NDR
NED DAVIS RESEARCH

NDR Sector Views

JULY 8, 2020

Risk-on leadership continued in June

As the S&P 500 marched higher in June to cap off its best quarter since 1998, sector leadership remained cyclical. The **chart below** shows cyclical Growth sectors of Technology and Consumer Discretionary were the top performers for the month, but cyclical Value sectors of Industrials and Materials also outperformed. All three defensive sectors of Consumer Staples, Health Care, and Utilities underperformed, highlighting the continuation of risk-on sector leadership.

COVID impact on leadership

Cyclical Value sectors gained leadership from May 15 to June 5 as the growth rate in daily COVID-19 cases in the U.S. trended lower, and outperformed cyclical Growth sectors by 12%. Cyclical Growth sectors regained leadership on June 5, and outperformed cyclical Value sectors by over 11% since then.

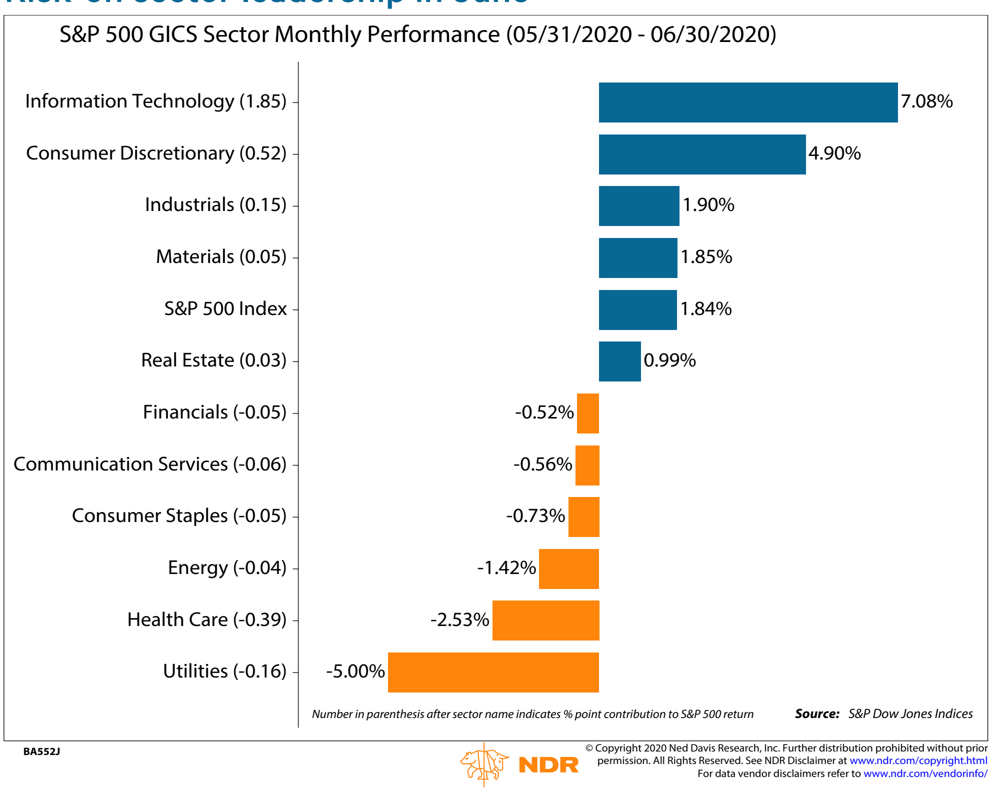
Cyclical Growth's resurgence roughly coincides with the rise in the daily COVID-19 growth rate which bottomed on June 8. A lower economic growth environment favors cyclical Growth over cyclical Value sectors, and investors may have come to the realization that a V-shaped recovery is becoming increasingly unlikely. Note that NDR neutralized its Value over Growth tactical call on July 7.

Current Recommendations

Sector	Position	Date
Financials	Overweight	06/10/2020
Technology	Overweight	06/03/2020
Communication Services	Marketweight	06/10/2020
Consumer Discretionary	Marketweight	03/12/2020
Energy	Marketweight	06/10/2020
Health Care	Marketweight	06/03/2020
Industrials	Marketweight	06/03/2020
Materials	Marketweight	03/12/2020
Consumer Staples	Underweight	06/10/2020
Real Estate	Underweight	06/10/2020
Utilities	Underweight	06/10/2020

● Overweight ● Marketweight ● Underweight

Risk-on sector leadership in June



Higher revisions, higher returns

Q3 earnings revision trends largely aligned with June sector performance. Consumer Discretionary and Technology had the highest Q3 earnings revision ratios, while Materials' and Industrials' were also higher than average. Conversely, analysts lowered Q3 estimates for defensive/bond proxy sectors **(table, page 2)**.

Moved more cyclical

We made two rounds of position changes in June, resulting in decidedly more aggressive sector positioning. We lifted our cyclical Value underweight by upgrading Energy and Industrials to marketweight, and Financials to overweight. We also lifted Technology to overweight, while downgrading defensive/bond proxy sectors of Consumer Staples (UW), Health Care (MW), Utilities (UW), and Real Estate (UW). The moves resulted in our strategist recommendation beta rising to its highest level since May 2018.

We have since put Financials on watch for a downgrade as the Fed moved to suspend Banks' share buybacks and cap dividend payments following its annual stress test. A flat yield curve and a likely U-shaped recovery should make it hard for the sector to see sustained outperformance.

Higher Q3 earnings revisions led to higher returns in June

Weekly Earnings Revisions as of 2020-07-02

	Q3 2020	SORT	Year 2020	
Sector	**Avg 4-wk EPS Change**	**Revisions Ratio**	**Avg 4-wk EPS Change**	**Revisions Ratio**
Consumer Discretionary	33.5	0.35	6.3	0.27
Information Technology	-2.4	0.22	-1.1	0.21
Health Care	-0.5	0.19	0.1	0.18
Industrials	-2.9	0.15	0	0.14
Materials	8.7	0.06	3.1	0.26
S&P 500	-3.4	0.03	-1.8	0.13
Energy	-6.9	-0.04	-29.9	0.23
Consumer Staples	-4.5	-0.14	-1.4	0.27
Financials	-6.6	-0.15	26.1	0.15
Real Estate	-16.9	-0.17	-61	-0.34
Utilities	-1.8	-0.2	-2	0.08
Communication Services	-2.6	-0.33	-2	-0.28

The Revisions Ratio = (#Up-#Down)/(#Up+#Down) based on each stock's median estimate versus 4-weeks ago.
Source: NDR Multi-Cap Institutional (Universe). S&P Capital IQ and MSCI, Inc. (GICS) Thomson I/B/E/S.

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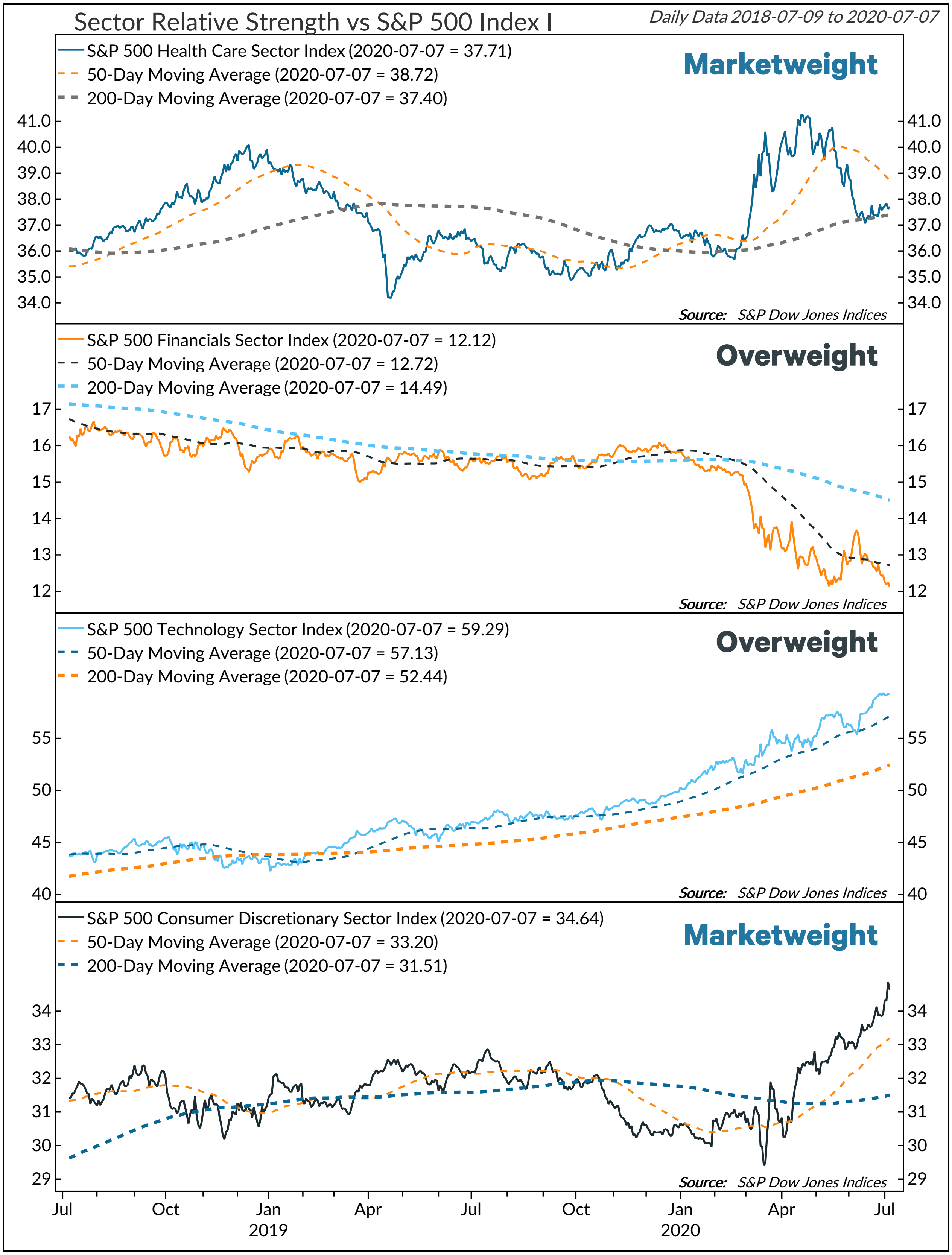
Technology and Discretionary have strongest relative strength trends



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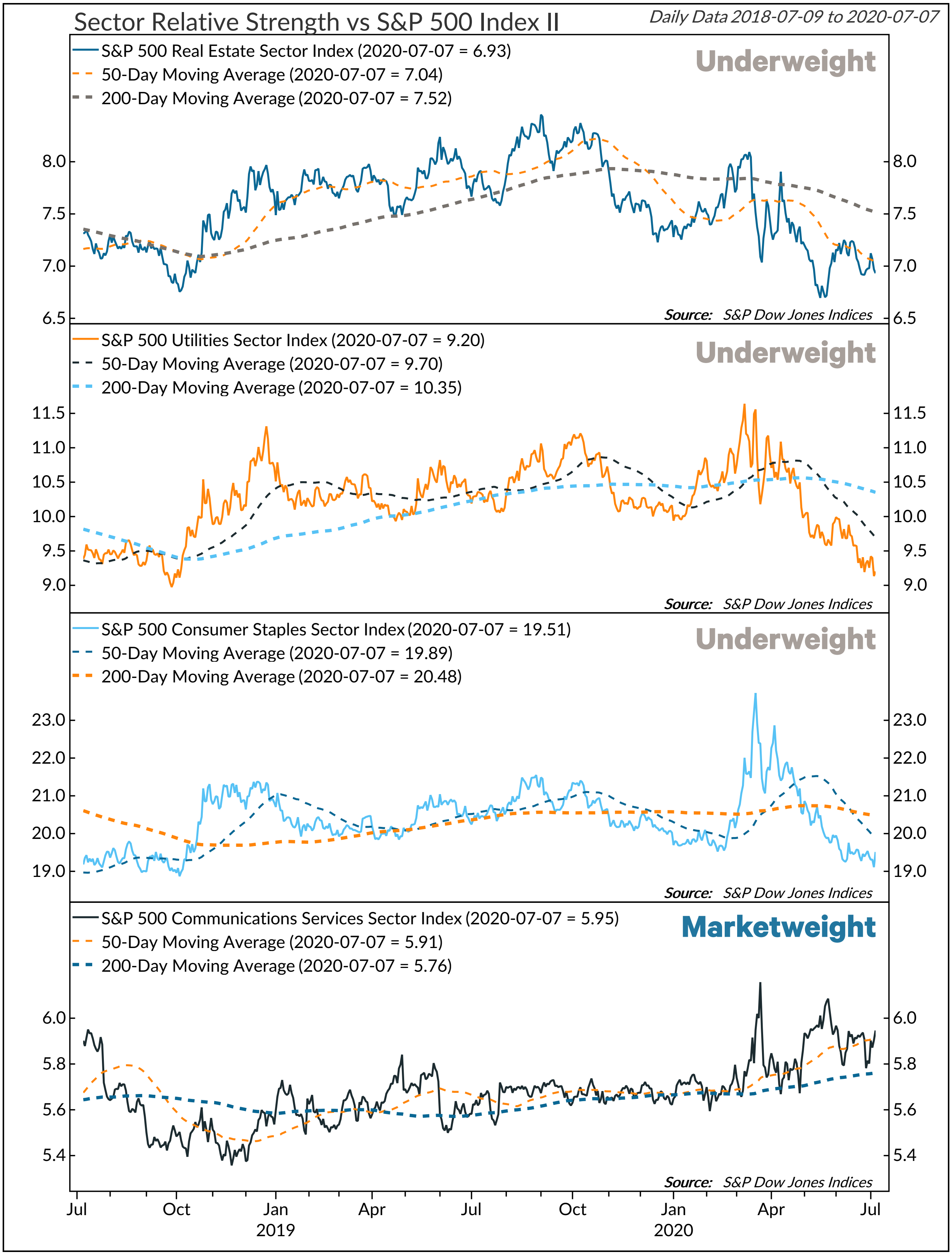
Defensive sectors weak in risk-on environment



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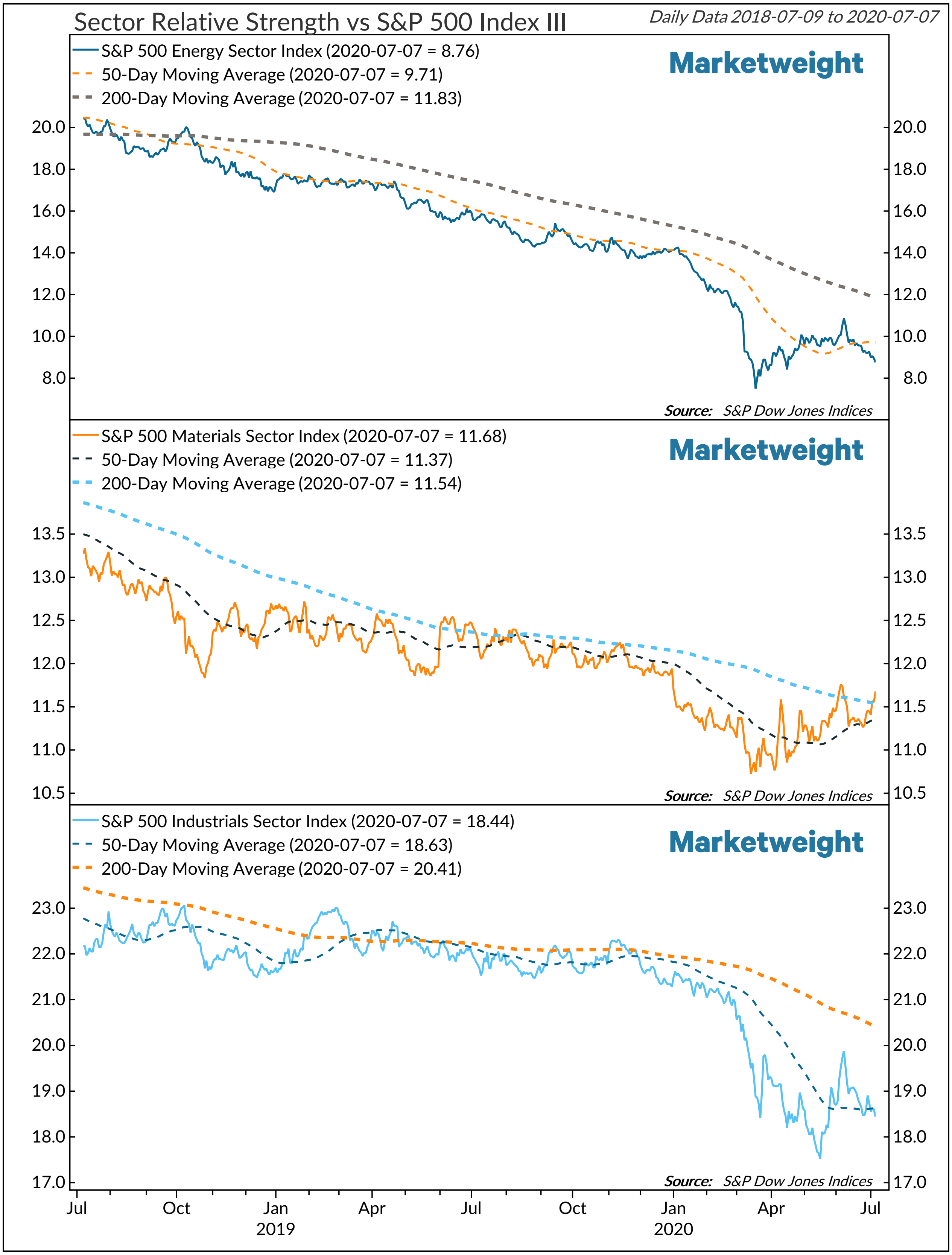
Cyclical Value sectors not as strong as Cyclical Growth in June



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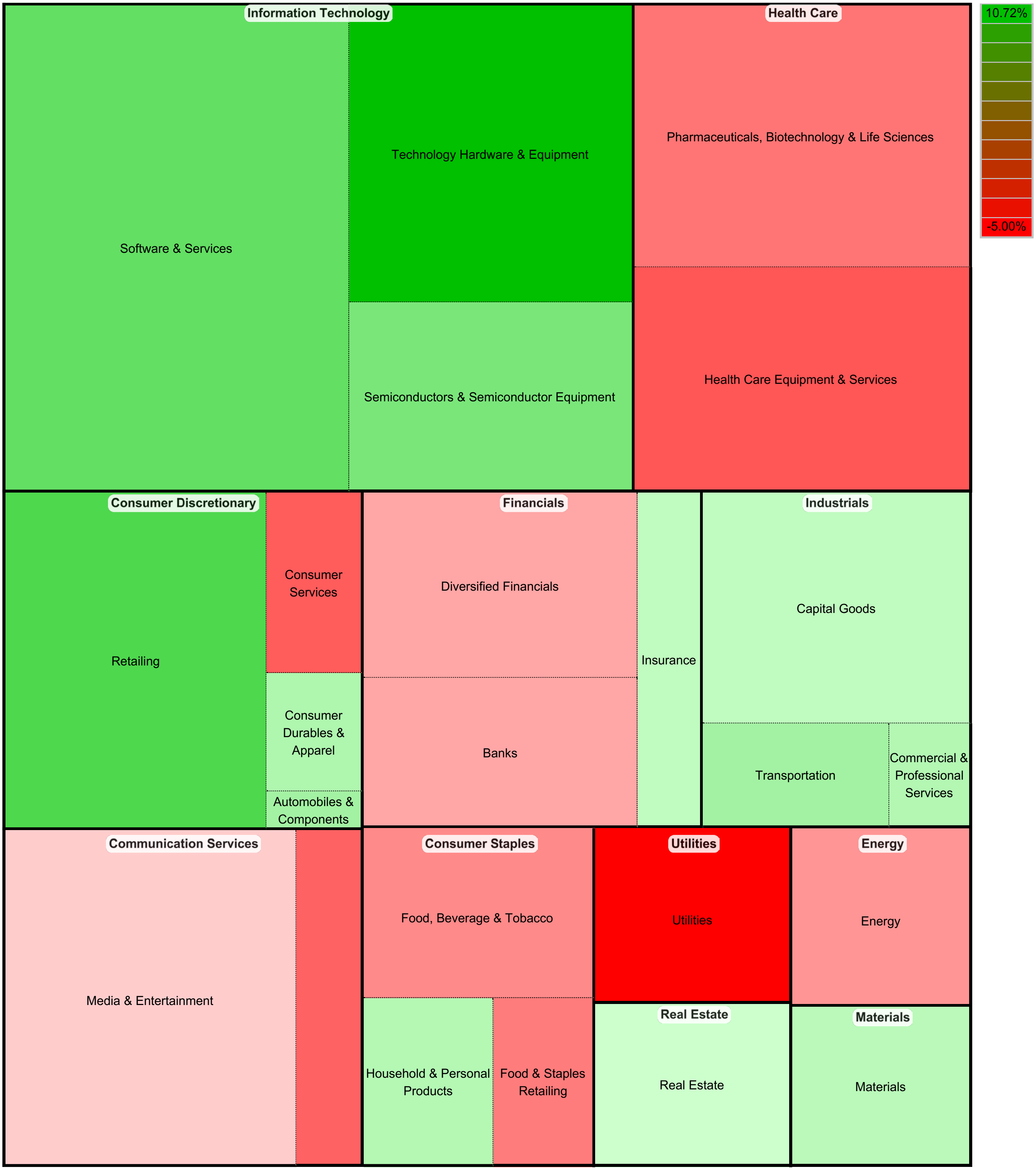
S&P 500 sector return Heat Map June 2020 monthly returns



Box sizes represent market-cap of sectors and industry groups. Color intensity reflects magnitude of return.
Sources: S&P Dow Jones Indices, Ned Davis Research

Communication Services: Marketweight effective 6/10/20

Key Takeaways

- Facebook, Alphabet, and Netflix outperforming by over 1200 basis points year-to-date.
- Fourth-best performing sector in 2020.
- Internet advertising revenue growth falling.

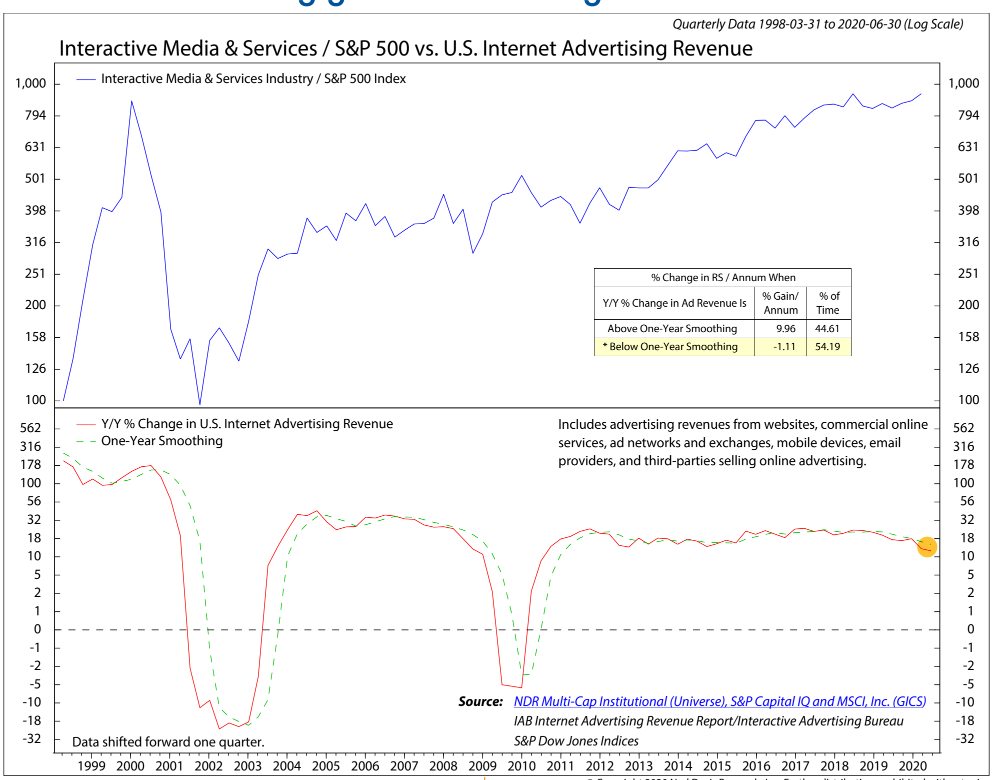
Communication Services lagged the market for much of the initial rally off the March 23 S&P 500 trough, but has outperformed by over 300 basis points since April 28. The sector is now the fourth-best performer year-to-date (YTD). We remain marketweight, but could upgrade soon on mega-cap strength.

Key drivers: The key for Communication Services is Alphabet and Facebook as the two companies make up 50% of the sector's market cap. The companies are facing headwinds as new EU antitrust rules target Alphabet, and advertisers flee Facebook to bring attention to issues the platform has in monitoring its users. Another headwind facing both companies is falling internet revenue growth. Y/Y internet adverting revenue growth in Q2 fell to 12.1%, the lowest level since Q2 2010. The Interactive Media & Services sub-industry (home to Alphabet and Facebook) has historically underperformed when Y/Y revenue growth falls below its one year average.

Indicators to watch: While Communication Services' telecom- and media-related names have underperformed YTD, the technology-related names have outperformed. The fact that the sector has been unable to "fire on all cylinders" has kept our sector model marketweight the sector. Watch mega-cap relative strength. An improvement from the telecom and media names, coupled with continued technology strength would warrant an upgrade to overweight.

Sector positives	Sector negatives
• Sector's tech-related mega caps are outperforming • Median Q1 earnings growth rate of 25.4% best among all sectors • Interactive Home Entertainment outperforming prior to new gaming console launch dates	• Internet advertising revenue growth is slowing • More scrutiny of big tech from U.S. and EU • Deteriorating sector breadth in June

Internet advertising growth is slowing



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Consumer Discretionary: Marketweight effective 3/12/20

Key Takeaways

- Amazon up over 60% year-to-date.
- Online sales surged 30.8% in May.
- Second-highest sector model score.

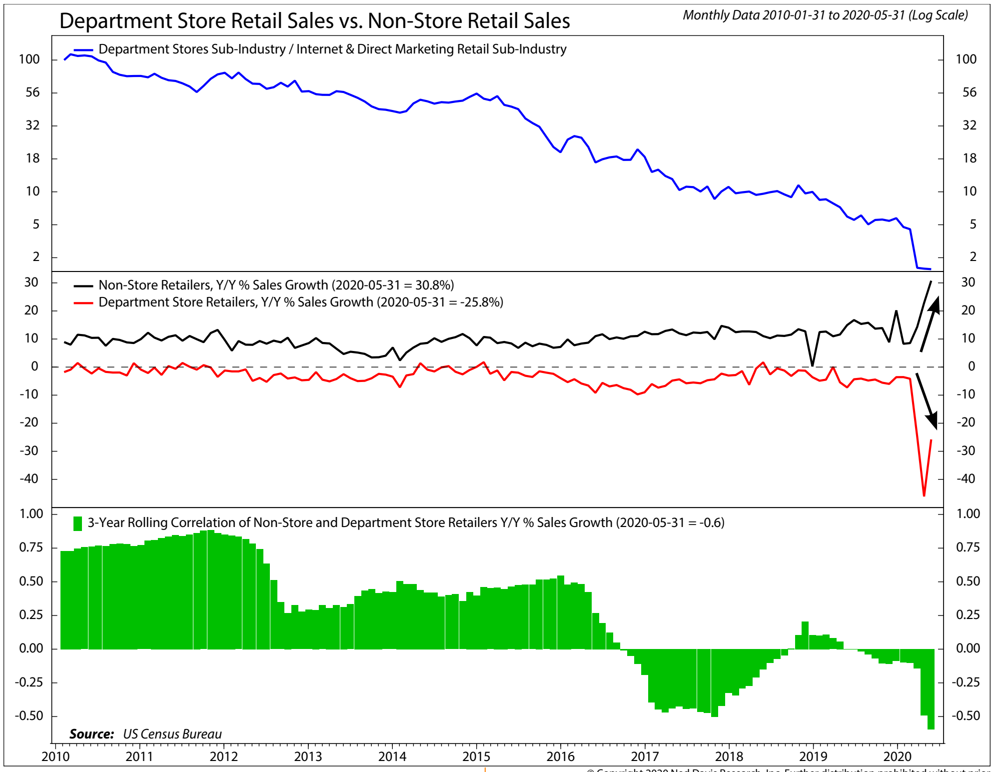
Mega-cap strength has propelled Consumer Discretionary in 2020. The sector was the second-best performer in June, and has outperformed by over 2600 basis points since March 17, best among all sectors. We lifted the sector to marketweight on January 16, and raised its allocation March 12. The sector has been a COVID leader, and we have the sector on watch for an upgrade.

Key drivers: Amazon, 46% of Consumer Discretionary's market cap, has risen over 55% in 2020. The company has benefitted from the record surge in online sales growth as consumers adapt spending habits to the pandemic. Y/Y online sales jumped 30.8% in May, while Y/Y department store retail sales fell 25.8%. Amazon's rise may be too much too fast, and it could see a consolidation period. The sector is very near-term overbought, over 4.0 standard deviations on a 63-day relative basis.

Indicators to watch: The sector's mega caps have outperformed in 2020 and have led the sector higher, but breadth remains weak. Only 25.9% of Discretionary's sub-industries have rising 200-day relative strength moving averages, leaving the sector vulnerable to a pullback on mega-cap weakness. For now, Amazon and the other mega caps maintain their relative strength uptrends, and the sector should continue to outperform until they break down. The sector has the second-highest sector model score, and we have Discretionary on watch for an upgrade.

Sector positives	Sector negatives
• Sector's mega caps outperforming • Earliest of early-cycle leaders • Most bullish internal sector model score	• Only 25.9% of sub-industries with rising 200-day moving averages • Sector has underperformed in periods of high unemployment claims • Over 4.0 standard deviations overbought based on relative 63-day returns

Online sales growth continues to soar



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Consumer Staples: Underweight effective 6/10/20

Key Takeaways

- Worst performing sector since March 23 market trough.
- Largest companies are among the worst performers.
- Defensive sectors tend to underperform following peaks in volatility.

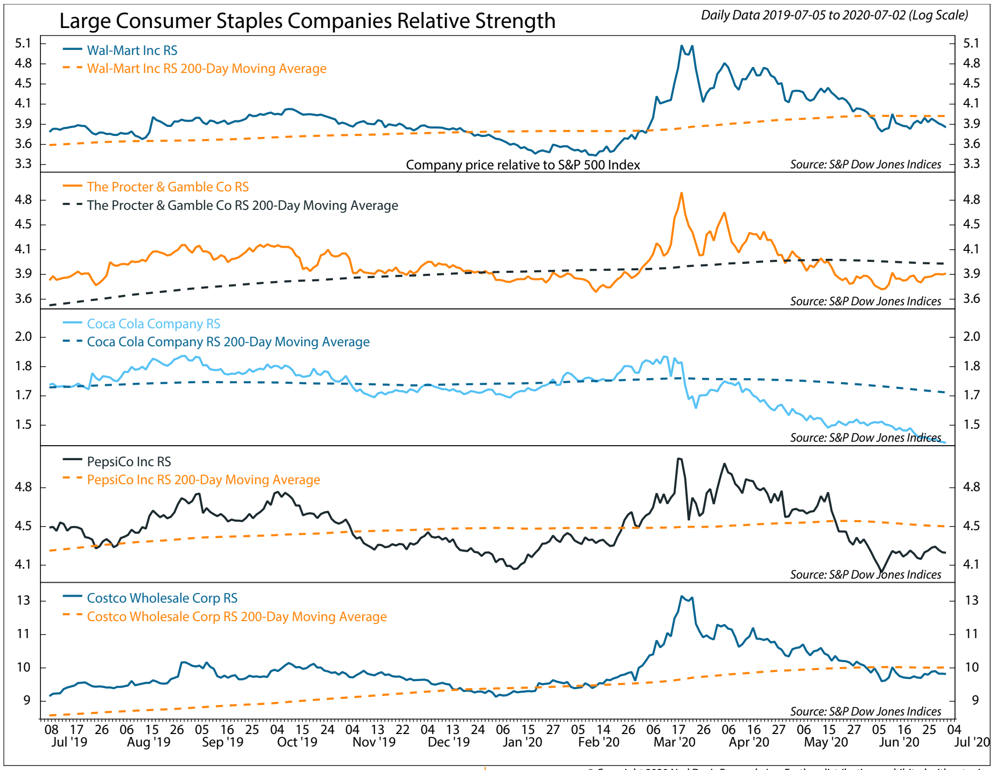
Indicators to watch: The weak macro environment coupled with the sector's improving earnings growth relative to the rest of the S&P 500, has historically been bullish for Staples. However, the market is looking past the weak economic and earnings data, expecting improvement in the second half of the year. Our sector model got more bearish on the sector in June. While the sector's external (macro-based) composite model score leans bullish, all six of the internal (technical) indicators are bearish. As long as the "risk on" market environment persists, we will remain underweight Consumer Staples.

Sector positives	Sector negatives
• Relative forward P/E 1.6 standard deviations below average • High relative earnings growth. • Bullish external sector model composite score	• Lower dividend yield than other bond proxy sectors • Zero bullish internal model indicators • Only 16.7% of sub-industries with rising 200-day moving averages

We downgraded Consumer Staples to underweight on June 10, as we increased our cyclical sector allocation. Staples was the best-performing sector from the February 19 S&P 500 peak to the March 23 trough, outperforming by over 900 basis points. While defensive sectors led on the way down, they have trailed on the rebound. Staples has been the worst performer among all sectors since March 23, underperforming by over 1800 basis points.

Key drivers: The largest companies in Consumer Staples have been the worst performers since mid-March. Walmart (WMT), Proctor & Gamble (PG), Coca-Cola (KO), Pepsi (PEP), and Costco (COST) have all underperformed the S&P 500 by more than 2100 basis points since March 18. Falling volatility is another concern, as the sector has a consistent record of underperformance following peaks in 100-day volatility.

Mega-cap weakness weighs on sector



Energy: Marketweight effective 6/10/20

Key Takeaways

- WTI continued to rally in June, up over 11%.
- Energy's relative volatility and market beta have spiked in 2020.
- The sector model remains underweight Energy.

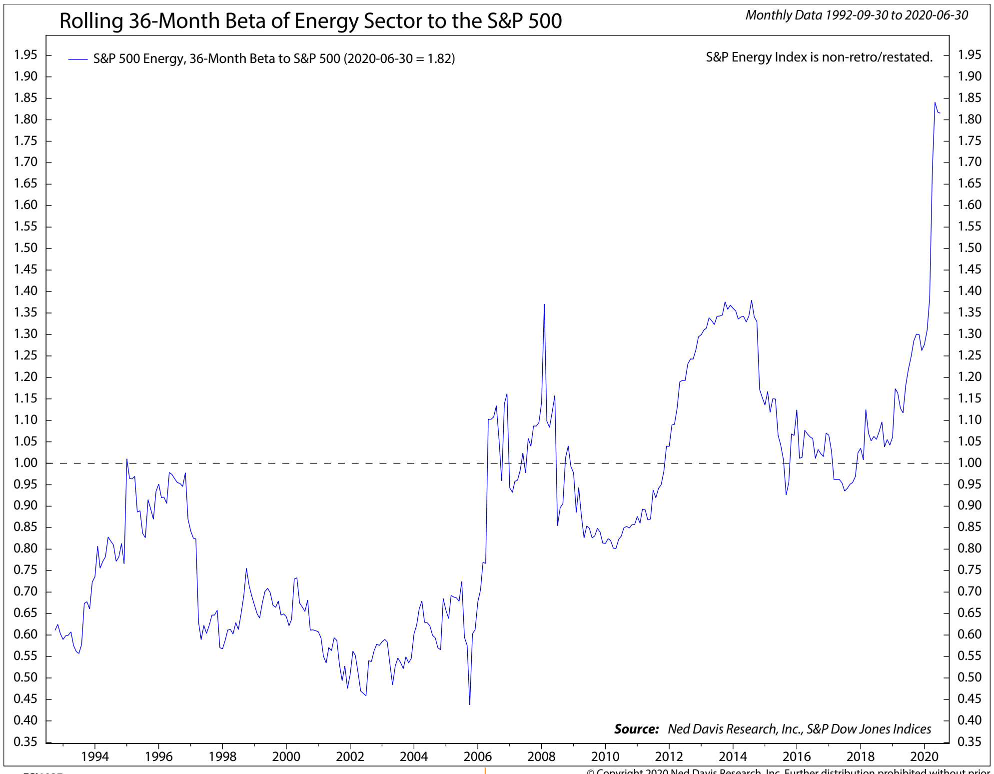
WTI continued to rally off its April lows in June, rising over 11% for the month. We upgraded the Energy sector to marketweight on June 10, following our Energy Strategist Warren Pies upgrading his oil outlook from bearish to neutral.

Key drivers: Energy's volatility has soared in 2020, with 50- and 100-day relative volatility highest among all sectors. The heightened volatility has led to a jump in the sector's beta, which now stands at 1.82, also highest among all sectors. The implication for investors is that the sector could be susceptible to underperformance on a market pullback, or see strong outperformance on market strength. The latter could be the case if mean reversion, a top quantitative factor in Q2, continues to work. Energy is more than 3.0 standard deviations oversold based on 26-week relative returns.

Indicators to watch: Our Total Petroleum Inventory Model remains on a sell signal after mostly bearish U.S. inventory readings since April. Despite the continuing up trend of the E&P "bust rate", inventory levels will likely remained elevated until global economies are able to reopen and stay open. Our sector model remained bearish following the June update. Breadth, momentum, and trend technical indicators are all bearish, as well as a majority of the sector's macro-based indicators. The model remains underweight the sector, and we could downgrade if the sustainability of the economic recovery comes into question.

Sector positives	Sector negatives
• High yield spread looks to have peaked • Flattening crude oil futures curve • Energy is 3.0 standard deviations oversold based on 26-week returns	• Huge drop in demand from pandemic lockdowns • Oil inventory reports mostly bearish • One of two underweight recommendations by sector model

Sector beta at all-time high



Financials: Overweight effective 6/10/20

Key Takeaways

- Fed imposed payout restrictions on Banks following stress test.
- 10-year Treasury yield has fallen back below 0.70%.
- We have the sector on watch for a downgrade.

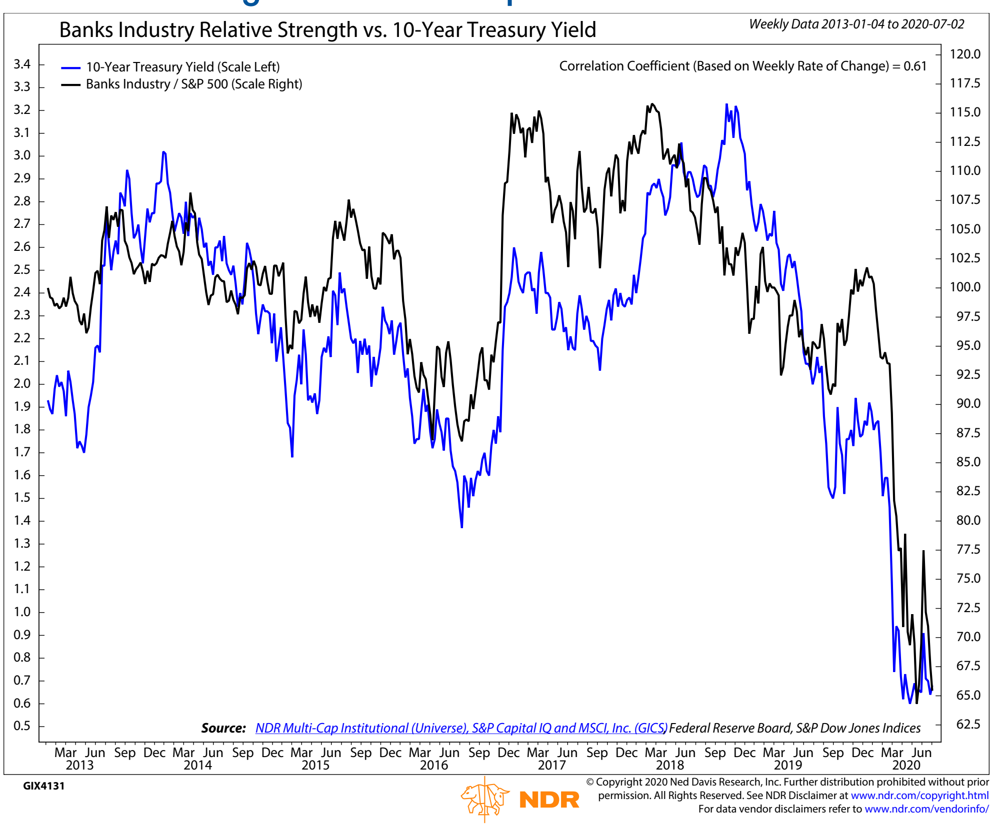
Financials has been the second-worst performing sector in 2020, underperforming by over 2500 basis points. The sector, however, rallied from mid-May to early-June as investor rotated into small cap and Value stocks. Leadership has reversed back to large cap and Growth stocks more recently, and Financials has underperformed by over 1000 basis points since June 8. We are overweight the sector, but have it on watch for a downgrade.

Key drivers: The Federal Reserve put new restrictions on the Banks industry following its annual stress test. The test revealed that even in the most severely adverse scenario, all banks in our Multi-cap Banks industry would maintain a minimum tier 1 capital ratio above 7%, however, some banks were uncomfortably close to falling below. The Fed responded by requiring that big banks suspend share buybacks and cap dividend payments at current levels in Q3. Dividends will be more closely tied to earnings going forward.

Indicators to watch: It will be hard for Banks, and in turn Financials, to see sustained outperformance until rates rise and the yield curve steepens. The 10-year Treasury yield peaked at 0.91% on June 5, but has since fallen below 0.70. Banks' relative strength correlation with the 10-year Treasury yield has risen to 0.61, emphasizing the importance of higher rates. Our sector model is marketweight the sector, with bullish-leaning external (macro-based) and bearish internal (price-based) indicators. We may follow the model soon by removing our overweight recommendation.

Sector positives	Sector negatives
• Over 2.5 SD oversold based on six-month relative returns. • Relative P/E over 1.50 standard deviations below average • Strong record of outperformance around start of expansions	• Bearish technical indicators in sector model • Low rates and flat yield curve weight on net interest income • Buybacks and dividends limited by Fed

Banks needs higher rates to outperform



Health Care: Marketweight effective 6/3/20

Key Takeaways

- Sector underperformed during risk-on June.
- Biotech remains strong as virus vaccines and treatments progress.
- Healthcare personal expenditures remain weak.

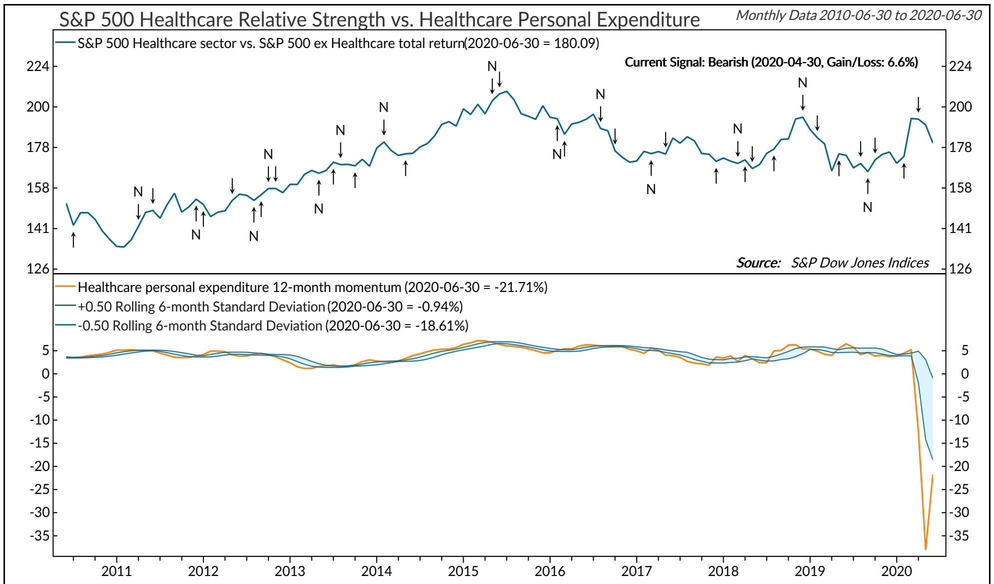
Health Care was one of our favorite sectors coming into 2020 based on high relative growth rates, low relative valuations, and a political discount we thought had potential to reverse. The sector benefitted from the defense leadership that materialized during the market selloff, outperforming by over 500 basis points from February 19 to March 23. The sector, however, underperformed by almost 400 basis points in June as cyclical leadership took hold. We downgraded the sector to marketweight on June 3.

Key drivers: The Biotech industry has risen over 17% in 2020 as investors bet on coronavirus vaccines and treatments. In the U.S., front runners have started to emerge. Moderna's (MRNA) Phase 1 results for its mRNA vaccine showed promise with all 45 subjects developing binding antibodies. The company hopes to start Phase 3 trails in July. Inovio (INO) saw measured immune response in 34 of 36 volunteers in the company's Phase 1 trial for its DNA-based vaccine. It plans to start Phase 2 and 3 trails this summer. All volunteers for Pfizer's (PFE) Phase 1 and Phase 2 trials for its mRNA vaccine produced antibodies at a rate 1.8 to 2.8 times higher than experienced by an average COVID-19 recovery.

Indicators to watch: Healthcare personal expenditures momentum remained weak in June, as elective procedures and preventative care have been put on hold during the pandemic. Even so, our sector model finds the macro environment attractive for the sector, but weak price action leaves the internal (technical) score bearish, and us at marketweight.

Sector positives	Sector negatives
• Less political risk with Biden as democratic candidate • Relative forward P/E over 2.0 SD below long-term average • Pent-up demand for preventative care and elective surgeries	• Both political parties are seeking to lower prescription drug prices • Underperforming in risk-on environment. • Second-lowest internal model score.

Expenditures down as preventative and elective care postponed



Bullish when indicator rises above upper bracket

Bearish when indicator falls below lower bracket.

Healthcare RS Performance **Full History:** 1972-01-31 to 2020-06-30		
Healthcare personal expenditure indicator is	% Gain/ Annum	% of Time
Bullish	3.89	39.73
Neutral	-1.15	16.53
Bearish	-0.25	43.74
Buy/Hold = 1.22% Gain/Annum		

Healthcare RS Performance **Chart View:** 2010-06-30 to 2020-06-30		
Healthcare personal expenditure indicator is	% Gain/ Annum	% of Time
Bullish	10.08	40.79
Neutral	-3.40	18.42
Bearish	-3.78	40.79
Buy/Hold = 1.72% Gain/Annum		

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Industrials: Marketweight effective 6/3/20

Key Takeaways

- Leading indicators point to continued capex weakness.
- Should be pent-up demand on other side of pandemic.
- Best performing sector since May 14.

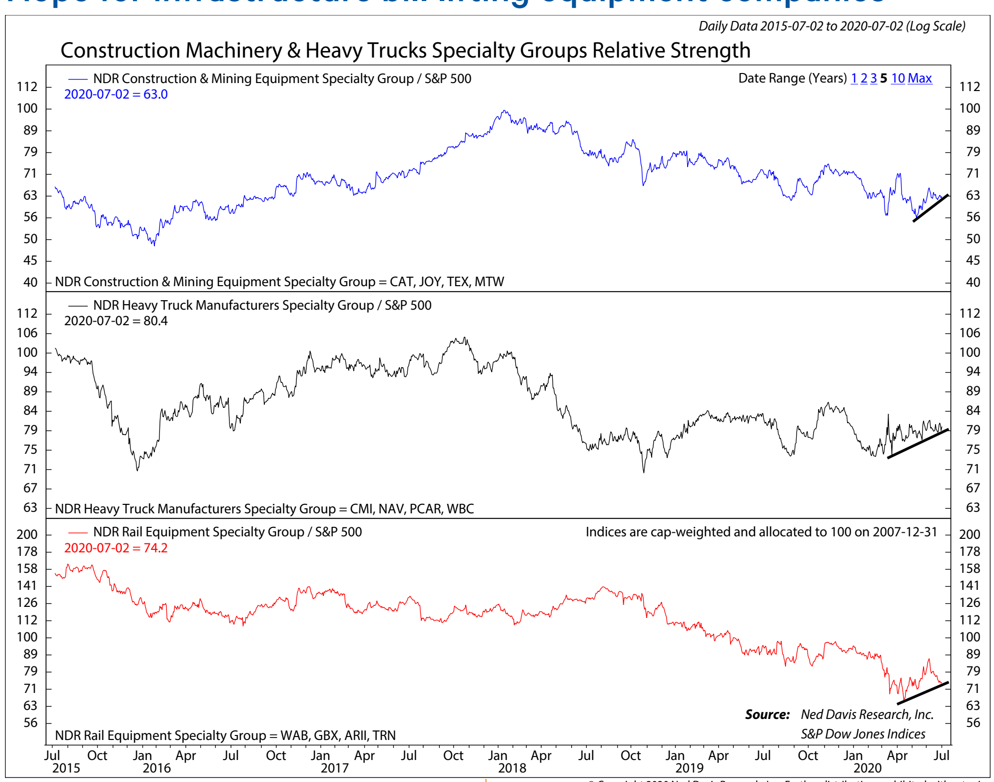
Industrials is one of the most economically-sensitive sectors, and has underperformed by over 1000 basis points year-to-date as the coronavirus thwarts economies around the world. The sector has, however, rebounded strongly since May 14, outperforming by over 800 basis points. Industrials is the most long-term (relative 756-day returns) oversold among all sectors, and mean reversion has historically been a leading quantitative factor following economic recessions. We lifted the sector to marketweight on June 3 as we turned more bullish on cyclical Value sectors.

Key drivers: Reports that the Trump administration is preparing a nearly $1 trillion infrastructure proposal as part of the governments continuing efforts to support the economy lifted shares of equipment companies. Our Construction & Mining Equipment, Heavy Truck Manufacturers, and Rail Equipment specialty groups have all outperformed since mid-May. The sector's largest industry, Aerospace & Defense, has also been strong, outperforming by over 1000 basis points since May 14, but is still down 1800 basis points year-to-date.

Indicators to watch: We question the long-term sustainability of any Industrials' rally that is not accompanied by capex spending growth. Many of our leading capex indicators point to continued weakness, including CEO confidence, credit conditions, capacity utilization, and economic policy uncertainty. There should be pent-up demand on the other side of the pandemic, but would like to see signs of capex follow through before lifting to overweight.

Sector positives	Sector negatives
• Most long-term oversold sector • Pent-up demand for capex rising • Possibility of infrastructure bill lifting equipment manufactures.	• Leading indicators point to continued capex weakness • All external sector model indicators are bearish • Largest industry Aerospace & Defense underperforming by 1800 basis points YTD

Hope for infrastructure bill lifting equipment companies



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Information Technology: Overweight effective 6/3/20

Key Takeaways

- Best performing sector year-to-date.
- Highest expected FY 2020 median earnings growth rate.
- Overweight recommendation by sector model.

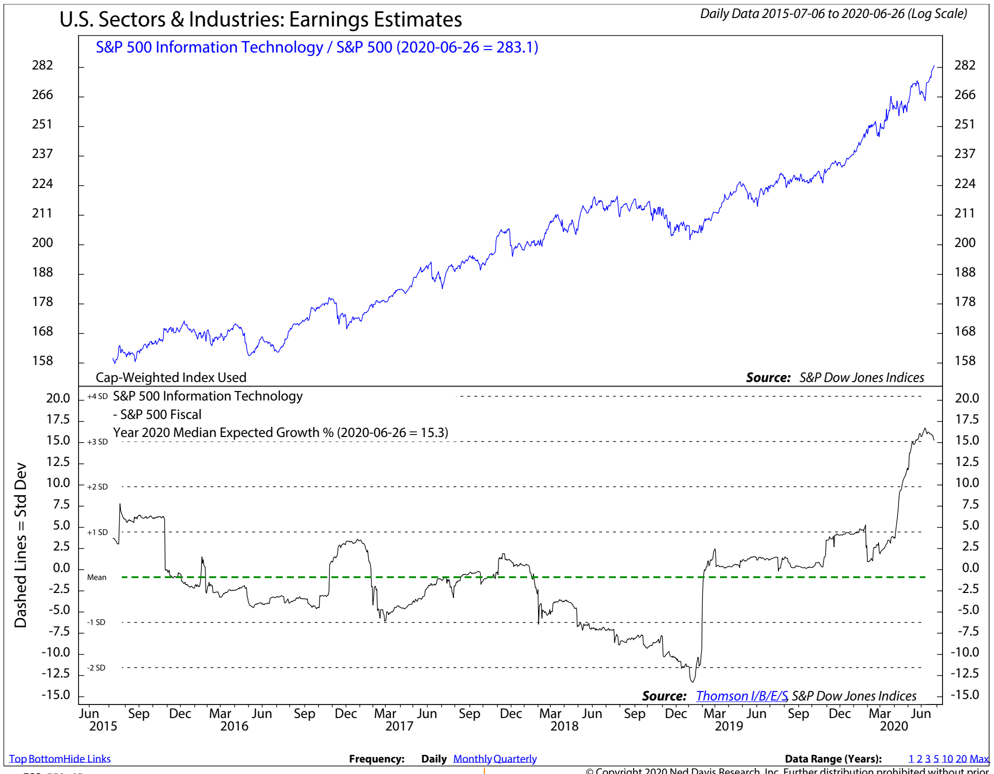
S&P 500 Technology is up over 12% year-to-date, and is the best performing sector in 2020. The sector's large cash balances, low debt levels, and strong relative earnings growth have resulted in it becoming a rare cyclical safe-haven. We lifted Technology to overweight on June 3.

Key drivers: Many of the best performing quantitative factors in 2020 have been quality factors that emphasize strong balance sheets. By many measures, Technology has the strongest balance sheet among all sectors. For example, only 10% of S&P 500 Technology's constituents have interest coverages ratios (EBIT / Interest expense) below 4, the lowest among all sectors. In addition to Technology's strong balance sheet, the sector has seen high earnings growth relative to the S&P 500. Technology's median earnings growth in Q1 2020 was 16.1%, compared to 2.2% for the S&P 500. The relative earnings strength is expected to continue with Technology's expected FY 2020 median earnings growth rate at 6.2% (best among all sectors) vs. -9.1% for the S&P 500.

Indicators to watch: Our sector model continues to favor Technology. The June model update left the sector with all bullish internal (price-based) model indicators and only one bearish external (macro-based) indicator. Watch software spending trends. Software spending slowed to 6.7% in Q1, but still remains the highest capex growth area. A breakdown would be bearish development for the sector.

Sector positives	Sector negatives
• Outperforms in periods of falling volatility • Strong relative breadth. • Highest sector model score	• Most overbought on relative two-month return basis • EU looking at new ways to regulate big U.S. tech • U.S. tension with China on the rise

FY 2020 relative expected earnings growth highest for Tech



Materials: Marketweight effective 3/12/20

Key Takeaways

- Largest industry Chemicals outperforming since end of March.
- Commodity prices rose in June.
- Global recession hurting demand.

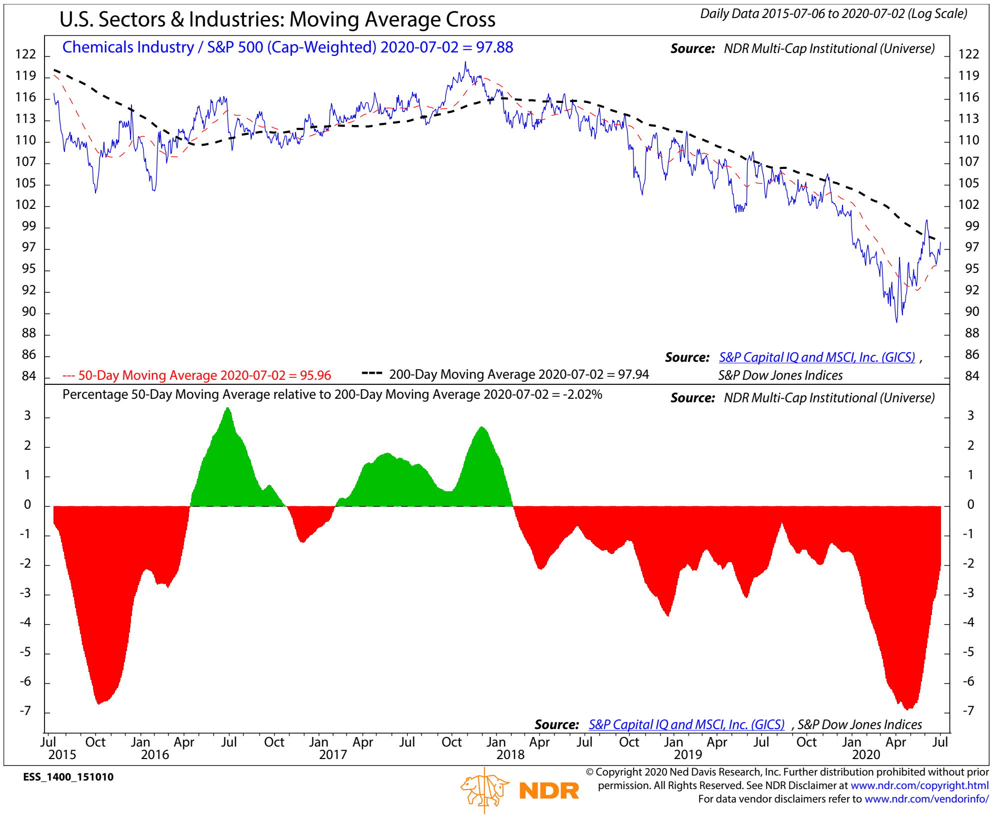
Oversold and cyclical sectors have led since the March 23 market trough, and Materials has been part of that group. After underperforming by over 700 basis points in 2020 up until March 23, the sector has since outperformed by over 600 basis points. We upgraded other cyclical Value sectors in June, but maintained our January 2019 marketweight of Materials. We will consider lifting Materials to overweight on improved economic and coronavirus data.

Key drivers: The key for Materials is the Chemicals industry as it comprises over 70% of the sector's market cap. Chemicals' relative strength line bottomed on March 31, and it has been making higher lows and higher highs since, a bullish sign for the sector. A relative strength golden cross (50-day moving average rising above 200-day) would help confirm the trend has staying power.

Indicators to watch: Demand for raw materials has risen as global economies, including the worlds' dominate commodity consumer China, begin to reopen. Copper for example is up 31%, gold is up 22%, and crude futures are up over 85% from their 2020 bottoms. In addition, over 50% of NDR Commodity Trend Models are on "buy" signals, and the average commodity trend model score is above 59.4, conditions that have historically been bullish for the sector. Our sector model remained marketweight in the June update, a recommendation we will match until we see more evidence of a sustained global recovery.

Sector positives	Sector negatives
• Chemicals outperforming since March 31. • 56% of commodity trend models are on "buy" signals • Strong insider buying	• 15.3% of sub-industries with rising 200-day moving averages • Consumer over commodity sector secular bull continues • Global recession hurting demand

Chemicals making higher highs and higher lows



Real Estate: Underweight effective 6/10/20

Key Takeaways

- Third-best performing sector since May 20.
- Most oversold REITs starting to bounce as economy reopens.
- REITs Trend Model favors Specialized REITs.

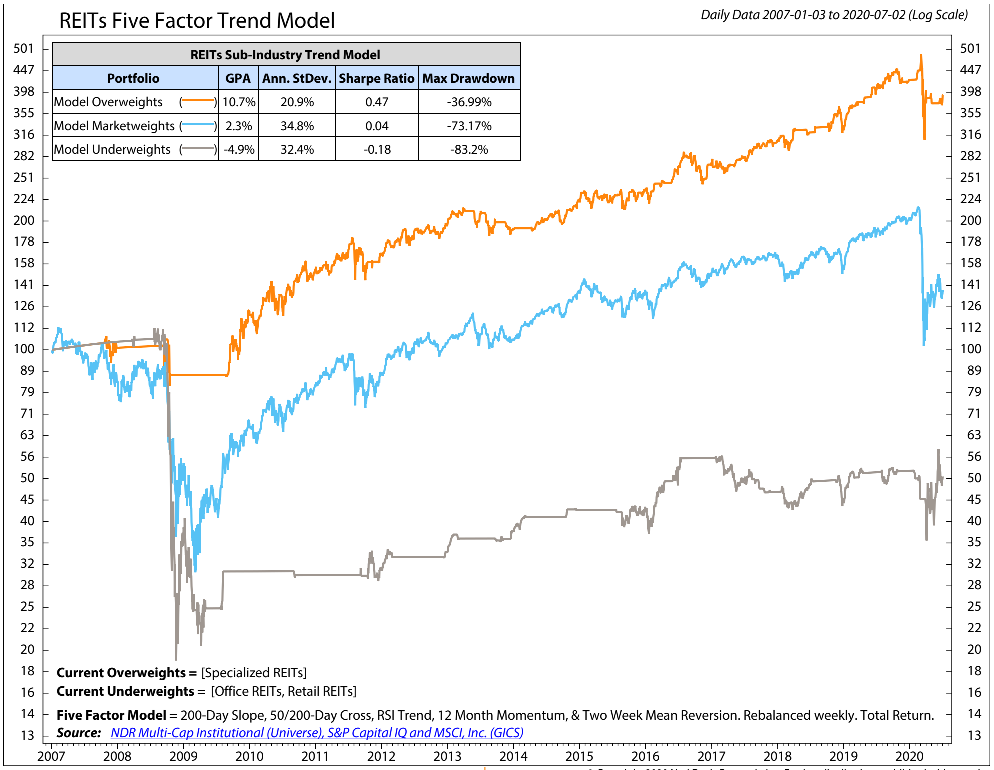
Real Estate was a market performer in 2020 up until the February 19 S&P 500 peak. Since then, the sector has underperformed by over 1900 basis points, and Real Estate is now the fourth-worst performing sector year-to-date. We lowered the sector to underweight on June 10.

Key drivers: The pandemic-induced recession has created a large dispersion of returns within the Equity REITs industry (over 95% of sector market cap). Retail REITs, for example, has underperformed by over 3400 basis points year-to-date, while Specialized REITs outperformed by over 700 basis points. This performance gap, however, has started to close as the economy reopens and the most oversold names begin to bounce back. Retail REITs has outperformed by over 1100 basis points since May 20, and the Real Estate sector outperformed by almost 400 basis points since then, best among all sectors.

Indicators to watch: It is still too early to get bullish at the sector level. Our sector model remains underweight Real Estate, as the near-term outperformance has not been confirmed by the models' longer-term indicators. Our Industry REITs Scorecard is also bearish. For investors looking to get into the space, watch our REITs Five Factor Trend Model. The model is currently overweight Specialized REITs, the best performing of all REITs in 2020.

Sector positives	Sector negatives
• Relative P/E over 2.0 standard deviations below average • Second-highest dividend yield among sectors • Mean reversion potential for most oversold REITs	• Not as defensive as other low beta sectors • Only 13.3% of issues above their 200-day moving averages, fourth fewest among sectors • Underweight in sector model

Trend model favors Specialized REITs



Portfolio	GPA	Ann. StDev.	Sharpe Ratio	Max Drawdown
Model Overweights	10.7%	20.9%	0.47	-36.99%
Model Marketweights	2.3%	34.8%	0.04	-73.17%
Model Underweights	-4.9%	32.4%	-0.18	-83.2%

Utilities: Underweight effective 6/10/20

Key Takeaways

- Worst performing sector since March 18.
- Capacity utilization falling and bad debt rising.
- Sector model upgraded Utilities to marketweight.

Utilities did not live up to its defensive reputation during the market selloff, as the sector underperformed by over 200 basis points from the February 19 S&P 500 peak to the March 23 trough. Weakness has continued since March 23, with the sector underperforming by an additional 1400 basis points. We downgraded the sector to underweight on June 10.

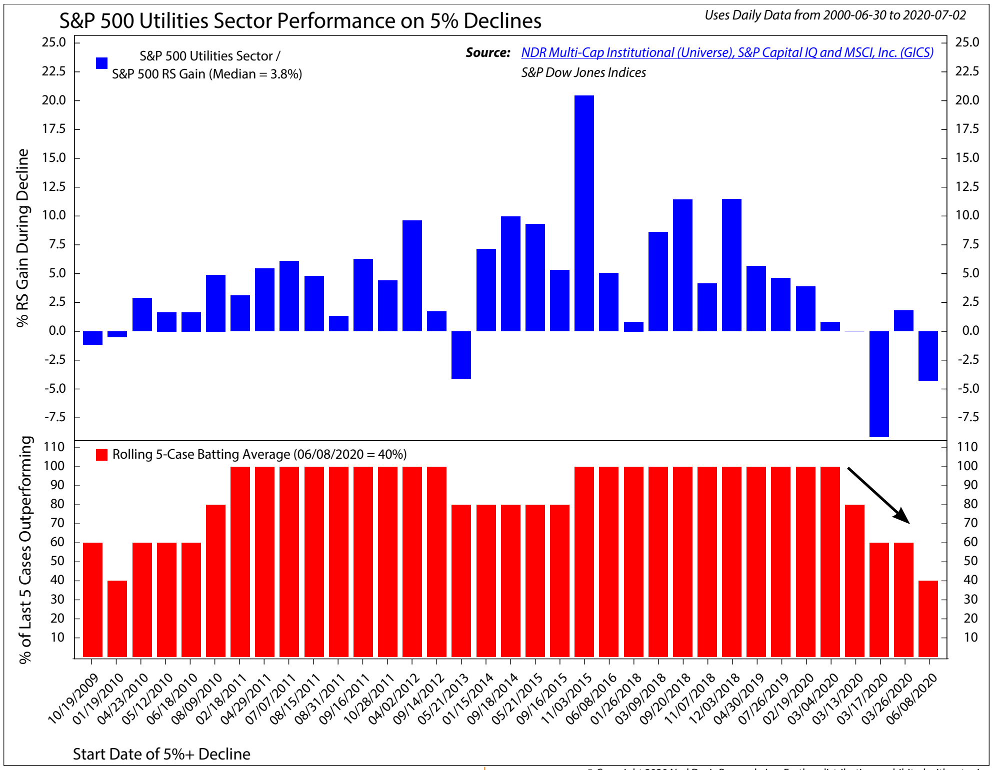
Key drivers: 28 states and the District of Columbia have enacted disconnection moratoriums while the coronavirus hampers the ability of many customers to pay their bills. In states without disconnection suspension orders, many utilities have voluntarily stopped disconnecting customers. While mechanisms are in place with regulators that should allow the recovery of these losses, the sector could experience near-term discomfort as Utilities' leverage is among the highest of all sectors.

Indicators to watch: Utilities has been acting less defensive in 2020 than normal, outperforming in only two of the last five market declines of 5% or greater. Watch market volatility. Higher volatility supports a more conservative sector positioning, but we prefer Health Care over Utilities for defensive exposure. Another concern for the sector would be a steeper yield curve.

On June 8, NDR reduced its bond exposure to 100% of benchmark duration, essentially a call for a steeper curve. Our sector model upgraded Utilities to marketweight in June, and we may follow if we shift more defensive.

Sector positives	Sector negatives
• Third-highest dividend yield • Forward relative P/E below long-term average • Sector model upgraded Utilities to marketweight	• Falling capacity utilization and rising bad debt • COVID-19 disrupting uranium supply, bad for nuclear utilities • Sector not acting as defensive as normal

Sector acting less defensive in 2020



NED DAVIS RESEARCH

NDRsales@ndr.com
www.ndr.com
(800) 241-0621

VENICE
600 Bird Bay Drive West
Venice, FL 34285
(941) 412-2300

NEW YORK
1120 Avenue of the Americas
6th Floor
New York, NY 10036
(646) 810-7270

BOSTON
711 Atlantic Ave
6th Floor
Boston, MA 02110
(617) 279-4860

ATLANTA
7000 Central Parkway
Suite 1100
Atlanta, GA 30328
(678) 303-0097

SAN FRANCISCO
50 California Street
Suite 1500
San Francisco, CA 94111
(415) 277-5477

LONDON
8 Bouverie Street
Temple, London
EC4Y 8AX
+44 (0) 20 7779-8682

HONG KONG
38/F Hopewell Centre
183 Queen's Road East
Wanchai
+852 3416 6676

AUSTRALIA
19/1 O'Connell Street
Sydney, Australia
+61282491867

NDR
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NDRG's sector team uses a quantitative sector model as the primary guide to deriving our recommendations. The model is designed to identify sectors and industries with the strongest fundamental (macro, economic, valuation, profitability) and technical price trends. Our team uses the model as the framework for our tactical shifts around longer-term fundamental themes. As a discipline, our recommendations are put on a "short leash" if they rank opposite the model's top and bottom quintiles, unless industry-specific influences can be shown to dominate.

Some sectors receive "over-," "market-," or "under-" weight recommendations, which means that the research firm recommends that more, the same, or less of the sector should be held in your portfolio than is held in the market.

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See the signals. Avoid mistakes.

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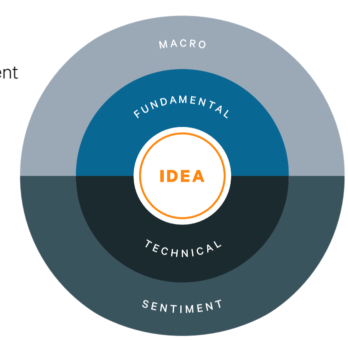

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