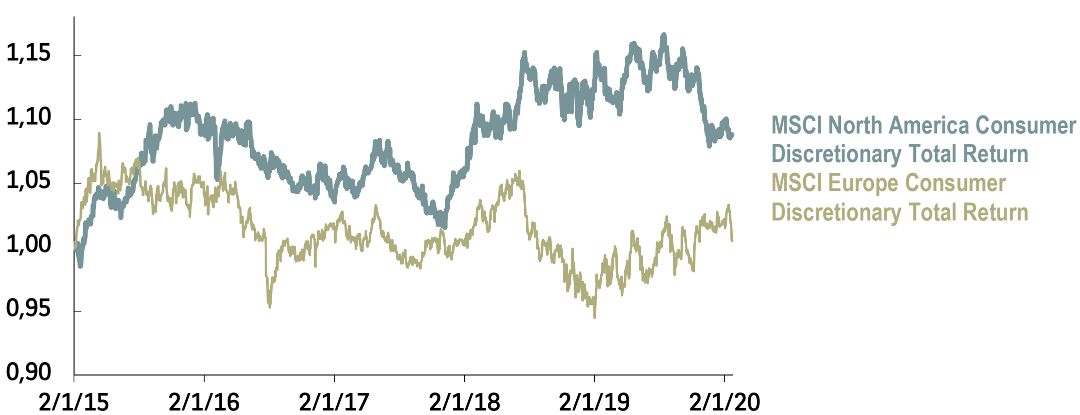
2) We are neutral on Luxury. Results and growth remain impressive, particularly for the European bellwethers (LVMH, Kering) but valuations are expensive. Sales will be impacted by the worries in China.

3) We have a neutral position on Consumer Services.

4) We are also neutral on Media. This industry remains in transformation mode (online competition).

5) Automobile: valuations are low but the global environment remains difficult for the sector. Sales in the United States and China are weakening. Uncertainty remains concerning trade barriers. Input costs are expected to rise. Electric vehicles are disrupting traditional car markets, which need to reorganise their activities and spend more (higher investments). We remain very selective even though valuations are very cheap.

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Consumer Discretionary - NEUTRAL	**10.0%**	**9.9%**
Automobiles - NEUTRAL	2.7%	0.8%
Cons. Durable/ luxury - NEUTRAL	4.1%	0.8%
Consumer services - NEUTRAL	1.5%	1.7%
Media - NEUTRAL	0.6%	3.3%
Retailers - NEUTRAL	1.2%	3.3%

Consumer Staples

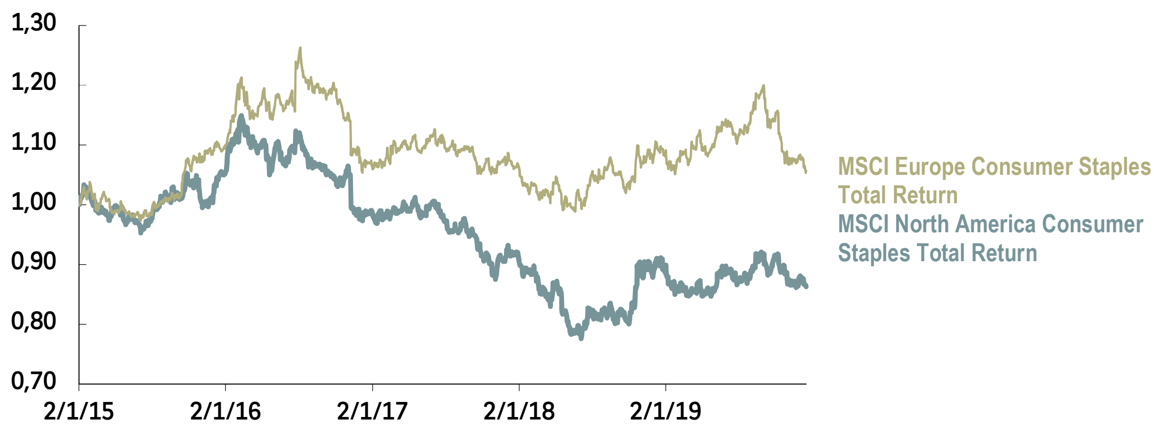
In Consumer Staples, a weak earnings growth and the current positioning in the business cycle will weigh on performance, especially if fixed-income yields and risk appetite bounce back. Typically, there is an underperformance in the final stages of the economic and financial cycle when bond yields rise.

Sector profitability is under pressure due to less pricing power, new 'digital' and 'healthy food entrants/participants', which are disrupting the traditional big players. We see better earnings momentum in other defensive sectors (such as Health Care).

Valuations in the Home and Personal Care ('HPC') industry are relatively rich compared with other sectors (exp. 2020 P/E around 20.6x in Europe & 24.8x in the US).

For its part, the Food retailers industry is not cheap and is generally driven by momentum in domestic demand and inflation changes. Moreover, it is currently facing major structural changes: digitalisation and strong competition from new players (e.g. Amazon) and new technologies.

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Consumer Staples – NEGATIVE	**13.9%**	**7.0%**
Food retailers – NEGATIVE	1.1%	1,5%
F&B – NEGATIVE	9.2%	3,7%
Personal Products - NEGATIVE	3.6%	1,8%

Health Care

The Health Care sector has been an outperformer in almost every year over the past 9 years. Its defensive nature and profitability always attract investors' interest.

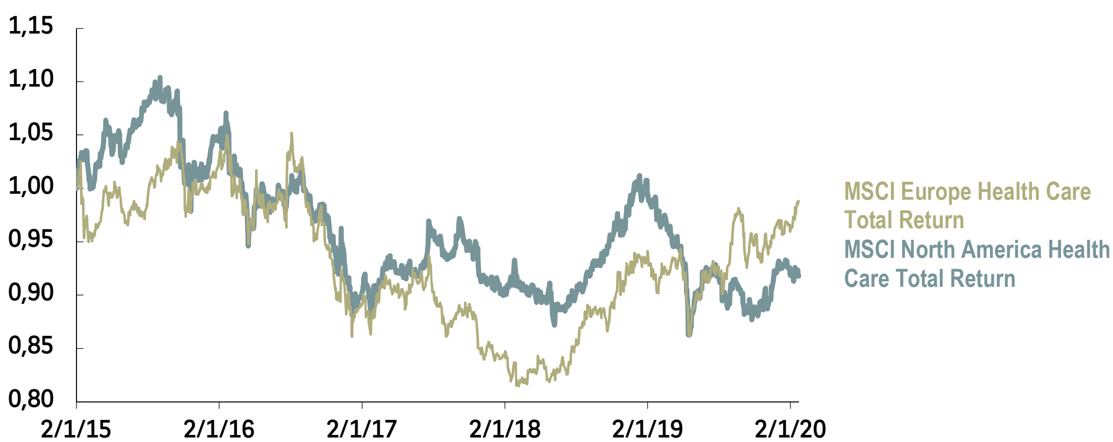
But 2019 was relatively less positive in the beginning. This was due to profit-taking and debates in Congress about slashing the very expensive health care costs in the US. However, the probability of a deep reform seems low. In addition, leaders of these potential reforms, Mr. Sanders and Ms. Warren, have seen falling popularity, according to opinion polls for the US presidential election and/or have lightened their programmes in this regard. As a result, the sector has recovered strongly in recent months.

Demand is expected to remain strong in the long run (due to ageing population) and the sector is still innovating immensely. For instance, (immuno-)oncology research looks promising. M&A activity has intensified. The sector has a lot of cash (share buybacks) and little debt.

Valuations are decent. Exp. 2020 price/ earnings ratios are on average 16.7 in Europe, and even less in the US (15.4x). 1H19 results were much better than expected at a large majority of pharma companies, with earnings growth re-accelerating.

Among defensives, the Health Care industry remains our favourite. As there are significant idiosyncratic differences/drivers between companies (mergers and acquisitions, pipeline, etc.), stock-picking looks better to play the sector.

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Health Care – POSITIVE	**13.8%**	**14.1%**
Health Care equipment and services - NEUTRAL	2.6%	7.4%
Pharma & Biotech - POSITIVE	11.2%	6.7%

Financials

In the wake of the great crisis of 2008-2009, the financial sector has been very criticised by investors. This is particularly true of European banks, which have lived through too many crises. Admittedly due to the laxity shown at the time by many large financial institutions, and their "emergency" rescue packages, regulators have become much more demanding. Central banks had to intervene again during the "Greek crisis" and opened the liquidity tap in a bid to save the euro in the years 2012-2015. This was the famous episode of Mr. Draghi's monetary bazooka, promising that he would do everything he could to save the European currency (and the European banking system!).

However, while the euro has been saved, there is still a feeling that something is missing, especially when comparing the European banking system with the American one. While the great crisis of 2008-2009 emanated from the American continent with the bursting of the real estate bubble - in particular the (in)famous "subprime loans" that led to the catastrophe and to the bankruptcy of Lehman Brothers-, paradoxically, US banks have restructured themselves much more quickly. While in Europe, laws and controls are increasingly restrictive (and therefore costly) for banks, there has been some deregulation in the United States for some time. For example, the Volcker rule, which limits speculative and illiquid investments by major US banks, is regularly reviewed and relaxed. For instance, since August of this year, US banks' short-term positions are less systematically considered as proprietary trading. The relatively illiquid private equity is also now more accepted and less controlled. This allows American banks to free up capital for other projects.

On the monetary side, the Federal Reserve (Fed) has also been faster than the European Central Bank (ECB) in increasing the size of its balance sheet by buying back huge amounts of bonds in order to put downward pressure on interest rates and help companies - and banks in particular - to refinance themselves.

Finally, the tax reform of the Trump administration has given to the US banks a significant competitive advantage by lowering taxes and providing favourable conditions. The major US banks are now over-capitalised and can afford:
- new investments: in particular, their digital transition is impressive and relatively advanced;
- dividend increases;
- significant share buybacks.

Thus, in this relatively favourable environment, they are gaining market share, especially in investment banking, versus their European counterparts.

In Europe, we wonder whether monetary policy has gone too far with negative interest rates expected for a long time (no respectable financial text book has ever considered such a context!). This type of policy can sometimes have perverse effects, for example the survival of "zombie" companies (unprofitable and insolvent), exacerbated competition and, ultimately, deflationary pressures.

Some ECB measures attempt to reduce the pressure of this negative deposit rate on banks' profitability, in particular the tiering system with, for example, a lower cost for legal reserves and a higher cost for a large excess of liquidity at the ECB. To encourage lending by less well-capitalised banks (particularly in southern Europe), a 'TLTRO' system has been put in place where banks can borrow from the ECB at favourable rates in order to provide loans to small- and medium-sized enterprises and revitalise the economy through this process.

But these measures do little to address the fundamental concern of the profitability of European banks, which are forced to restructure continuously to lower costs, to be more competitive in the new digital economy and to offset interest margins which are under pressure given the low interest rates (even negative in the case of the ECB deposit rate).

It can also be seen that European banking integration is still in its infancy. German Finance Minister Olaf Scholz gave a glimmer of hope at the beginning of November by insisting that with the expected Brexit, it is probably high time to make progress in building a more integrated banking system within the euro zone.

US banks and diversified financials

We had become more cautious on Financials after their rebound in early 2019 in view of the publication of poor economic indicators. The bond yield curve had begun to reverse, which is often a precursor to a recession.

In August, another cut in Fed rates and a much more conciliatory speech by President Trump led to hopes that the economic deterioration would stop. And there has been recently a stabilisation or slight improvement in leading economic indicators. The yield curve has also steepened.

The chances of seeing a trade agreement, even if it will probably be quite light, have increased, as has a 'smooth' exit of Britain from the European sphere.

The US economy now seems quite solid again and a cyclical rebound is expected as a result of these political and monetary reversals.

US banks are still a very cheap sector both intrinsically and in relation to the rest of the stock market, given their restored solidity and significantly improved profitability. In addition, the results published in 3Q19 were generally better than expected for the major US banks. **Any economic upturn should boost these cyclical/ 'value' stocks and allow them to outperform. Hence our recommendation recently raised to "Positive".**

European banks and diversified financials

As mentioned above, the environment remains more complicated for European banks because they continue to suffer from a certain 'financial repression':
- Relatively heavy regulations and taxation;
- Negative deposit rates;
- It is very complex to close mergers and acquisitions outside national borders.

In addition, in several countries, particularly in southern Europe, but also in Germany, restructuring has been slow and many banks are still too weak today. For many European banks, the cost of equity (COE) does not compensate for the return on equity (ROE). This raises questions as 'Basel 4' looms on the horizon, with new constraints for banks and higher capital requirements.

Money laundering scandals have also hit several banks in northern Europe (as well as the reputation of the sector) and of course, Brexit raises questions about the supremacy of London and its financial system.

Therefore, even if the economic environment seems to be improving, it seems early to be buyers of the whole European financial sector. We are therefore maintaining our recommendation on this segment at neutral for the time being. Although there are opportunities out there, the European banking system is still going at very different speeds.

Investors need to be selective. The statements made by the German Finance Minister at the beginning of November (see above) further support this view.

We have long favoured banks in the core Eurozone (France, Netherlands, Belgium) because they appear to be among the most solid and profitable in a much more consolidated banking landscape in these markets than in other countries.

A more pro-cyclical European policy (e.g. a major stimulus plan in Germany), an economic acceleration and/or a steepening of the yield curve would encourage us to become positive again overall on European banks, which are also very cheap/'deep value' today.

Insurance

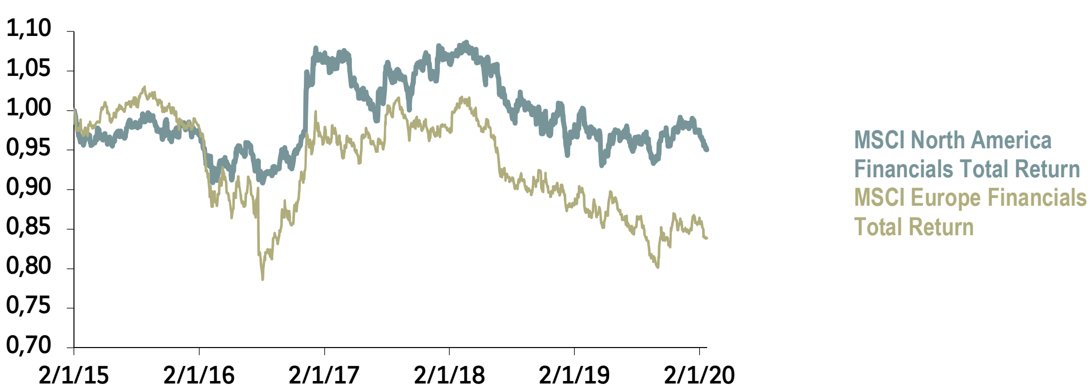
After a good performance early 2019, we had become more cautious at the end of May when the yield curve began to invert.

Thanks to the renewed confidence in both the economy and equity markets, relatively cheap sectors should once again attract investors' attention. This is the case for Insurance, a sector that is also solid, sufficiently capitalised and well managed. Investors always appreciate the low volatility of profits and good dividends.

In the US, there is even a certain return of pricing power in the non-life segment, offsetting interest margins under pressure. Thus, while the context appears to be much better today than it was a year or two ago for insurers, valuation levels (price/book value) are similar to those prevailing at the beginning of 2018, while profitability is better. A similar situation can be observed in Europe.

Hence our "positive" recommendation on the global insurance sector (price/earnings ratios 2020: 12.6 versus 18.8 for US equities in general and P/E ratio 2020 = 10.8 for European insurance versus 14.8 for Europe).

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Financials – POSITIVE	**18.0%**	**13.0%**
Banks – **POSITIVE** (EUR: NEUTRE)	8.8%	5.6%
Fin. Diversified – **POSITIVE** (EUR: NEUTRE)	3.4%	4.8%
Insurance - **POSITIVE**	5.8%	2.6%

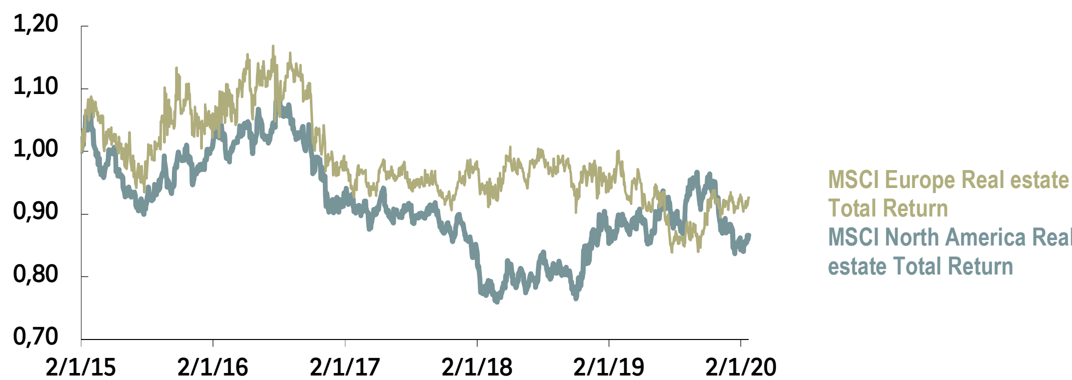
Real Estate

This sector performed well in 2019 on both sides of the Atlantic, supported by ever-lower interest rates and investors' thirst for returns. We believe that with the return of appetite for Value and cyclical stocks, the more defensive REITs (listed real estate funds) sector will become less popular. We do not see any fundamental problem with this sector (companies that are part of it are generally well managed) but we believe that after the recent strong increases, a pause in the rally is needed. Several REITs are now fully valued, or even expensive.

In the event of a correction that we would judge as too excessive for listed real estate - for example in the event of a strong sector rotation - we might become positive again on this sector. We generally believe that Real Estate should remain a cornerstone of any well-diversified investment portfolio.

In the meantime, we are neutral on the Real Estate sector. Investors need to be more selective today.

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Industrials - (MSCI Level 2)	Sector Weighting MSCI EUR	Sector Weight/ MSCI NA
Real Estate - NEUTRAL	**1.4%**	**3.2%**

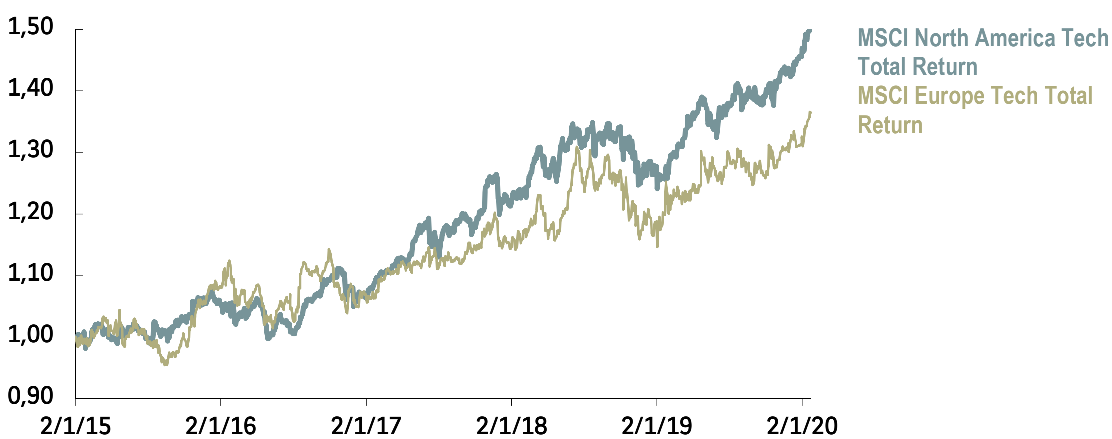
Technology

The sector performed well in 2019 thanks to monetary policies becoming very dovish again and continued robust economic growth. Corporate results in the technology sector remain good in general.

However, valuations are now high (price/earnings on average above 20), especially in the United States. In addition, tighter regulation in the technology sector, especially at the dominant 'FANGs' with dubious practices (Facebook, Amazon, Netflix, Google/Alphabet, Apple, etc) should not be excluded. Fears of a higher tax burden, stricter control of 'mega-technology' companies or any measures against their sometimes quasi-monopolistic positions could have an impact on the sector's performance. Therefore, selectivity is necessary and we remain neutral on American technology.

On the other hand, good financial results in recent quarters in Europe, a renewal of products and services by the major European technology leaders, economic stabilisation and even a re-acceleration of growth expected in Europe at the beginning of 2020 (and thus of the sector profits in general) support our **positive opinion on European technology**. Profit growth forecasts for 2020 are +18.7% for European techno compared with +7.9% for American technology (which even registered a negative profit growth during 3Q19: -6%). Finally, note that several European countries are trying to boost growth by developing their technological industries while digitalisation in Europe still has a bright future ahead of it.

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Technology – NEUTRAL (Europe: +)	**6.0%**	**23.4%**
Software and services – NEUTRAL **(Europe: +)**	3.0%	13.0%
Hardware Equipment – NEUTRAL **(Europe: +)**	0.8%	6.3%
Semi & Equip - NEUTRAL **(Europe: +)**	2.2%	4.1%

Communication Services

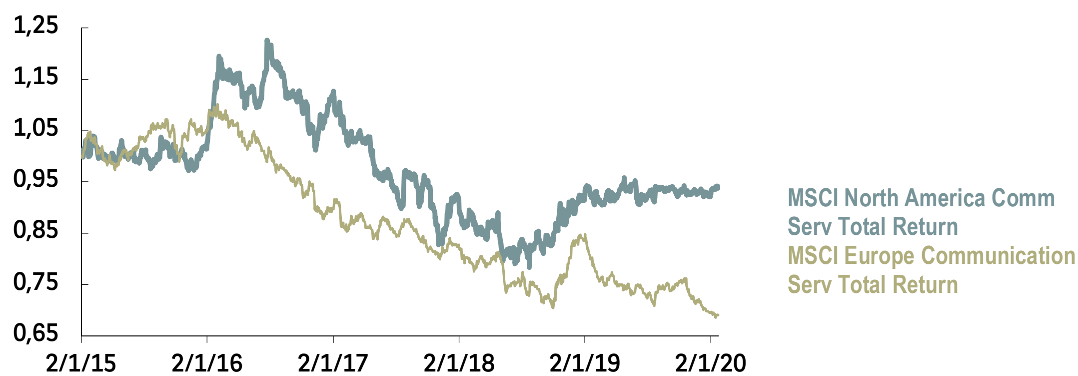
In 2019, investors have continued to turn away from this defensive sector this year due to a lack of growth, at least in Europe. Dividends however remain high and secure in this sector (large companies' pay-out ratio remains reasonable). Dividend coverage by free cash flow should improve as investments decline.

We nonetheless remain neutral.

1) The sector could rebound significantly in the event of a slowdown in global GDP growth (or increasing fears of a recession), but this is not our base scenario. Any good news of a recovery in risk appetite could be more painful for the sector. We prefer other defensive sectors (e.g. Health Care).

2) Our neutral stance is based on unexciting fundamentals: investment has peaked, but revenues growth is low in Europe. Prices and margins are a problem, particularly in France. It is unlikely that the highly competitive environment and strict regulations will disappear in Europe soon. That said, many of these headwinds are well known and appear to have been priced in at current valuations (P/E: 14 in Europe). M&A activity cannot excluded and could trigger a re-rating of the sector.

Relative total return (sector vs. MSCI Benchmark) since 01/01/2015



Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Communication Services - NEUTRAL	**4.3%**	**10.4%**

Utilities

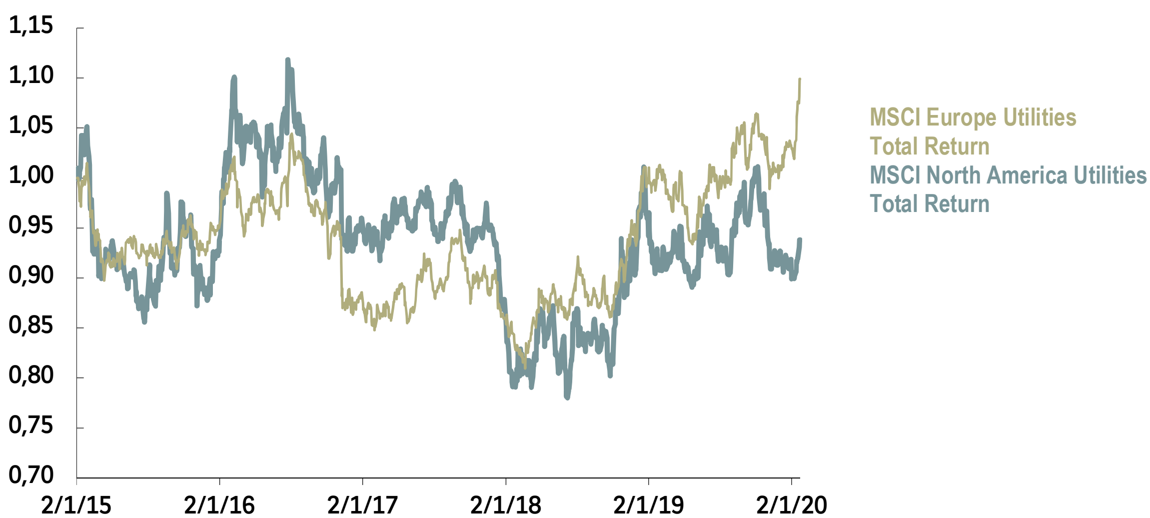
The main catalyst for the sector's performance is lower interest rates in the US and Europe. Low bond yields are generally positive for this highly-leveraged industry.

Last financial results have showed renewed growth, linked to a whole series of challenges for which the industry now seems well positioned: an increase in electricity consumption (electric vehicles, etc.), water, waste treatment, etc. Therefore, the earnings outlook also continues to improve (+8.4% now expected in Europe for 2020).

Interest rates are set to remain very low, providing additional support for the sector. Integrated utilities have potential thanks to an income reversal from low levels. Electricity prices are solid even though the economic environment remains challenging. Mergers, restructurings and asset swaps are supportive factors.

We favour a rather thematic approach for this sector on which we remain neutral in general.

Relative total return (sector vs. MSCI Benchmark)since 01/01/2015



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Sector	Sector Weight/MSCI EUR	Sector Weight/MSCI NA
Utilities - NEUTRAL	**4.4%**	**3.3%**

Sector overview

Price index - in €

2/01/2020	PE				EPS Growth - %				1m / 3m % Δ in EPS								Sales growth - %			1m / 3m % Δ in Sales		Divid end yield (%)
	2019	2020	2021	12m fwd	2019	2020	2021	12m fwd	2019		2020		2021		12m fwd		2019	2020	2021	2019		
MSCI EUROPE (€) (*)	16,1	14,8	13,7	14,8	-0,7	8,9	7,9	8,8	-0,4	-2,2	-0,5	-2,7	-0,5	-2,3	-0,5	-2,7	1,7	2,6	3,00	0,0	-0,67	3,5
(*) EU15 + Switzerland + Norway																						
MSCI UK (£)	14,1	13,2	12,5	13,2	-3,8	6,8	5,5	6,4	-0,9	-3,2	-0,8	-3,8	-1,1	-3,9	-0,8	-3,9	-1,0	1,4	2,8	-0,2	-2,4	4,5
MSCI Switzerland (CHF)	20,0	18,2	16,8	18,3	7,6	9,5	8,4	9,6	-0,2	-0,5	0,0	-0,3	0,1	0,4	0,0	-0,2	2,8	2,3	3,0	0,1	0,1	2,7
MSCI Germany	15,8	14,2	12,7	14,1	-4,8	11,3	12,3	11,7	0,0	-0,9	-1,0	-4,2	-0,4	-2,6	-1,0	-4,0	3,3	5,3	3,3	0,2	0,4	3,0
MSCI France	16,7	14,9	13,8	14,9	-1,5	11,8	8,6	11,6	-0,2	-2,7	-0,1	-2,0	0,0	-1,5	-0,1	-2,0	3,4	1,9	3,5	0,3	0,0	3,1
MSCI Spain	13,2	12,0	11,5	12,0	-3,3	10,5	3,9	10,6	-1,1	-5,5	-0,7	-2,0	-0,7	-1,8	-0,7	-2,0	0,3	2,7	2,0	-0,2	-0,6	4,3
MSCI The Nertherlands	19,6	17,8	16,2	17,8	3,1	10,4	9,7	11,1	-0,4	-0,4	-0,2	-1,2	-0,8	-2,5	-0,1	-1,2	4,2	3,5	3,6	-0,1	0,1	2,5
MSCI Belgium	16,4	16,9	15,8	16,9	16,9	-2,9	6,8	-2,9	0,7	2,6	-0,2	-1,5	0,0	-2,5	-0,2	-1,5	-1,9	2,4	2,7	0,0	-0,9	3,0
MSCI EUROPE ENERGY	12,9	10,9	10,3	10,9	-12,7	18,5	5,1	18,5	-2,3	-5,1	-1,0	-6,0	-1,1	-6,6	-1,0	-6,0	-6,0	0,6	3,1	0,1	-0,6	6,0
MSCI EUROPE MATERIALS	16,7	15,4	14,5	15,5	-19,0	8,2	6,7	7,6	-1,2	-7,7	-1,4	-7,3	-1,9	-4,6	-1,3	-7,1	-0,7	-0,1	1,9	-0,1	-1,7	3,5
MSCI EUROPE INDUSTRIALS	19,3	17,7	16,1	17,7	7,1	9,2	10,2	9,4	0,0	-0,4	-0,7	-1,4	-0,4	-1,0	-0,6	-1,3	5,3	3,0	3,2	0,0	-0,2	2,5
MSCI EUROPE CAP GDS	18,7	17,2	15,6	17,2	5,6	8,6	10,8	8,9	-0,1	-0,6	-0,8	-1,6	-0,5	-1,2	-0,8	-1,6	5,3	2,5	3,2	0,0	-0,2	2,6
MSCI EUROPE COML SVS/SUP	22,8	21,1	19,7	21,2	9,3	8,1	7,4	8,0	0,0	-0,7	-0,3	-1,1	-0,3	-0,7	-0,3	-1,1	4,0	3,1	3,3	-0,1	-0,3	2,2
MSCI EUROPE TRANSPT	19,5	17,0	15,5	17,0	15,9	15,0	9,7	15,1	0,5	1,1	-0,2	0,2	0,5	-0,2	-0,2	0,2	6,4	5,7	3,3	0,1	-0,2	2,6
MSCI EUROPE CONS DISCR	16,2	14,7	13,3	14,7	-4,9	10,4	10,2	10,6	0,1	-2,6	-1,0	-4,5	-0,5	-3,5	-0,9	-4,5	3,3	2,8	3,7	0,2	0,2	2,8
MSCI EUROPE AUTO & COMPO	8,5	7,7	7,1	7,7	-11,4	10,5	9,1	10,5	0,4	-3,6	-1,1	-6,8	-0,4	-4,9	-1,1	-6,8	1,6	1,6	2,8	0,4	0,3	4,2
MSCI EUROPE CONS DUR/APP	23,5	21,3	19,4	21,3	5,9	10,5	9,7	10,1	-0,2	-0,9	-0,2	-0,7	0,0	-0,6	-0,2	-0,7	6,9	5,7	5,7	-0,1	0,2	2,0
MSCI EUROPE CONS SVS	20,1	18,6	16,6	18,3	-2,0	8,1	12,0	8,3	0,0	-0,2	-1,7	-4,5	-0,7	-3,4	-1,5	-4,2	7,2	4,6	4,5	-0,1	0,1	2,5
MSCI EUROPE RETAILING	28,9	25,8	22,2	26,1	-3,5	12,1	16,3	15,9	-0,9	-3,4	-2,3	-5,2	-2,4	-5,9	-2,1	-4,9	5,4	4,4	5,1	0,0	0,1	3,4
MSCI EUROPE CONS STAPLES	20,0	18,7	17,5	18,6	7,4	7,2	7,1	7,2	-0,1	-1,1	-0,5	-2,0	-0,7	-2,2	-0,6	-2,0	1,6	3,0	3,1	-0,1	-0,6	2,7
MSCI EUROPE FD/STAPLES RTL	15,4	13,7	13,0	13,8	5,4	12,3	5,7	11,8	-0,1	0,4	-0,2	-0,6	-0,4	-0,8	-0,2	-0,5	-0,4	2,8	2,2	0,0	-0,2	3,0
MSCI EUROPE FD/BEV/TOB	20,1	18,8	17,5	18,7	9,2	7,0	7,6	7,0	0,0	-1,2	-0,3	-1,8	-0,3	-1,8	-0,3	-1,9	3,3	2,9	3,9	0,0	-0,7	2,7
MSCI EUROPE H/H PERS PRD	21,8	20,6	19,4	20,6	2,8	5,9	6,3	5,9	-0,4	-1,5	-1,5	-3,2	-1,8	-3,8	-1,5	-3,2	2,5	3,7	3,6	-0,3	-1,1	2,5
MSCI EUROPE HEALTH CARE	18,7	17,3	15,7	17,3	5,5	7,9	10,2	8,0	0,2	1,7	0,0	0,6	0,2	1,1	0,0	0,6	6,8	5,2	5,1	0,1	0,7	2,8
MSCI EUROPE H/C EQ/SVS	24,4	22,1	19,6	22,0	2,3	10,5	12,5	10,8	0,1	-0,1	-0,2	-1,1	0,0	-0,5	-0,2	-1,0	6,6	6,0	5,9	0,0	0,2	1,6
MSCI EUROPE PHARM/BIOTEC	18,0	16,7	15,2	16,7	5,9	7,6	9,9	7,6	0,2	2,0	0,1	0,8	0,2	1,4	0,1	0,8	6,9	4,9	4,8	0,1	0,8	2,9
MSCI EUROPE FINANCIALS	11,0	10,5	9,9	10,5	0,2	4,7	6,1	4,6	-0,2	-2,7	-0,4	-2,4	-0,2	-1,9	-0,4	-2,5	2,9	1,7	2,4	0,1	-0,7	4,9
MSCI EUROPE BANKS	9,6	9,3	8,9	9,3	-5,7	3,1	4,6	3,1	-0,4	-2,5	-0,3	-2,5	-0,3	-2,2	-0,3	-2,5	0,7	1,1	2,0	0,0	0,0	5,7
MSCI EUROPE DIV FIN	15,5	14,9	12,8	14,9	7,0	4,5	14,0	4,2	1,5	-2,9	-0,3	-3,4	0,5	-2,2	-0,3	-3,9	-1,8	1,7	0,2	-0,1	-0,9	3,0
MSCI EUROPE INSURANCE	11,6	10,8	10,3	10,8	9,3	7,5	5,4	7,5	-0,5	-3,0	-0,5	-1,8	-0,4	-1,3	-0,5	-1,8	5,6	2,0	3,2	0,2	-1,1	4,6
MSCI EUROPE REAL ESTATE	18,6	18,3	17,7	18,3	4,6	1,5	3,4	1,4	0,3	0,3	-0,2	-1,4	-0,1	-1,6	-0,2	-1,4	3,1	2,8	2,5	-0,1	1,5	4,2
MSCI EUROPE IT	25,8	21,8	19,0	21,7	6,0	18,8	14,6	19,0	-0,2	-1,8	0,0	-2,6	0,0	-1,8	0,0	-2,6	5,8	6,1	5,9	0,0	0,4	1,2
MSCI EUROPE S/W & SVS	24,1	21,7	19,4	21,7	8,9	11,5	11,6	11,4	-0,7	0,3	0,0	0,8	0,0	0,6	0,0	0,8	7,6	6,6	6,8	0,1	0,4	1,4
MSCI EUROPE TCH H/W/EQ	23,6	17,3	14,7	17,3	16,5	36,9	17,8	37,0	1,0	-12,4	-0,8	-11,9	-0,6	-8,1	-0,8	-11,9	6,6	3,9	3,2	0,0	0,5	1,6
MSCI EUROPE COMM. SERVICES	15,7	14,0	13,0	14,2	-3,2	12,0	7,9	11,4	-0,9	-4,9	-0,6	-2,6	-1,4	-4,3	-0,5	-2,8	2,4	1,6	1,5	-0,1	-0,2	4,6
MSCI EUROPE TELECOM	15,3	13,7	12,7	13,8	-3,5	11,6	8,2	11,5	-0,9	-5,3	-1,3	-3,3	-1,6	-4,2	-1,2	-3,4	1,8	1,4	1,1	-0,1	0,0	5,0
MSCI EUROPE MEDIA & ENTER.	17,0	15,0	14,1	15,2	-2,1	12,9	7,0	10,9	-0,7	-3,7	1,4	-0,4	-0,6	-4,6	1,4	-1,1	5,0	2,2	3,2	-0,2	-1,1	3,6
MSCI EUROPE UTILITIES	16,7	15,3	14,5	15,3	8,1	9,0	5,4	9,0	0,0	0,6	0,5	0,1	0,4	0,3	0,4	0,1	2,0	10,0	2,0	0,1	-4,1	4,6

2/01/2020	PE				EPS Growth - %				1m / 3m % Δ in EPS								Sales growth - %			1m / 3m % Δ in Sales		Divid end yield (%)
	2019	2020	2021	12m fwd	2019	2020	2021	12m fwd	2019		2020		2021		12m fwd		2019	2020	2021	2019		
MSCI USA	20,6	18,8	16,9	18,7	1,1	9,4	11,2	9,7	-0,1	-1,2	-0,3	-2,01	-0,1	-1,52	-0,24	-1,98	4,1	5,0	5,0	0,1	-0,3	2,3
MSCI USA ENERGY	21,8	17,5	15,8	17,5	-28,5	24,8	10,8	24,8	-0,4	-9,0	0,3	-13,3	-1,3	-10,3	0,3	-13,3	-4,3	5,2	2,7	-0,3	-2,3	3,9
MSCI USA MATERIALS	20,4	18,1	15,9	18,1	-23,6	12,6	14,2	12,9	-0,8	-2,1	-1,5	-4,0	-1,0	-3,3	-1,5	-4,0	-17,7	3,5	4,2	-0,1	-1,8	2,1
MSCI USA INDUSTRIALS	20,6	18,0	16,1	17,9	-3,1	14,7	11,5	14,3	-0,4	-2,7	-1,9	-4,9	-0,9	-3,7	-1,9	-4,9	-1,9	4,8	4,2	-0,1	-3,0	1,9
MSCI USA CAP GDS	20,4	17,6	15,8	17,6	-5,7	15,9	11,6	16,2	0,0	-3,0	-2,1	-5,6	-0,7	-3,9	-2,1	-5,6	-3,0	5,2	4,0	0,0	-3,9	1,9
MSCI USA COML SVS/SUP	28,3	26,1	23,5	26,1	9,7	8,4	11,3	8,3	0,2	0,3	0,0	-1,3	0,0	-1,6	0,0	-1,3	2,9	4,0	4,6	0,0	-0,5	1,3
MSCI USA TRANSPT	18,3	16,2	14,5	16,3	1,7	12,8	11,3	9,9	-1,7	-2,6	-1,8	-3,7	-1,9	-3,7	-1,8	-3,7	0,3	3,9	5,0	-0,4	-1,1	2,0
MSCI USA CONS DISCR	26,0	22,9	20,2	23,0	0,9	13,5	13,3	13,6	0,0	-4,5	-0,4	-4,0	-0,4	-5,3	-0,3	-4,0	4,3	6,6	6,4	0,0	-0,7	2,1
MSCI USA AUTO & COMPO	13,4	10,7	10,1	10,7	-17,6	24,8	6,0	24,8	-0,1	-14,8	-0,5	-3,0	-0,6	-8,1	-0,5	-3,0	-4,1	3,6	2,4	0,0	-3,0	3,8
MSCI USA CONS DUR/APP	19,8	18,0	16,1	18,2	3,4	10,3	11,4	10,1	0,4	1,0	0,4	1,4	0,4	1,3	0,4	1,5	4,1	4,6	4,9	0,1	0,4	1,6
MSCI USA CONS SVS	24,6	22,0	19,9	21,9	3,3	11,6	10,7	11,9	-0,2	-3,6	0,0	-2,7	0,0	-3,1	0,0	-2,8	5,3	5,3	5,4	0,0	-0,2	2,2
MSCI USA MEDIA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI USA RETAILING	32,2	28,6	24,4	28,7	5,5	12,4	17,2	12,3	0,0	-3,1	-0,7	-6,4	-0,6	-7,1	-0,6	-6,3	8,0	8,5	8,5	0,0	-0,1	2,0
MSCI USA CONS STAPLES	21,6	20,3	19,0	20,2	1,2	6,4	7,0	6,3	0,0	0,0	-0,1	-0,6	-0,1	-0,9	0,0	-0,6	2,8	3,4	3,5	0,0	-0,2	2,8
MSCI USA FD/STAPLES RTL	21,8	21,0	19,8	20,8	4,7	3,7	6,1	4,3	0,0	1,2	0,0	0,6	-0,1	0,3	0,0	0,5	3,4	3,7	3,7	-0,1	-0,2	1,7
MSCI USA FD/BEV/TOB	19,8	18,5	17,2	18,5	-1,4	6,9	7,5	6,8	0,0	-0,2	-0,1	-1,4	-0,2	-1,7	-0,1	-1,4	2,1	2,8	3,2	0,0	-0,3	3,4
MSCI USA H/H PERS PRD	26,7	24,8	23,3	24,2	5,4	7,8	6,3	7,1	0,0	0,1	0,0	0,7	0,0	0,3	0,0	0,6	1,6	3,6	3,5	0,0	-0,5	2,3
MSCI USA HEALTH CARE	18,3	16,8	15,2	16,8	9,3	9,1	10,9	9,2	0,0	1,7	-0,1	0,2	0,1	0,2	-0,1	0,2	14,0	6,5	5,6	0,0	0,8	2,1
MSCI USA H/C EQ/SVS	20,7	19,0	17,0	19,0	10,9	9,1	11,2	9,2	0,0	0,8	-0,1	-0,5	-0,1	-0,4	-0,1	-0,5	17,3	6,1	5,7	-0,1	0,8	1,3
MSCI USA PHARM/BIOTEC	16,8	15,4	13,9	15,4	8,3	9,2	10,6	9,2	0,0	2,3	-0,1	0,7	0,3	0,7	-0,1	0,7	2,6	8,3	5,4	0,0	0,7	2,7
MSCI USA FINANCIALS	13,8	13,1	12,0	13,1	8,6	5,5	8,4	5,6	-0,1	-1,1	0,1	-1,0	0,5	-0,1	0,1	-1,0	8,1	0,6	3,7	0,1	2,0	2,4
MSCI USA BANKS	12,5	12,0	11,1	12,0	9,6	3,9	8,2	3,9	0,0	-0,9	0,2	-0,7	0,7	0,4	0,2	-0,7	1,8	1,8	2,0	0,1	0,6	2,8
MSCI USA DIV FIN	15,7	14,8	13,6	14,8	2,0	6,2	8,7	6,3	0,0	0,3	0,3	-1,0	0,4	-0,1	0,3	-1,0	15,5	-2,9	4,0	0,0	4,5	2,1
MSCI USA INSURANCE	13,7	12,6	11,6	12,6	18,5	8,3	8,4	8,3	-0,3	-3,6	-0,3	-1,8	0,1	-1,1	-0,3	-1,8	6,0	3,5	4,8	0,1	0,5	2,2
MSCI USA REAL ESTATE	37,4	40,7	37,4	40,7	-0,9	-8,1	8,8	-8,1	-0,8	2,8	-0,2	1,1	-0,5	1,1	-0,2	1,1	3,0	5,8	5,9	0,1	0,3	3,3
MSCI USA IT	24,3	22,5	19,7	21,9	1,2	7,8	14,5	9,5	-0,1	0,1	-0,1	0,0	0,2	0,5	0,0	0,1	1,6	5,8	7,4	0,0	-0,8	1,5
MSCI USA S/W & SVS	30,2	26,8	23,5	26,2	12,6	12,7	14,2	12,4	0,1	-1,1	0,0	-0,4	0,2	-0,4	0,0	-0,4	9,6	9,7	9,0	0,1	-1,4	1,4
MSCI USA TCH H/W/EQ	20,4	19,1	17,0	18,6	0,0	6,8	12,9	8,7	-1,2	0,2	0,2	0,6	0,0	1,4	0,1	0,8	-1,5	2,7	5,1	-0,2	-0,9	1,5
MSCI USA COMM SERVICES	21,8	19,5	17,3	19,5	2,1	11,6	12,7	12,1	0,2	-0,9	0,0	-2,2	-0,2	-1,7	0,0	-2,2	11,5	8,1	7,0	1,5	1,3	3,1
MSCI USA TELECOM	12,2	11,9	11,3	11,9	1,9	2,6	4,6	2,5	0,0	-0,2	-0,1	0,0	-0,2	2,0	-0,1	-0,1	3,1	0,8	0,8	0,0	-0,2	4,8
MSCI USA MEDIA & ENTER.	27,3	23,3	20,0	23,3	2,3	16,8	16,7	17,6	0,3	-1,3	0,0	-3,3	-0,1	-3,3	0,0	-3,2	17,2	12,5	10,3	2,6	2,4	1,5
MSCI USA UTILITIES	20,5	19,6	18,7	19,6	6,5	4,8	4,8	4,7	-0,1	0,6	-0,2	-0,2	-0,3	0,0	-0,2	-0,2	4,3	3,3	1,7	-0,2	0,0	3,1

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