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Poetry in Numbers

Please refer to important disclosures on pages 14 and 15. Analyst certification is on page 14.

The Red Wheelbarrow

so much depends
upon

a red wheel
barrow

glazed with rain
water

beside the white
chickens

– William Carlos Williams, 1923

The latest wave of extreme summer heat made us think longingly about cold plums, which naturally brought to mind William Carlos Williams' famous This is Just to Say poem. Then we thought about his other famous poem, "The Red Wheelbarrow" (above), and how it may be just as apt today in the context of AI as when it was first written (and again when we first studied it in high school). **In this *Economics Weekly,* we use poetic license to adapt the interpretation of this poem to what is taking place today in the financial markets and with the evolution of AI—a shift from the enablers to the adopters, from narrative to the numbers, and from free cash flow spending to returns on that invested capital.**

Two Interpretations

It is hard to know the exact meaning we should take from the poem, but below we offer two interpretations and translate them to today's AI boom.

The first, and most obvious, is that so much of human life/existence now depends on technology; in this case, a red wheelbarrow represents an essential tool of labor. Even though the wheelbarrow is now a piece of mundane infrastructure that sits in the farmyard and is barely appreciated anymore, it remains a necessity at the heart of any farm. It helps to move many times more material than would have been achieved without one. For the farmer, it was a highly productive capital investment, with a strong ROIC.

Looked at from today's world, the emergence of AI is arguably becoming the new wheelbarrow, only this time it represents cognitive labor. Much like the wheelbarrow, AI could become a commoditized mundane tool upon which so much depends. Yet whether a rain-glazed server farm or data center is viewed to be as aesthetically appealing as a red wheelbarrow depends on the eye of the beholder.

Alternatively, the poem could be viewed as a kind of warning. The wheelbarrow matters simply by virtue of its existence. Williams often defined his poetic credo as no ideas but in things. This can be taken to mean that the abstract—thoughts, emotions, ideas—must be grounded in reality before it can carry any genuine meaning. From this perspective, the poem's meaning comes not from what actually depends on this wheelbarrow (which he never tells us) but from the objects themselves—the rain-glazed wheelbarrow beside the white chickens. This is not to say that the abstract does not exist, it simply means that we need a thing (e.g., an apple) to better define the abstract (e.g., gravity). Williams' simple warning in this context is to beware of ungrounded abstractions.

Using this interpretation, we could say that while the narrative today might be that so much depends on AI, its true value for investors may not be known until we see its impact in more concrete forms—such as lower costs, higher revenues, faster productivity growth, and ultimately returns on capital.

Where's the Wheelbarrow?

Today, investors are trying to distinguish between AI as a market narrative and AI as a measurable source of productivity, revenue, and return.

We think Williams' modern-day financial market equivalent might be finance professor Aswath Damodaran. Damodaran might caution that we should be wary of accepting the narrative without the discipline of the numbers to back it up. As discussed in his book *Narrative and Numbers,* he views neither the narratives nor the numbers as undesirable. In fact, both are necessary for a strong investment case; it's just that a strong narrative also needs numbers, and strong numbers still need to be backed up by a good narrative.

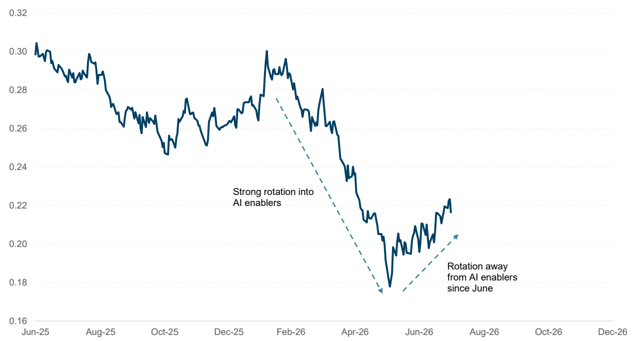
Up until the last month or so, investors were arguably placing too much weight on the AI narrative. Since then, the increase in market volatility suggests that they are now more aggressively searching for the numbers—i.e., the red wheelbarrow or at least some white chickens to set against the story and lend it some contrast.

We see three things playing out here for investors: adoption, infrastructure, and depreciation and returns.

Adoption—Where AI Becomes Useful

First, investors continue to rotate from the enablers to the adopters as they increasingly question the economics around the infrastructure buildout (exhibit 1).

Exhibit 1
S&P 500 Excluding AI Enablers / Bloomberg U.S. AI Enablers & Adopters Index



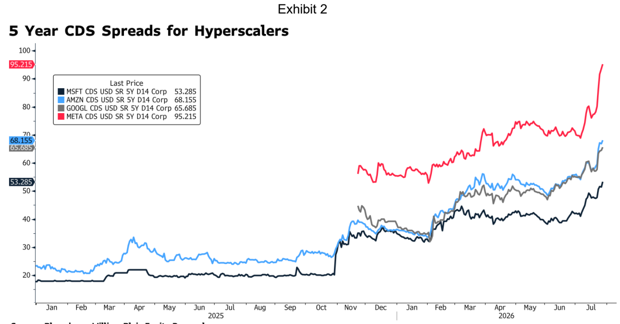
Source: Bloomberg, William Blair Equity Research

Up to last month, capex by the hyperscalers has looked more like a war of attrition for AI dominance, with investors rewarding the biggest spenders.

With growing uncertainty around the potential commoditization of AI, Chinese open-source models, or whether the vast sums being poured into data centers and compute will ultimately be justified, investors are now questioning their previous assumptions around AI dominance via outspending rivals.

This concern is reflected in relative share performance (exhibit 1) and widening CDS spreads (exhibit 2).

Exhibit 2



Source: Bloomberg, William Blair Equity Research

The key question for the enablers, therefore, will be whether the value they create can move downstream to adopters faster than it potentially starts to erode profits upstream. In other words, the bullish case very much requires Jevons' paradox to arrive sooner rather than later.

For investors, the continued rotation into healthcare and financials suggests that their focus is increasingly shifting from who builds AI to who benefits from it—with falling compute costs being the icing on the cake.

Infrastructure—Where AI Becomes Physical

Second, while investors are becoming increasingly aware of who will benefit from use of the wheelbarrow, they also know that the level of energy needed to run these AI models in the future is a lot more than the current rate of capacity that the U.S. can produce today.

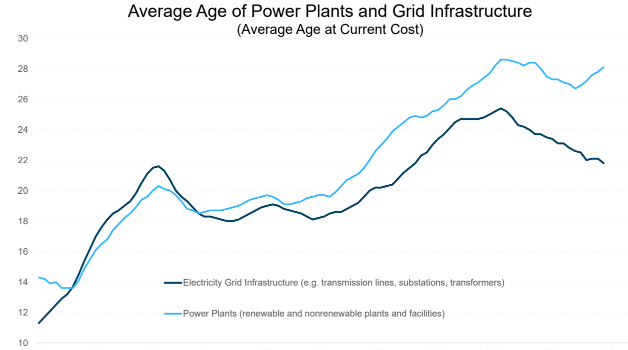
In February, for example, Michael Regelski, CTO of Electrical Businesses at Eaton Corporation, gave his estimate of just how large the supply deficit for power is:

> *At the end of last year, we kinda estimated that along that progression, there was between 35 and 40 megawatts or gigawatts of installed data center capacity. We see about 17 gigawatts planned for 2026, and our latest estimates show that there's a backlog of over 165 to 200-plus gigawatts that are planned through 2030 and beyond. A lot of the estimates that we had provided in the past, we feel very comfortable and confident about those, and we see continued growth and upside.*

We also see this structural underinvestment in the fact that consistently higher commodity prices (e.g., industrial metals, energy, and agriculture) have not resulted in the normal increases in investment made to bring those prices back down.

This underinvestment is highlighted in exhibit 3, which shows that the average age of the capital stock of power plants in the U.S. is 28.1 years—the oldest since 2015 but prior to that 1925.

Exhibit 3
Average Age of Power Plants and Grid Infrastructure
(Average Age at Current Cost)

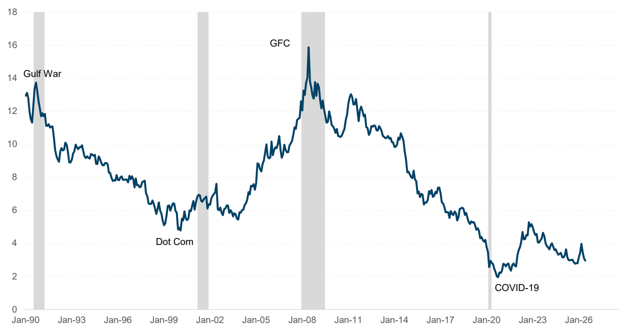


Sources: Bureau of Economic Analysis, William Blair Equity Research

Meanwhile, from a market perspective, exhibit 4 shows that relative investment into this area continues to be weak: the energy share of the S&P 500 is still just 3% and not far from its historical low.

Exhibit 4

S&P 500 Energy Sector Market Cap as Share of Total S&P 500 Market Cap, %



Sources: Bloomberg, William Blair Equity Research

All of this suggests that we are likely still in the early stages of a sustained capex buildout cycle and it must necessarily include an expansion in the energy complex.

Depreciation and Returns—Where AI Still Needs to Prove Itself

Lastly, given the massive amount of funding being spent on capex by the hyperscalers, we should expect depreciation rates to soar in the future.

Rising depreciation is not necessarily bearish, but the sheer scale of investment by the hyperscalers will need to at least be matched by future revenue and earnings to justify that expense—which is a big ask.

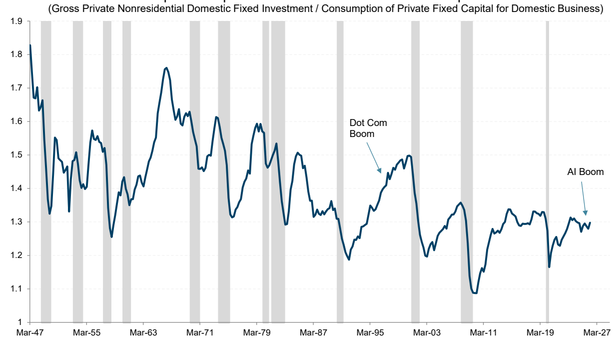
Furthermore, because many AI-related assets are short-lived, the return hurdle is higher. They will need to generate enough incremental operating surplus over a shorter period, while also requiring ongoing reinvestment in order to remain competitive.

Encouragingly, for the aggregate economy, the capex-to-depreciation ratio does not look as extreme as it did during the late-1990s internet boom (exhibit 5). This may be less due to weaker capex, though, than to the fact that today's capital stock depreciates much faster than was the case back then.

Exhibit 5

Ratio of Capex to Depreciation for All Private Domestic Corporate Business

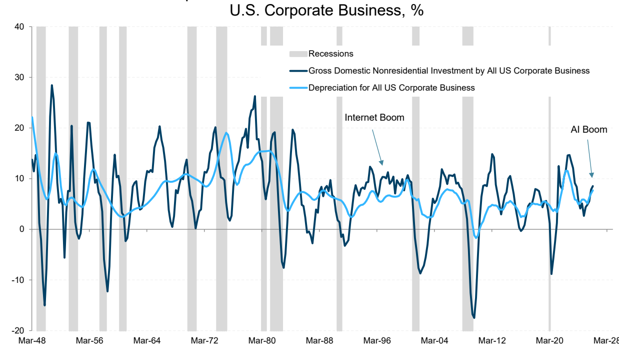
(Gross Private Nonresidential Domestic Fixed Investment / Consumption of Private Fixed Capital for Domestic Business)



Source: Bureau of Economic Analysis, William Blair Equity Research

Exhibit 6

Annual Growth in Depreciation vs Nonresidential Business Fixed Investment for All U.S. Corporate Business, %

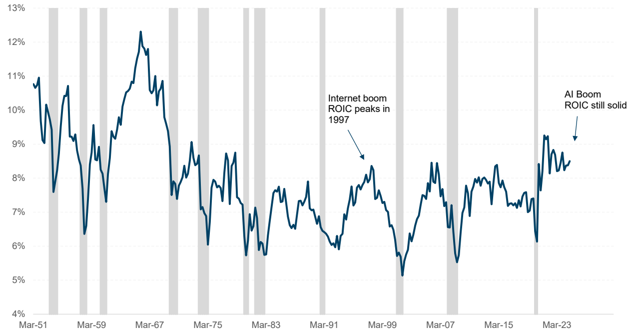


Source: Bureau of Economic Analysis, William Blair Equity Research.

Up until recently, the discussion for investors was about free cash flow and how much was being spent on compute. Yet, the behavior of the market today is telling us that we have crossed into a new phase, where investors are judging firms more on returns than on the scale of their outlays.

Going forward, this means a far greater focus on metrics like ROIC, which so far has held up better than during the internet boom (exhibit 6); however, we would caution that it still reflects a capital base built before the full AI investment wave has been incorporated. This means that as that newer, faster-depreciating stock is capitalized, depreciated, and measured against incremental profits, the ROIC test necessarily becomes that much harder.

Exhibit 7
ROIC for All Nonfinancial Corporate Business
(Net Operating Surplus / Average Net Capital Stock of Private Nonresidential Fixed Assets)



Sources: Bureau of Economic Analysis, William Blair Equity Research

Conclusion

The AI trade could be described as shifting from the abstract/narrative to the thing/the numbers.

The first phase rewarded the narrative that “so much depends on AI,” and now we have entered the next phase, where investors are demanding the wheelbarrow. They are looking for solid evidence that AI is lowering costs, raising revenues, consuming power, and generating sufficient returns against a rapidly expanding and rapidly depreciating capital base.

Or, as Williams might remind us—no ideas but in things.

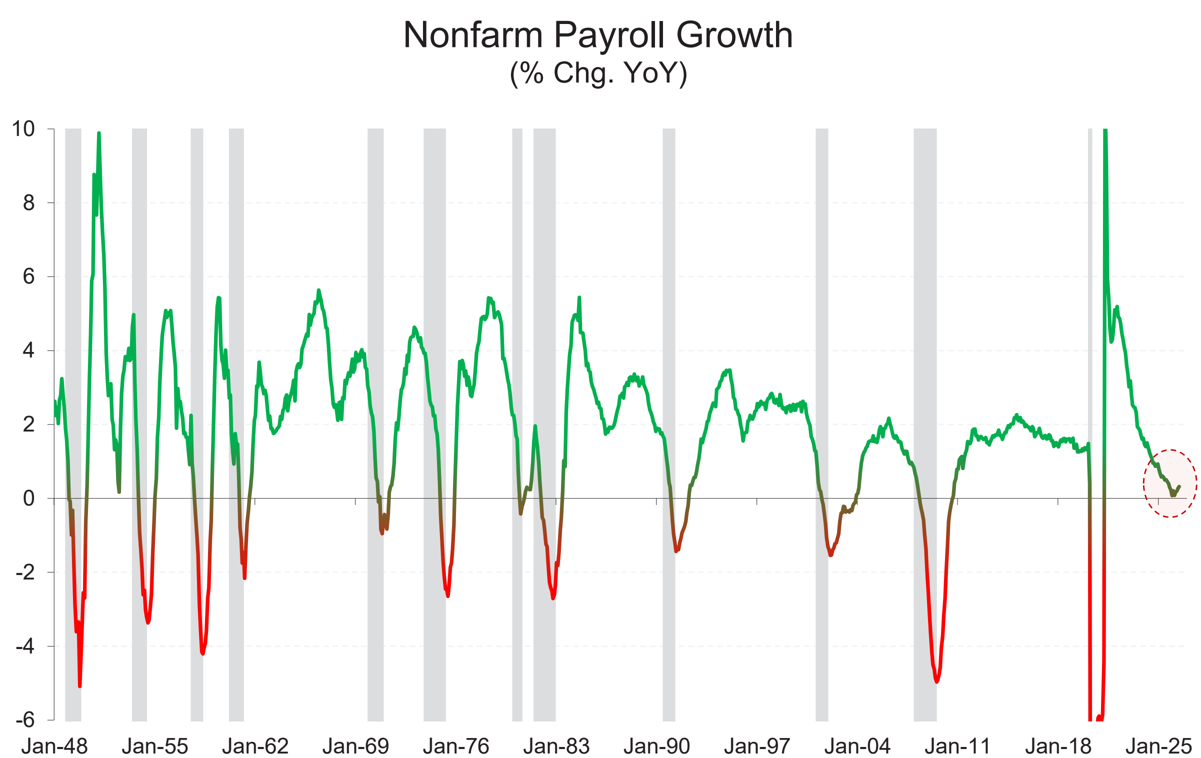
31 July 2026

Highlights in the Week Ahead

Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
3 Aug	10:00 a.m.	ISM Manufacturing (July)	53.3	54.0	55.9	
4 Aug	10:00 a.m.	JOLTS (June)	7594K	NA	NA	
5 Aug	10:00 a.m.	ISM Services (July)	54.0	54.3	54.5	
6 Aug	8:30 a.m.	Productivity (Q2 P)	0.3%	0.7%	0.9%	
7 Aug	8:30 a.m.	Nonfarm Payrolls (July)	57K	90K	110K	
		Unemployment Rate	4.2%	4.3%	4.2%	
		Average Hourly Earnings	0.3%	0.3%	0.3%	

Sources: Bloomberg, William Blair Equity Research

Indicators of the Week: Employment Situation



Source: BLS, William Blair Equity Research

Economic Scorecard

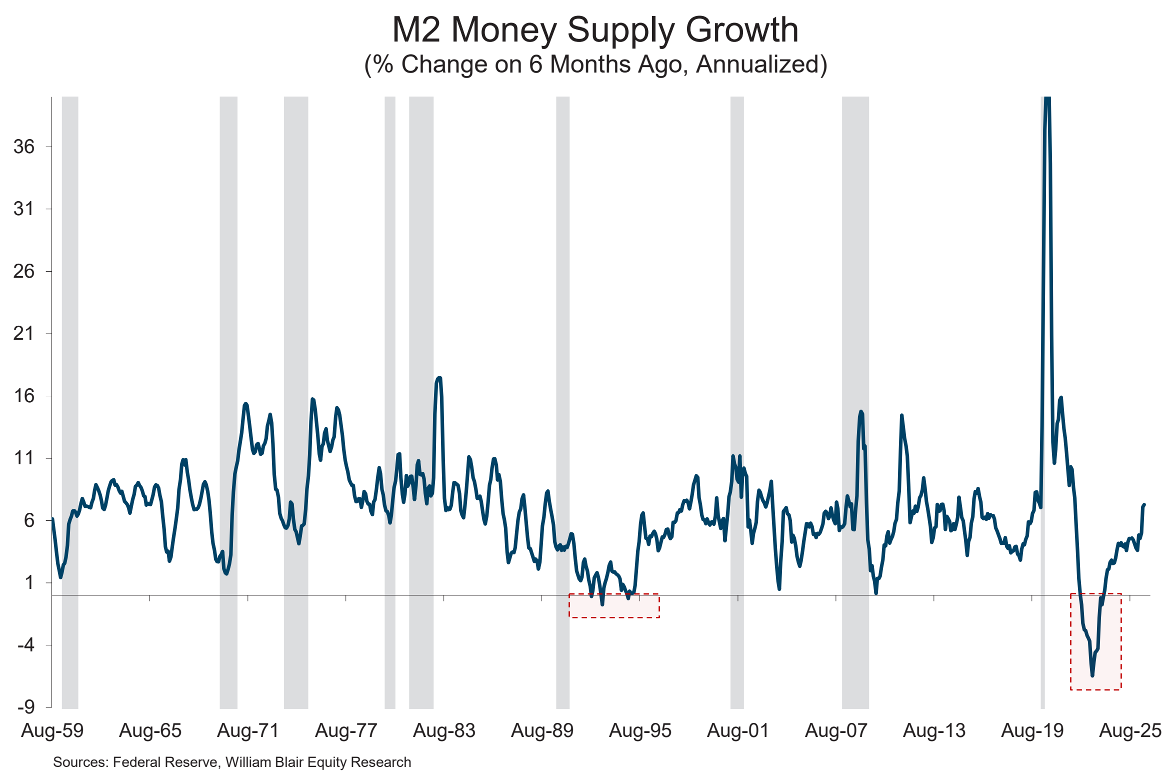
Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

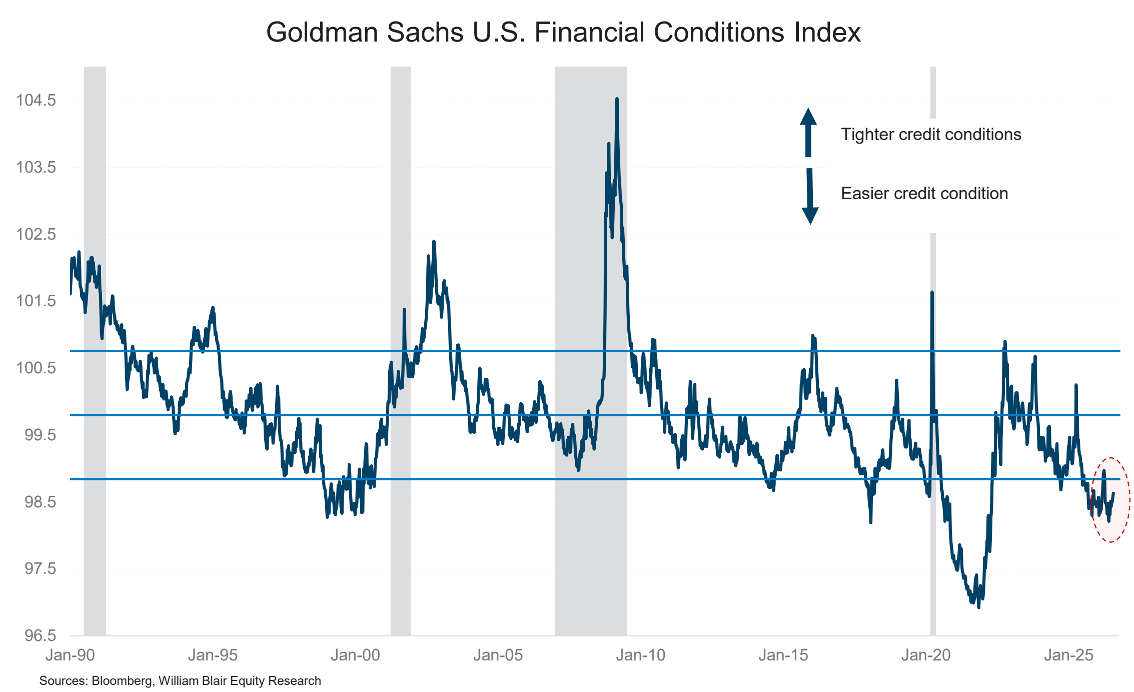
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Growth																			
US Leading Indicators	-2.8	-3.0	-3.3	-4.1	-3.7	-3.8	-3.4	-3.5	-3.2	-3.1	-3.7	-3.7	-3.6	-3.1	-3.0	-1.6	-1.5		
US Coincident Indicators	1.4	1.4	1.8	1.8	1.1	1.1	1.4	1.2	1.2	1.0	0.8	0.6	0.9	0.8	0.3	0.2	0.6		
US Lagging Indicators	-0.6	-0.5	-0.6	-0.8	-0.1	-0.3	-0.5	-0.4	0.2	0.3	0.3	0.7	0.9	0.6	1.1	1.5	0.9		
Consumer																			
Total Retail Sales	4.5	3.8	5.2	5.1	3.1	4	4.1	5	4.1	3.2	3.2	2.4	3.3	4.2	4.2	5.1	7.3	6.7	
Personal Income	5	5	5.2	5.6	4.5	4.3	4.8	5.1	5.1	4.5	4.4	4.2	4.1	3.5	3.3	2.6	3.8		
Real Disposable Personal Income	1.8	1.8	2.3	2.8	1.5	1.2	1.7	1.8	1.8	1.3	1	0.8	1.4	0.8	0	-1.1	0		
Real Personal Consumption	3.3	2.7	3.2	3.1	2.5	2.5	2.6	2.8	2.4	2.5	2.2	1.6	2	2.4	1.9	1.7	2.1		
Personal Saving Rate (%)	5.1	5.2	5.1	5.5	4.9	4.6	4.5	4.4	4.3	3.9	3.8	3.6	4.4	3.8	3.5	3	3		
Consumer Confidence (Conference Board)**	105.3	100.1	93.9	85.7	98.4	95.2	98.7	97.8	95.6	95.5	92.9	94.2	89	91	92.2	93.8	90.6	92.2	
Employment																			
Employment Growth	0.8	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.4	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.3	0.3	
ASA Temporary Staffing Index	-8.2	-7.5	-8.7	-6.4	-5.8	-5.3	-0.8	-0.9	0.8	1.5	4.5	7.3	2.3	3.2	6.1	5.4	5.1	6.5	
ISM Employment Index Manufacturing*	49.7	47.1	44.4	46.2	46.1	45.1	44.9	44.3	45.4	45.8	44.1	44.8	48.1	48.8	48.7	46.4	48.6	49.7	
ISM Employment Index Services*	51.4	53.4	46	49.2	50.4	47.7	46.9	46.9	47.6	48.1	48.7	51.7	50.3	51.8	45.2	48	47.9	51.2	
Unemployment Rate, %	4	4.2	4.2	4.2	4.3	4.1	4.3	4.3	4.4		4.5	4.4	4.3	4.4	4.3	4.3	4.3	4.2	
Average Hourly Earnings	4	4.1	4.2	3.9	4	3.9	4	4	3.8	3.9	3.9	3.7	3.7	3.7	3.4	3.6	3.4	3.5	
Initial Jobless Claims (avg. wkly. chg. '000s)	219	226	223	226	233	239	222	231	234	226	221	219	213	216	208	208	215	223	
Jop Openings	-11.3	-14.2	-15.3	-5.7	-6.1	-2.9	-4.5	-8.0	3.3	-2.8	-9.5	-10.2	-2.6	-4.4	-0.9	6.9	3.9		
Layoff Announcements	-39.5	103.2	204.8	62.7	47	-1.6	139.8	13.3	-25.8	175.3	23.5	-8.3	117.8	-71.9	-78	-20.9	3.4	-4.5	
Housing Market																			
Housing Starts	-1.8	-4.1	3.8	1.5	-3	4.6	12.8	-7.4	-2.8	-7.1	1.5	-7.8	2.4	-9.7	13.1	1	-7		
New Home Sales	-2.6	-1.8	-3.7	-0.7	-7.2	-2.6	-11.5	1.6	-0.1	3.2	13.2	3	-13.4	-1.7	0.5	-7.8	-0.6		
Existing Home Sales	1.7	-1.0	-2.7	-1.5	-0.5	0.5	0.8	2.3	4.4	2.2	-1.2	1.9	-1.7	-0.5	-0.3	0.5	3.7		
Median House Price (Existing Homes)	-0.2	-1.4	-5.4	-0.4	2.5	-1.2	-7.4	3	-1	-5.2	1.2	1.4	-3.1	-0.7	-3.4	0.5	-3		
Existing Homes Inventory (Mths' supply)	3.9	4	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4	4.2	4.3	4.3	4.3	4.2		
New Homes Inventory (Mths' supply)	9	9.4	9.3	8.6	9.7	9	9.2	8.5	8.2	9	7.7	7.9	9.9	9.3	8.7	9	9.4		
NAHB Homebuilder Sentiment*	47	42	39	40	34	32	33	32	32	37	38	39	37	37	38	34	37		
Inflation																			
Consumer Price Index	3	2.8	2.4	2.3	2.4	2.7	2.7	2.9	3		2.7	2.7	2.4	2.4	3.3	3.8	4.2	3.5	
CPI Less-food & energy	3.3	3.1	2.8	2.8	2.8	2.9	3.1	3.1	3		2.6	2.6	2.5	2.5	2.6	2.8	2.9	2.6	
Producer Price Index	3.8	3.4	3.2	2.4	2.7	2.4	3.2	2.7	3	2.8	3.1	3.1	3.1	3.4	4.3	5.7	6	5.5	
PPI Less-food & energy	3.9	3.7	3.8	3.1	3.2	2.7	3.5	2.9	3	3	3.2	3.4	3.7	3.8	3.9	4.9	4.6	4.7	
PCE Price Index	2.6	2.7	2.4	2.3	2.5	2.6	2.6	2.7	2.8	2.7	2.8	2.9	2.9	2.9	3.5	3.8	4.1		
PCE Prices Less-food & energy	2.8	3.0	2.7	2.6	2.8	2.8	2.9	2.9	2.8	2.8	2.8	3.0	3.1	3.0	3.3	3.3	3.4		
Business Activity - US																			
Industrial Production	0.9	0.8	0.6	0.9	0.1	0.6	1.9	1.2	1.9	1.8	1.8	1.2	1.0	0.8	0.6	1.3	1.6	1.1	
New Cap Gds Orders less-aircraft & parts	3.3	-0.9	2.2	0.5	2.2	4.5	4.4	2.5	5.3	6.2	4.1	8	2.9	5.9	10.8	11.1	10.1	14.3	
Business Inventories	1.8	2.5	2.2	2.5	2.1	1.7	1.6	1.4	1	1.3	1.3	1.2	1.5	1	1.2	2.1	2.8	3.1	
ISM Manufacturing PMI*	50.5	50	48.9	48.8	48.6	49	48.4	48.9	48.9	48.8	48	47.9	52.6	52.4	52.7	52.7	54	53.3	
Markit US Manufacturing PMI*	51.2	52.7	50.2	50.2	52	52.9	49.8	53	52	52.5	52.2	51.8	52.4	51.6	52.3	54.5	55.1	53.9	
ISM Services Index*	52.6	53.2	50.8	51.6	50.2	50.8	50.5	51.9	50.3	52	52.4	53.8	53.8	56.1	54	53.6	54.5	54	
Markit US Services PMI*	52.9	51	54.4	50.8	53.7	52.9	55.7	54.5	54.2	54.8	54.1	52.5	52.7	51.7	49.8	51	50.7	51.2	
Business Activity - International																			
Germany Manufacturing PMI Markit/BME*	45	46.5	48.3	48.4	48.3	49	49.1	49.8	49.5	49.6	48.2	47	49.1	50.9	52.2	51.4	50.1	50.3	52.2
Japan Manufacturing PMI Jibun Bank*	48.7	49	48.4	48.7	49.4	50.1	49	49.7	48.5	48.2	48.7	50	51.5	53	51.6	55.1	54.5	54.8	54.7
Caixin China Manufacturing PMI*	50.1	50.8	51.2	50.4	48.3	50.4	49.5	50.5	51.2	50.6	49.9	50.1	50.3	52.1	50.8	52.2	51.8	51.7	
China Manufacturing PMI*	49.1	50.2	50.5	49	49.5	49.7	49.3	49.4	49.8	49	49.2	50.1	49.3	49	50.4	50.3	50	50.3	
UK Manufacturing PMI Markit/CIPS*	48.3	46.9	44.9	45.4	46.4	47.7	48	47	46.2	49.7	50.2	50.6	51.8	51.7	51	53.7	53.9	52.5	52.8
France Manufacturing PMI Markit*	45	45.8	48.5	48.7	49.8	48.1	48.2	50.4	48.2	48.8	47.8	50.7	51.2	50.1	50	52.8	49.7	51.2	50
Currencies*																			
Euro (EUR/USD)	-4.2	-4.0	0.2	6.2	4.6	10.0	5.4	5.8	5.4	6.0	9.7	13.4	14.4	13.9	6.8	3.6	2.7	-3.1	
Renmimbi (USD/CNY)	1.1	1.2	0.5	0.4	-0.6	-1.4	-0.4	0.6	1.5	0.0	-2.4	-4.3	-4.0	-5.7	-5.0	-6.1	-6.0	-5.3	
Yen (USD/Yen)	5.6	0.4	-0.9	-9.3	-8.4	-10.5	0.5	0.6	3.0	1.3	4.3	-0.3	-0.3	3.6	5.8	9.4	10.6	12.9	
Sterling (GBP/USD)	-2.3	-0.4	2.3	6.7	5.6	8.6	2.7	2.9	0.5	2.0	3.9	7.7	10.4	7.2	2.4	2.1	0.0	-3.4	
Canadian $ (USD/CAD)	8.2	6.5	6.3	0.2	0.8	-0.5	0.3	1.8	2.9	0.5	-0.2	-4.6	-6.4	-5.7	-3.3	-1.6	0.4	4.3	
Mexican Peso (USD/MXN)	20.1	20.5	23.6	14.4	14.3	2.3	1.4	-5.4	-7.0	-7.4	-10.2	-13.5	-15.6	-16.2	-12.4	-11.0	-10.7	-6.7	
US Equities																			
S&P 500	24.7	16.8	6.8	10.6	12.0	13.6	14.8	14.4	16.1	19.9	13.5	16.4	14.9	15.5	16.3	29.4	28.2	20.9	
S&P 400 Midcap	18.6	7.1	-4.2	-0.3	0.6	5.9	1.7	5.3	4.5	4.8	-1.7	5.9	6.1	15.5	15.7	27.6	24.1	24.2	
S&P 600 Smallcap	14.5	4.5	-5.0	-3.6	-3.4	2.8	-6.3	1.8	1.9	3.8	-4.0	4.2	7.0	15.9	18.5	36.6	31.2	35.3	
Russell 2000	17.5	5.3	-5.3	-0.5	-0.2	6.2	-1.9	6.7	9.3	12.9	2.7	11.3	14.3	21.7	24.1	42.6	41.3	39.0	

* Diffusion Index, **1985=100, ***Currencies - green/red = strengthening/weakening foreign currency vs dollar

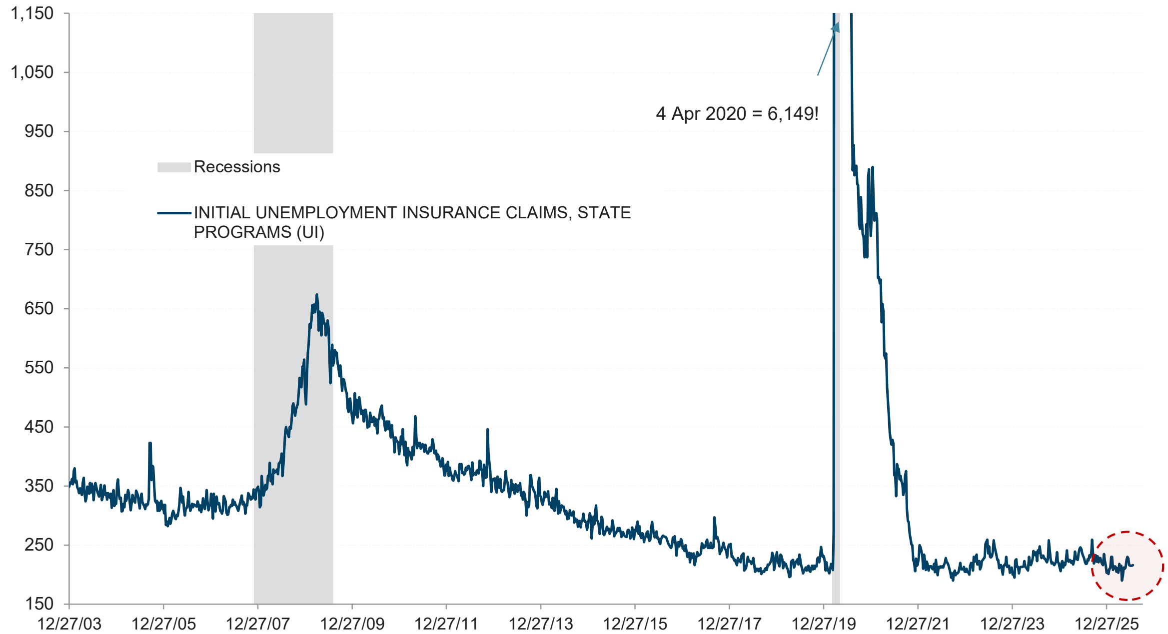
Source: ISM, Federal Reserve, Census Bureau, Bureau of Labor Statistics, Conference Board, Bloomberg, William Blair

Other Economic Indicators



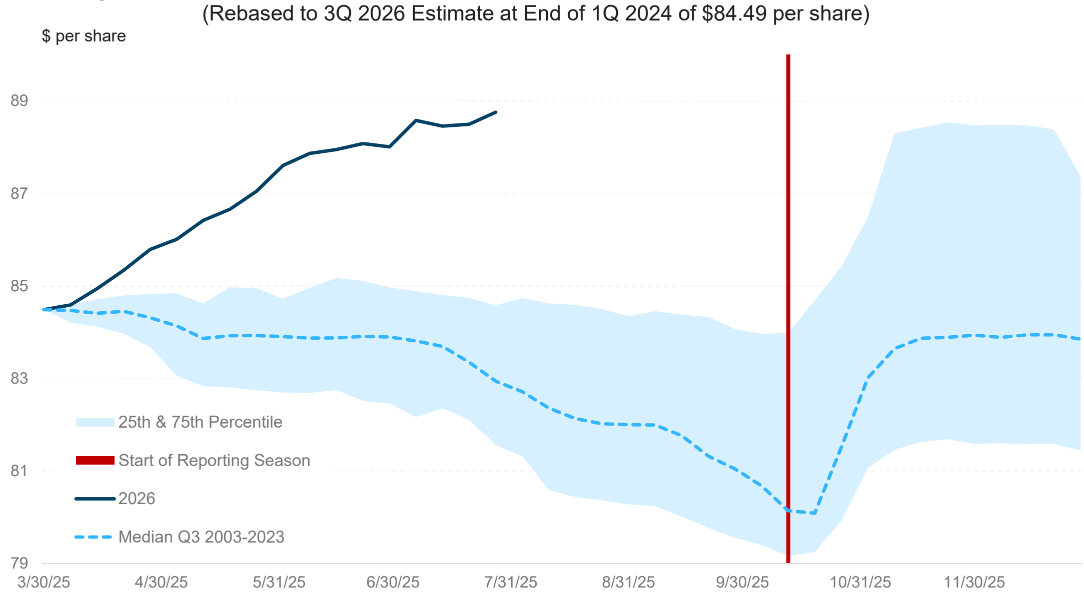


Initial Jobless Claims
('000s, Seasonally Adjusted)



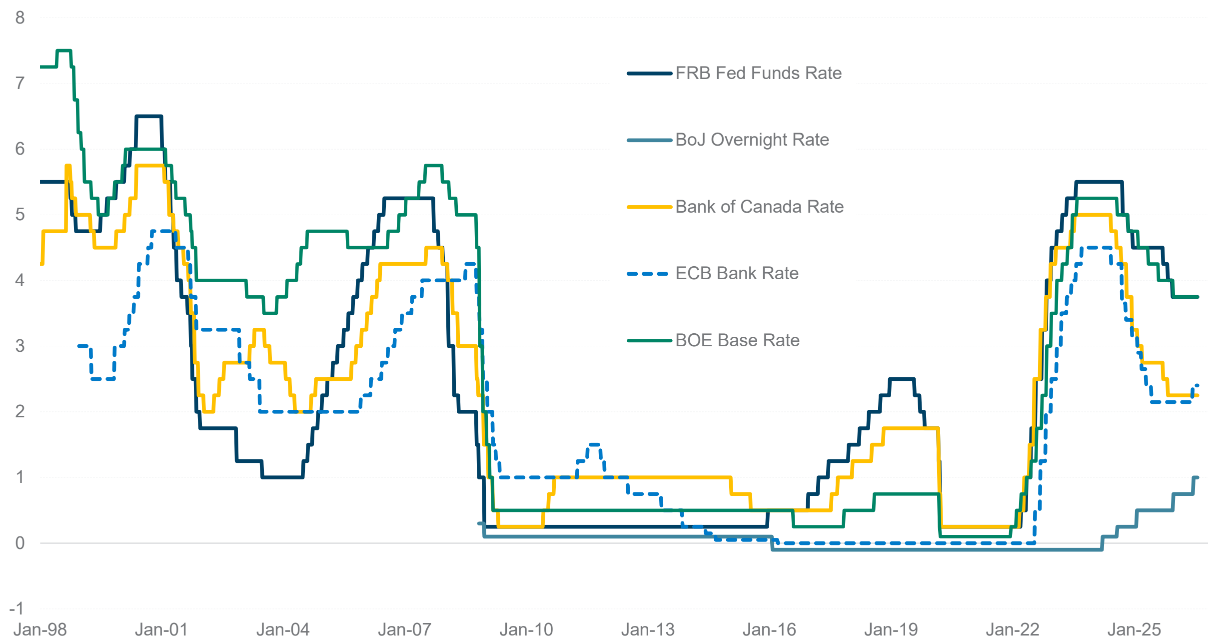
Source: Department of Labor, Bloomberg, William Blair Equity Research

Progression of S&P 500 3Q EPS Estimates, 3Q 2026 vs. Median 3Q 2002-2025
(Rebased to 3Q 2026 Estimate at End of 1Q 2024 of $84.49 per share)



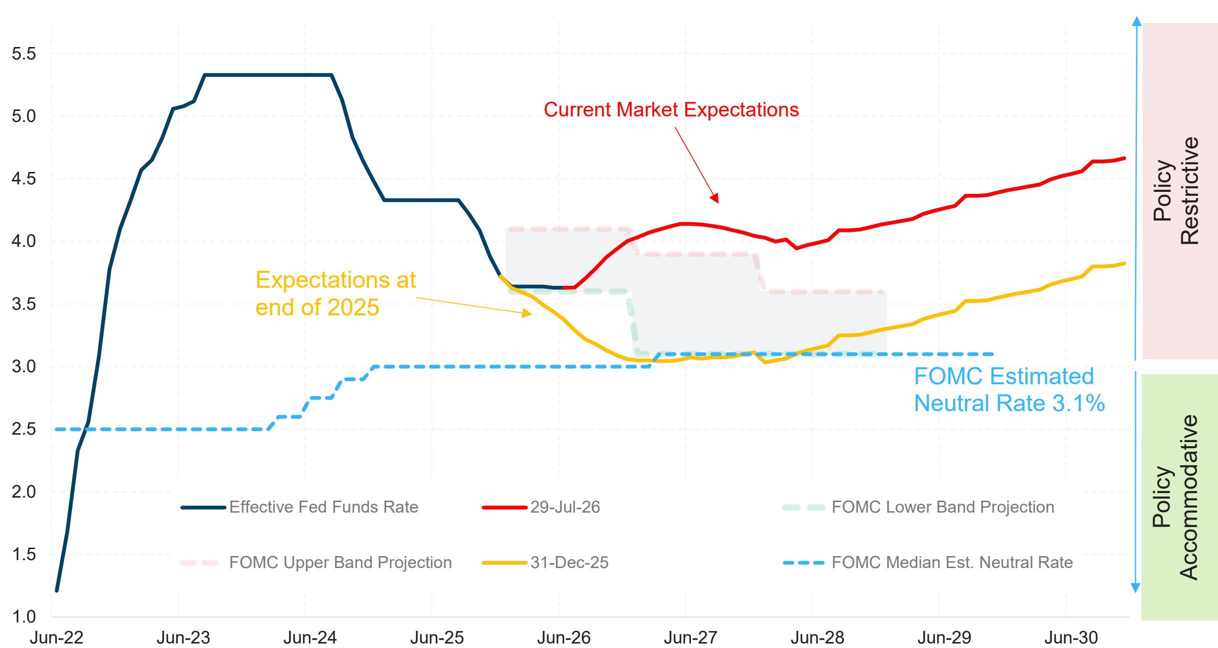
Sources: LSEG I/B/E/S, William Blair Equity Research

Central Bank Target Short-Term Interest Rates, %



Sources: Bloomberg, William Blair Equity Research

Fed Funds Rate Futures Market Expectations & FOMC Projections, %



Sources: Bloomberg, William Blair Equity Research

S&P 500 Sector Performance

Global Industry Classification System	Current Weight* 30-Jul-26	Week Ago 23-Jul-26	Month Ago 30-Jun-26	Qtr-to-Date 30-Jun-26	Year-to-Date 31-Dec-25
S&P 500 Index	**100.00**	**0.40**	**-0.82**	**-0.82**	**8.65**
S&P 400 MidCap Index		**-0.13**	**-2.29**	**-2.29**	**13.90**
S&P 600 SmallCap Index		**0.46**	**-1.89**	**-1.89**	**20.60**
Dow Jones Industrials		**0.96**	**-0.21**	**-0.21**	**8.62**
Nasdaq Composite		**-0.06**	**-4.16**	**-4.16**	**8.09**
Communication Services	**9.33**	**1.15**	**-3.94**	**-3.94**	**-3.51**
Advertising	0.04	3.82	7.08	7.08	-21.46
Broadcasting	0.05	4.72	7.22	7.22	-22.79
Cable & Satellite	0.04	2.44	-8.21	-8.21	-27.55
Integrated Telecommunication Services	0.63	4.17	7.37	7.37	-1.29
Interactive Home Entertainment	0.14	3.58	0.65	0.65	-0.35
Interactive Media & Services	7.26	0.40	-5.70	-5.70	-1.07
Movies & Entertainment	0.86	4.34	0.58	0.58	-17.24
Publishing & Printing	0.02	6.74	13.18	13.18	7.48
Wireless Telecommunication Svcs	0.27	1.72	3.35	3.35	-14.63
Consumer Discretionary	**9.23**	**2.27**	**-4.97**	**-4.97**	**-6.02**
Apparel Retail	0.37	5.27	9.05	9.05	12.99
Apparel & Accessories & Luxury Goods	0.08	7.75	2.11	2.11	-5.14
Auto Parts & Equipment	0.02	3.55	-5.36	-5.36	-12.24
Automobile Manufacturers	1.97	-2.03	-22.99	-22.99	-27.56
Automobile Retail	0.24	2.03	-5.78	-5.78	-13.44
Broadline Retail	3.76	0.85	-1.13	-1.13	2.51
Casinos & Gaming	0.08	5.26	3.17	3.17	-12.08
Computer & Electronics Retail	0.03	4.01	15.73	15.73	31.21
Consumer Electronics	0.08	23.93	25.27	25.27	46.69
Distributors	0.03	3.98	5.80	5.80	1.03
Footwear	0.09	3.26	2.44	2.44	-28.74
Home Furnishings	0.01	8.68	-1.46	-1.46	9.39
Home Improvement Retail	0.66	3.02	-5.28	-5.28	-5.89
Homebuilding	0.14	2.50	-8.47	-8.47	-4.13
Hotels, Resorts & Cruise Lines	0.80	8.57	3.48	3.48	3.76
Leisure Products	0.02	8.22	14.46	14.46	15.28
Restaurants	0.76	6.40	2.93	2.93	-1.62
Other Specialty Retail	0.06	4.44	5.88	5.88	-27.03
Consumer Staples	**5.10**	**2.49**	**2.32**	**2.32**	**9.20**
Agricultural Products	0.09	-8.77	3.51	3.51	33.45
Brewers	0.01	3.77	6.65	6.65	-10.99
Consumer Staples Merchandise Retail	2.23	3.27	1.23	1.23	6.64
Distillers & Vintners	0.04	3.05	-3.55	-3.55	-2.58
Food Distributors	0.06	3.65	1.35	1.35	14.95
Food Retail	0.10	1.42	6.59	6.59	7.72
Household Products	0.70	-0.85	-1.20	-1.20	3.78
Packaged Foods & Meats	0.31	4.21	6.68	6.68	2.16
Personal Care Products	0.08	3.59	3.29	3.29	-1.60
Soft Drinks	1.03	6.77	5.55	5.55	15.58
Tobacco	0.60	-1.32	2.63	2.63	19.19
Energy	**3.21**	**-0.71**	**11.67**	**11.67**	**31.75**
Integrated Oil & Gas	1.59	-0.46	15.24	15.24	29.14
Oil & Gas Equipment & Services	0.23	3.52	3.96	3.96	26.00
Oil & Gas Exploration & Production	0.62	-1.45	9.08	9.08	23.27
Oil & Gas Refining & Marketing & Transportation	0.39	1.47	22.27	22.27	82.16
Oil & Gas Storage & Transportation	0.39	-5.00	-1.29	-1.29	23.06

Financials	**11.87**	**2.06**	**6.18**	**6.18**	**4.00**
Asset Management & Custody Banks	0.99	2.64	10.34	10.34	3.72
Consumer Finance	0.56	1.93	1.79	1.79	-10.50
Diversified Banks	3.11	0.11	4.70	4.70	8.47
Diversified Financial Services	6.83	2.77	6.69	6.69	1.05
Financial Exchanges & Data	0.82	3.48	14.16	14.16	-7.77
Insurance Brokers	0.42	7.14	13.94	13.94	1.19
Investment Banking & Brokerage	1.39	-3.06	2.32	2.32	10.53
Life & Health Insurance	0.30	4.26	10.50	10.50	18.40
Multi-Sector Holdings	1.04	3.84	1.86	1.86	1.40
Property & Casualty Insurance	0.91	1.09	4.16	4.16	7.77
Regional Banks	0.28	0.33	2.12	2.12	10.88
Reinsurance	0.02	-0.05	5.07	5.07	10.61
Transaction & Payment Processing	1.94	6.36	10.43	10.43	2.28
Health Care	**8.93**	**1.20**	**2.81**	**2.81**	**5.44**
Biotechnology	1.60	2.18	3.20	3.20	11.92
Health Care Distributors	0.33	3.03	7.92	7.92	2.98
Health Care Equipment	1.33	6.45	6.53	6.53	-18.82
Health Care Facilities	0.14	5.47	2.47	2.47	-16.60
Health Care Services	0.40	0.41	4.39	4.39	24.18
Health Care Supplies	0.06	6.14	5.26	5.26	1.12
Life Sciences Tools & Services	0.81	1.64	8.58	8.58	-1.44
Managed Health Care	0.78	-1.33	-0.40	-0.40	26.00
Pharmaceuticals	3.42	-1.23	-0.19	-0.19	12.91
Industrials	**8.24**	**-2.02**	**-3.82**	**-3.82**	**14.90**
Aerospace & Defense	2.20	1.54	1.97	1.97	10.02
Agricultural & Farm Machinery	0.24	-1.73	-5.50	-5.50	28.76
Air Freight & Logistics	0.28	-8.05	-3.65	-3.65	14.15
Building Products	0.42	-6.35	-9.48	-9.48	10.44
Cargo Ground Transportation	0.13	-8.32	-4.79	-4.79	35.85
Construction & Engineering	0.28	-1.31	-9.56	-9.56	57.34
Construction Machinery & Heavy Trucks	0.84	-6.92	-16.88	-16.88	35.60
Data Processing & Outsourced Services	0.03	7.18	13.01	13.01	-30.65
Diversified Support Svcs	0.16	3.54	16.54	16.54	-2.16
Electrical Components & Equipment	0.68	-7.79	-12.28	-12.28	12.25
Environmental & Facilities Services	0.29	-2.90	0.89	0.89	-3.19
Heavy Electrical Equipment	0.38	-4.77	-16.42	-16.42	50.25
Human Resource & Employment Services	0.21	7.70	17.95	17.95	3.62
Industrial Conglomerates	0.24	1.20	8.42	8.42	17.42
Industrial Machinery	0.60	0.77	-0.59	-0.59	5.49
Passenger Airlines	0.18	6.58	-7.81	-7.81	18.19
Passenger Ground Transportation	0.21	2.12	-2.48	-2.48	-13.88
Railroads	0.49	-4.76	6.13	6.13	26.19
Research & Consulting Svcs	0.11	3.23	9.66	9.66	-17.60
Trading Companies & Distributors	0.27	-2.39	-3.14	-3.14	27.56
Information Technology	**35.05**	**-0.45**	**-2.92**	**-2.92**	**15.94**
Application Software	1.71	6.44	3.25	3.25	-27.50
Communications Equipment	1.26	-1.73	-4.93	-4.93	36.61
Electronic Components	0.53	-6.88	-28.92	-28.92	25.02
Electronic Equipment & Instruments	0.14	-0.74	-5.82	-5.82	38.51
Electronic Manufacturing Services	0.19	-3.63	-15.78	-15.78	-3.08
Internet Software & Services	0.08	6.13	8.43	8.43	8.09
IT Consulting & Services	0.50	11.57	-6.34	-6.34	-31.80
Semiconductor Equipment	1.59	-10.59	-32.67	-32.67	74.73
Semiconductors	14.25	-6.60	-9.06	-9.06	24.01
Systems Software	6.42	14.97	14.65	14.65	-3.90
Technology Distributors	0.03	11.82	3.50	3.50	6.87
Technology Hardware, Storage & Peripherals	8.36	1.65	8.35	8.35	33.43
Materials	**1.76**	**2.47**	**1.03**	**1.03**	**12.23**
Commodity Chemicals	0.06	-2.40	11.94	11.94	33.07
Construction Materials	0.19	-1.67	-8.75	-8.75	-16.46
Copper	0.13	-0.09	0.87	0.87	24.91

Fertilizers & Agricultural Chemicals	0.13	0.45	7.88	7.88	34.12
Gold	0.15	1.10	2.52	2.52	-4.10
Industrial Gases	0.44	0.80	-1.05	-1.05	19.79
Metal & Glass Containers	0.03	4.95	4.66	4.66	23.30
Paper Packaging	0.15	9.17	6.16	6.16	12.34
Specialty Chemicals	0.35	6.22	-1.42	-1.42	6.52
Steel	0.14	5.98	13.36	13.36	54.31
Real Estate	**1.82**	**0.77**	**3.17**	**3.17**	**13.15**
Data Center REITs	0.25	3.78	3.16	3.16	32.13
Health Care REITs	0.35	-4.33	3.55	3.55	25.13
Hotel & Resort REITs	0.03	4.72	5.82	5.82	45.72
Industrial REITs	0.20	0.74	7.91	7.91	14.51
Multi-Family Residential REITs	0.00	-1.67	-2.12	-2.12	3.67
Office REITs	0.02	5.65	8.08	8.08	6.21
Other Specialized REITs	0.10	0.02	-1.14	-1.14	18.98
Real Estate Service	0.08	9.89	9.39	9.39	-25.54
Retail REITs	0.26	0.62	2.80	2.80	20.26
Self-Storage REITs	0.13	1.19	0.60	0.60	18.90
Single-Family Residential REITs	0.13	1.19	0.60	0.60	18.90
Telecom Tower REITs	0.19	4.83	4.68	4.68	-5.04
Timber REITs	0.02	-0.59	-1.84	-1.84	-0.80
Utilities	**2.07**	**-3.35**	**-1.55**	**-1.55**	**4.55**
Electric Utilities	1.37	-3.02	-0.87	-0.87	4.30
Gas Utilities	0.04	-2.12	1.16	1.16	3.96
Independent Power Producers & Energy Traders	0.09	-10.04	-5.00	-5.00	-5.97
Water Utilities	0.04	1.79	3.97	3.97	4.84
Multi-Utilities	0.53	-3.48	-3.25	-3.25	7.13

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

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DOW JONES: 51594.10
S&P 500: 7316.15
NASDAQ: 24442.90

Additional information is available upon request.

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Market Perform (Hold)	26	Market Perform (Hold)	2
Underperform (Sell)	1	Underperform (Sell)	0

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