

This week, the volatility in our sector attractiveness rankings is significant. After falling last week, the autos sector has moved back into the top 5 group as underlying model scores improved across each of our core valuation, technical and catalytic metrics. The industrial products sector also made a strong move up due to an improved technical outlook combined with higher catalytic scores. Likewise, the basic materials sector advanced in our rankings and broke out of the bottom 5 group on favorable change in the technical outlook and underlying valuation scores. Moving in the opposite direction, we note that the healthcare sector has fallen into the bottom 5 group, displacing the conglomerates due to deteriorating technical and valuation properties.

Table 1 – Current Sector Rankings and Changed from Last Report (as of April 27, 2018)

| | PREVIOUS INTEGRATED RANK | CURRENT INTEGRATED RANK | CHANGE IN RANK |
|-------------------------|---|--|---------------------------|
| AUTO-TIRES-TRUCKS | 7 | 1 | 6 |
| CONSUMER STAPLES | 1 | 2 | -1 |
| CONSUMER DISCRETIONARY | 2 | 3 | -1 |
| INDUSTRIAL PRODUCTS | 10 | 4 | 6 |
| CONSTRUCTION | 3 | 5 | -2 |
| COMPUTER AND TECHNOLOGY | 4 | 6 | -2 |
| BUSINESS SERVICES | 5 | 7 | -2 |
| BASIC MATERIALS | 13 | 8 | 5 |
| CONGLOMERATES | 12 | 9 | 3 |
| AEROSPACE | 9 | 10 | -1 |
| RETAIL-WHOLESALE | 8 | 11 | -3 |
| MEDICAL | 6 | 12 | -6 |
| OILS-ENERGY | 15 | 13 | 2 |
| TRANSPORTATION | 11 | 14 | -3 |
| FINANCE | 14 | 15 | -1 |
| UTILITIES | 16 | 16 | 0 |

Table 2 – Current Sector Rankings with Rankings for Absolute-Scale & Relative-Scale Metrics

| SECTOR | CURRENT INTEGRATED RANK | ABSOLUTE-SCALE METRICS | | RELATIVE-SCALE METRICS | | | |
|-------------------------|-------------------------|------------------------|--------------------------|-----------------------------|----------------|----------------|----------------|
| | | Technical Outlook RANK | Fundamental Outlook RANK | CURRENT RELATIVE SCALE RANK | VALUATION RANK | TECHNICAL RANK | CATALYTIC RANK |
| AUTO-TIRES-TRUCKS | 1 | 1 | 1 | 1 | 1 | 1 | 6 |
| CONSUMER STAPLES | 2 | 2 | 8 | 13 | 6 | 4 | 15 |
| CONSUMER DISCRETIONARY | 3 | 3 | 3 | 10 | 8 | 6 | 13 |
| INDUSTRIAL PRODUCTS | 4 | 5 | 6 | 4 | 11 | 3 | 5 |
| CONSTRUCTION | 5 | 4 | 2 | 6 | 4 | 7 | 12 |
| COMPUTER AND TECHNOLOGY | 6 | 6 | 5 | 7 | 14 | 8 | 9 |
| BUSINESS SERVICES | 7 | 11 | 4 | 8 | 13 | 2 | 8 |
| BASIC MATERIALS | 8 | 8 | 13 | 2 | 5 | 10 | 2 |
| CONGLOMERATES | 9 | 7 | 12 | 5 | 12 | 5 | 1 |
| AEROSPACE | 10 | 10 | 10 | 15 | 16 | 12 | 3 |
| RETAIL-WHOLESALE | 11 | 12 | 11 | 16 | 3 | 15 | 16 |
| MEDICAL | 12 | 13 | 9 | 11 | 15 | 11 | 7 |
| OILS-ENERGY | 13 | 14 | 15 | 3 | 7 | 16 | 4 |
| TRANSPORTATION | 14 | 9 | 16 | 9 | 2 | 9 | 14 |
| FINANCE | 15 | 15 | 14 | 14 | 10 | 13 | 11 |
| UTILITIES | 16 | 16 | 7 | 12 | 9 | 14 | 10 |

Table 3 – Historical Sector Rankings (last 12 months)

| SECTOR | Current Sector Rank 04/27/2018 | MAR 2018 | FEB 2018 | JAN 2018 | DEC 2017 | NOV 2017 | OCT 2017 | SEP 2017 | AUG 2017 | JUL 2017 | JUN 2017 | MAY 2017 | APR 2017 | AVG HST RANK |
|-------------------------|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|
| AUTO-TIRES-TRUCKS | 1 | 1 | 7 | 9 | 6 | 6 | 1 | 10 | 6 | 6 | 10 | 2 | 6 | 5.8 |
| CONSUMER STAPLES | 2 | 2 | 1 | 6 | 16 | 15 | 16 | 11 | 15 | 11 | 14 | 9 | 11 | 10.6 |
| CONSUMER DISCRETIONARY | 3 | 7 | 8 | 11 | 10 | 10 | 2 | 1 | 3 | 9 | 8 | 5 | 15 | 7.4 |
| INDUSTRIAL PRODUCTS | 4 | 5 | 4 | 3 | 4 | 2 | 5 | 3 | 4 | 5 | 4 | 4 | 2 | 3.8 |
| CONSTRUCTION | 5 | 4 | 2 | 7 | 2 | 7 | 6 | 6 | 7 | 2 | 3 | 6 | 5 | 4.8 |
| COMPUTER AND TECHNOLOGY | 6 | 10 | 11 | 15 | 5 | 3 | 3 | 2 | 5 | 8 | 6 | 10 | 8 | 7.2 |
| BUSINESS SERVICES | 7 | 3 | 6 | 12 | 11 | 9 | 13 | 7 | 9 | 7 | 5 | 8 | 7 | 8.1 |
| BASIC MATERIALS | 8 | 12 | 13 | 13 | 3 | 4 | 4 | 12 | 16 | 15 | 16 | 11 | 4 | 10.3 |
| CONGLOMERATES | 9 | 8 | 3 | 1 | 7 | 1 | 7 | 15 | 10 | 14 | 1 | 1 | 16 | 7.0 |
| AEROSPACE | 10 | 14 | 15 | 8 | 8 | 11 | 15 | 5 | 2 | 1 | 9 | 13 | 14 | 9.6 |
| RETAIL-WHOLESALE | 11 | 9 | 9 | 5 | 15 | 16 | 11 | 14 | 13 | 13 | 13 | 14 | 13 | 12.1 |
| MEDICAL | 12 | 13 | 14 | 16 | 14 | 13 | 9 | 8 | 14 | 12 | 11 | 15 | 12 | 12.6 |
| OILS-ENERGY | 13 | 11 | 16 | 14 | 9 | 5 | 12 | 16 | 11 | 16 | 7 | 3 | 1 | 10.1 |
| TRANSPORTATION | 14 | 6 | 12 | 2 | 13 | 14 | 14 | 13 | 12 | 4 | 12 | 12 | 10 | 10.3 |
| FINANCE | 15 | 15 | 10 | 10 | 1 | 12 | 10 | 4 | 1 | 3 | 2 | 7 | 3 | 6.5 |
| UTILITIES | 16 | 16 | 5 | 4 | 12 | 8 | 8 | 9 | 8 | 10 | 15 | 16 | 9 | 10.0 |

Table 4 – Highlighted Names from Most and Least Attractive Sectors (April 27, 2018)

**Most Attractive Names
from the
Most Attractive Sectors**

**Least Attractive Names
from the
Least Attractive Sectors**

| Polaris All-Cap Core Universe | | |
|--------------------------------------|--------------------------------------|---------------|
| | Company | Ticker |
| | <u>AUTO-TIRES-TRUCKS</u> | |
| 1 | Tenneco Inc | TEN |
| 2 | Navistar Intl | NAV |
| 3 | Lkq Corp | LKQ |
| | <u>CONSUMER STAPLES</u> | |
| 1 | Tyson Foods A | TSN |
| 2 | Pilgrims Pride | PPC |
| 3 | Coca Cola Co | KO |
| | <u>CONSUMER DISCRETIONARY</u> | |
| 1 | Vista Outdoor | VSTO |
| 2 | Royal Caribbean | RCL |
| 3 | Mgm Resorts Int | MGM |
| | <u>INDUSTRIAL PRODUCTS</u> | |
| 1 | Terex Corp | TEX |
| 2 | Enpro Indus Inc | NPO |
| 3 | Barnes Grp | B |
| | <u>CONSTRUCTION</u> | |
| 1 | Us Concrete Inc | USCR |
| 2 | Owens Corning | OC |
| 3 | Quanta Services | PWR |

| Polaris All-Cap Core Universe | | |
|--------------------------------------|------------------------------|---------------|
| | Company | Ticker |
| | <u>UTILITIES</u> | |
| 1 | El Paso Elec Co | EE |
| 2 | One Gas Inc | OGS |
| 3 | Dte Energy Co | DTE |
| | <u>FINANCE</u> | |
| 1 | Trupanion Inc | TRUP |
| 2 | Equity Commonwl | EQC |
| 3 | Assurant Inc | AIZ |
| | <u>TRANSPORTATION</u> | |
| 1 | Alaska Air Grp | ALK |
| 2 | Delta Air Lines | DAL |
| 3 | Cdn Natl Ry Co | CNI |
| | <u>OILS-ENERGY</u> | |
| 1 | Canadian Solar | CSIQ |
| 2 | Schlumberger Lt | SLB |
| 3 | Now Inc | DNOW |
| | <u>MEDICAL</u> | |
| 1 | Therapeutics Md | TXMD |
| 2 | West Pharm Svc | WST |
| 3 | Zimmer Biomet | ZBH |

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