

Monthly Valuation Report

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Key Takeaways:

- We beat the R1000 in March by +132bps (3.07% vs. 1.75% R1K)
- Walmart and Costco are stand outs with Reward to Risk ratios of over 7x and 5x, respectively. For this reason, Consumer Staples is the top ranked sector.

Summary & Latest Sector Ranking:

The Sector ranking table, at right, highlights the **Consumer Staples & Information Technology** Sectors as the **most attractive** based on our Reward/Risk metric on a market cap weighted basis.

Conversely, the **Financials and Energy** sectors seem to be the **most extended**, based on their Reward/Risk ratios being close to or less than 1.0x.

Sector Rankings	
by Average Reward / Risk Ratio	
Market Cap-Weighted	
Consumer Staples	2.17
Information Technology	1.81
Health Care	1.59
Utilities	1.57
Telecommunication Serv	1.50
Materials	1.12
Industrials	1.06
Consumer Discretionary	1.02
Financials	0.96
Energy	0.89
Grand Total	1.37

Source: BRV Research

Bargains currently exist in the **Information Technology & Healthcare** Sectors given that over 34% and 28% of the stocks in those Sectors, respectively, are deemed “Low” risk by our Reward/Risk metric. The second bar from the right within the stacked bar graph below highlights this observation.

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