Lodging - US RevPAR -8.0% Y/Y Last Week; Very tough comp with MLK Holiday shift

DC was very weak (RevPAR: -26.3%); the shutdown likely hurt demand

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What's Inside

Weekly STR results and analysis

What's Incremental To Our View

Overall U.S. RevPAR was -8.0% Y/Y for the week ending 1/12/2019, per STR, softer than the prior week's result of +5.2%. (2-year stacked RevPAR was -2.6% vs +14.9% in the prior week.) Independent hotels (about 1/3rd of the data set) were -6.9% y/y. Economy (-1.8%) was the strongest chain scale for branded hotels; Upscale was the weakest at -11.8%. Midscale (-6.1%) and Upper Midscale (-7.9%) outperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (-9.9% vs. -17.8% prior week) was similar to Transient (-9.6% vs. +14.3% prior week).

There are a couple of takeaways to last week's very negative STR results:

1. **We see the primary impact coming from the MLK Holiday calendar shift.** In 2018, the holiday fell on Monday, January 15th, thus impacting corporate travel during the week and leisure travel over the weekend. In 2019, the holiday shifted to January 21st, thus we expect an easier holiday comp in next week's results (particularly for weekend RevPAR).
    a. Day-of-week RevPAR indicated some of the impact. Friday/Saturday RevPAR averaged -14.7%; Monday to Thursday RevPAR averaged -5.4%.
2. **What is more difficult to discern is how much the U.S. government shutdown has impacted travel.** We note that Washington, D.C. was one of the worst performing markets last week, especially on occupancy (-20.0%, vs. ADR of -7.9%). We generally do not make trend calls off of a few weeks of data; however, if we see continued material weakness in DC going forward, we believe we could apply some of the rationale to the shutdown.
    a. Part of why we are hesitant to call out the shutdown is that Group occupancy in DC was -33.2% last week, a result that was not dissimilar to a number of other Top 25 markets. However, Transient occupancy was -20.6% and that was the worst result of the Top 25 markets. We will continue to evaluate the DC results in depth.
    b. **Missing in a lot of the discourse we have seen on the government shutdown is impact to Hawaii**, given the national parks and NPS-run attractions on the islands. Many of the major attractions are considerable draws to visitors of Oahu, the Big Island, and Maui. Hawaii is another market we will be watching closely for shutdown impact.
3. **There were a few anomalies in the data that are explainable, such as the weak results for Atlanta on Sunday/Monday (average RevPAR: -39.2%) -- we believe this was driven by the NCAA Football**

SEE PAGE 7 FOR REQUIRED DISCLOSURE INFORMATION

Championship in the city in 2018. While the majority of the rest of the week was modestly positive, the bowl game shift resulted in Atlanta RevPAR of -11.2% for the week (and we note that Atlanta is a very large hotel market).

4. **San Francisco outperformed (RevPAR: +13.8%), in part from the NCAA Football Championship in Santa Clara (Silicon Valley) and a healthcare conference in the City.** We expect 1Q will be a very strong quarter given excellent citywide demand and strong room rates during peak citywides (such as last week, which was a rate driven impact).

As a rule of thumb when analyzing the weekly data, if Group results are abnormally strong or weak, which they were last week, there is a holiday shift going on.

Due to the hurricane comparisons from the 2017 storms, we anticipate continued choppiness of the data in some of the most impacted major markets (Miami, Orlando, and Houston) and a generally hard comp for these areas for the next several months.

RevPAR details:

- **Economy was the "strongest" chain scale.** Upscale and Upper Midscale underperformed by 1,000 bps and 610 bps, respectively: Luxury RevPAR (-8.6%), Upper Upscale (-9.4%), Upscale (-11.8%), Upper Midscale (-7.9%), Midscale (-6.1%), and Economy (-1.8%). Independent hotels (-6.9%) outperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was similar to Transient:** Transient segment (individual business and leisure travelers) RevPAR was -9.6% (vs. +14.3% last week) and Group segment RevPAR was -9.9% (vs. -17.8% last week).
- **Chicago (-5.5%) was the "strongest" of the top five markets:** Boston (-12.3%), LA (-7.3%), NYC (-11.7%), and DC (-26.3%).
- **Other relevant markets:**
    - **San Francisco was very positive (Moscone Convention Center expansion and renovation completed):** RevPAR was +13.8% vs. +0.4% last week.
    - **Texas results were down (y/y hurricane comps in Houston):** Dallas RevPAR was -8.1% (vs. -16.0% last week). Houston RevPAR was -29.7% (vs. -28.0% last week).
    - **Hurricane-impacted markets in FL were very down:** Miami (-16.0% vs. +10.9% last week); Orlando (-33.9% vs. -0.8% last week).

The stocks: We continue to favor C-Corps over hotel REITs (we favored hotel REITs for the first half of 2018). In an environment of low RevPAR growth combined with gradually increasing wages/margin pressures, returns for hotel owners is a major headwind to EBITDA growth. Hotel stocks, but especially hotel REIT stocks, typically work best when there is a spark to RevPAR growth and at this moment we are not seeing such a spark like we did earlier in 2018. **We are more favorable on other sectors at the moment, namely cruise lines.**

- For the C-Corps, HLT (Buy) and Playa Hotels (PLYA, Buy) are among some of our favorites and for the hotel REITs, given its opportunities for self-help margin improvement, we prefer Buy-rated Park Hotels & Resorts (PK, Buy). For the rest of the hotel REITs, following the first half outperformance, we struggle to derive any material upside potential to the stocks even when assuming pro-forma targets with 5% higher EBITDA and giving valuation multiple expansion.
- The (relatively) good news for the hotel REITs is that historically 10 (or less) years into an economic cycle these were stocks that "crashed & burned". At this juncture in our RevPAR intelligence there is nothing to suggest a late cycle “crash & burn” scenario is on the horizon over the next year. Additionally for the hotel REITs, we do not see dividend cuts on the horizon and for 2019 many are heavily exposed to what will likely be the strongest market in the country (San Francisco).

SunTrust Robinson Humphrey

Weekly RevPAR Summary

YoY % change in RevPAR

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
12/15/2018	**4.6%**	7.6%	5.1%	1.6%	2.3%	1.4%	2.1%	6.9%	8.3%	17.9%	8.4%	6.8%	29.2%
12/22/2018	**4.7%**	-4.6%	6.0%	5.6%	8.8%	3.9%	3.5%	3.0%	8.4%	24.5%	3.7%	12.8%	11.4%
12/29/2018	**-2.3%**	-4.7%	-4.0%	-3.7%	-2.0%	-2.0%	-1.3%	-0.8%	-5.3%	-7.0%	-5.2%	-0.3%	-4.2%
1/5/2019	**5.2%**	13.6%	0.0%	-3.2%	-2.2%	-0.6%	1.3%	15.9%	10.2%	-15.3%	-0.8%	3.5%	-9.1%
1/12/2019	**-8.0%**	-8.6%	-9.4%	-11.8%	-7.9%	-6.1%	-1.8%	-6.9%	-11.7%	-12.3%	-7.3%	-5.5%	-26.3%
1Q15	8.0%	6.3%	6.0%	7.0%	8.5%	8.8%	9.2%	8.9%	-4.3%	13.8%	7.7%	11.4%	6.3%
2Q15	6.5%	5.5%	5.4%	5.9%	6.3%	6.6%	6.7%	7.1%	-1.8%	7.1%	7.4%	11.0%	11.7%
3Q15	5.9%	4.4%	4.0%	5.7%	5.7%	6.4%	6.1%	6.8%	0.6%	7.1%	11.1%	5.1%	0.3%
4Q15	4.8%	2.7%	3.8%	4.2%	4.9%	3.7%	4.4%	5.9%	-2.0%	5.3%	8.3%	1.4%	2.1%
1Q16	2.7%	1.6%	1.9%	2.2%	2.0%	0.0%	1.8%	4.0%	-1.2%	-3.0%	16.6%	-4.8%	3.1%
2Q16	3.5%	0.8%	2.9%	3.1%	3.2%	3.2%	3.0%	4.2%	-4.5%	1.5%	11.1%	-1.0%	3.5%
3Q16	3.3%	1.5%	2.5%	2.0%	1.8%	2.5%	3.0%	5.1%	-2.5%	-0.5%	9.3%	1.2%	5.5%
4Q16	3.2%	1.9%	0.6%	1.2%	2.2%	3.9%	4.4%	5.1%	0.9%	-1.6%	6.9%	3.3%	8.0%
1Q17	3.4%	2.1%	3.0%	1.0%	2.4%	3.5%	2.6%	5.2%	-1.3%	-1.1%	-2.5%	1.5%	16.1%
2Q17	2.7%	2.3%	0.6%	0.6%	1.2%	2.4%	3.7%	5.1%	0.2%	4.4%	3.6%	0.8%	0.8%
3Q17	1.9%	0.5%	-0.7%	0.7%	1.8%	3.5%	2.9%	3.1%	-0.9%	-0.2%	-1.2%	-5.0%	-0.6%
4Q17	4.2%	4.5%	3.2%	3.8%	3.9%	3.7%	3.7%	4.1%	0.8%	3.7%	4.2%	-2.5%	2.2%
1Q18	3.5%	6.6%	0.9%	2.2%	3.0%	3.8%	5.3%	3.8%	7.1%	2.6%	2.7%	5.8%	-11.0%
2Q18	4.0%	4.9%	3.4%	2.8%	3.0%	4.1%	3.1%	4.6%	4.2%	-1.2%	0.6%	4.0%	3.1%
3Q18	1.7%	3.3%	1.9%	0.8%	-0.5%	0.1%	1.8%	2.2%	0.7%	2.8%	1.3%	7.5%	-3.4%

Tough MLK Holiday calendar shift

Economy and Midscale "led "the industry

Chicago and LA "led "the Top 5 markets

YoY % change in ADR

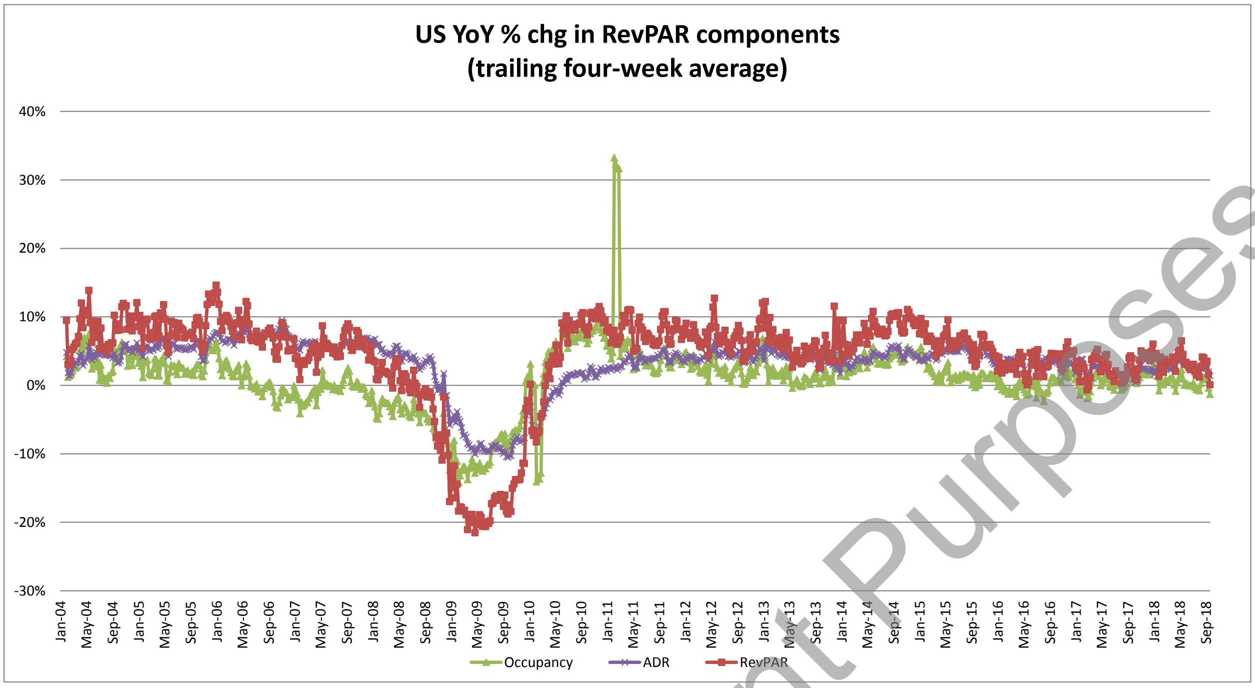
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
12/15/2018	**3.2%**	5.1%	3.2%	2.4%	1.4%	0.7%	0.5%	4.6%	9.1%	7.8%	3.1%	1.9%	12.6%
12/22/2018	**0.4%**	-5.2%	1.3%	1.8%	1.6%	0.0%	0.0%	-0.5%	7.3%	8.3%	0.1%	2.7%	6.1%
12/29/2018	**-0.5%**	0.1%	-0.8%	-0.2%	-0.1%	0.2%	-0.5%	-0.4%	-3.9%	-1.2%	-4.3%	-0.7%	1.6%
1/5/2019	**5.6%**	14.3%	3.5%	2.0%	0.9%	0.8%	0.7%	9.9%	10.2%	-3.6%	0.5%	1.0%	-0.9%
1/12/2019	**-2.3%**	1.6%	0.5%	-2.5%	-1.8%	-1.7%	-1.2%	-3.2%	-3.0%	-1.7%	-1.3%	-1.1%	-7.9%
1Q15	4.7%	5.8%	4.7%	5.2%	4.7%	4.7%	5.5%	4.7%	-4.1%	7.3%	6.5%	7.1%	1.7%
2Q15	4.8%	4.9%	4.8%	5.3%	4.6%	4.3%	5.4%	4.6%	-1.5%	6.8%	7.1%	9.2%	7.9%
3Q15	4.5%	3.7%	3.6%	5.2%	4.4%	4.6%	5.0%	4.6%	0.3%	7.4%	9.6%	5.3%	-0.1%
4Q15	3.6%	2.3%	3.0%	3.9%	3.5%	3.0%	4.2%	3.8%	-2.3%	3.9%	6.1%	2.3%	1.0%
1Q16	3.2%	1.9%	2.7%	3.2%	2.6%	1.7%	3.3%	3.7%	-3.1%	1.4%	11.3%	-1.9%	1.1%
2Q16	2.9%	1.5%	2.2%	2.9%	2.8%	2.7%	3.4%	3.0%	-3.1%	3.3%	9.4%	0.3%	2.1%
3Q16	3.4%	1.5%	2.5%	2.7%	2.4%	3.1%	3.6%	4.4%	-2.7%	2.3%	7.5%	1.9%	3.5%
4Q16	2.6%	2.1%	1.4%	2.2%	2.0%	2.2%	3.2%	3.8%	-1.2%	1.3%	5.8%	3.9%	4.1%
1Q17	2.5%	2.3%	2.4%	1.3%	1.6%	1.8%	2.4%	3.5%	-2.2%	0.0%	-0.2%	1.7%	13.6%
2Q17	2.2%	2.2%	1.2%	1.7%	1.5%	2.1%	2.3%	3.5%	-1.5%	4.1%	2.8%	1.5%	2.0%
3Q17	1.4%	1.4%	0.2%	0.8%	1.2%	1.9%	2.4%	2.2%	-2.0%	0.8%	1.8%	-2.4%	0.0%
4Q17	2.4%	2.2%	1.9%	1.8%	1.8%	2.5%	3.4%	2.1%	-0.2%	0.8%	4.6%	-2.0%	2.4%
1Q18	2.5%	4.5%	1.0%	1.7%	2.0%	3.0%	4.0%	3.1%	3.5%	-1.0%	4.0%	1.4%	-9.4%
2Q18	2.9%	3.5%	2.9%	2.4%	2.1%	2.6%	2.7%	3.1%	3.7%	-0.1%	2.1%	3.3%	2.4%
3Q18	2.1%	3.3%	2.4%	1.8%	1.2%	1.3%	1.2%	1.9%	1.2%	1.9%	1.1%	6.7%	-0.8%

YoY % change in Occupancy

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
12/15/2018	**1.3%**	2.4%	1.9%	-0.8%	0.9%	0.7%	1.7%	2.2%	-0.8%	9.4%	5.2%	4.8%	14.7%
12/22/2018	**4.3%**	0.6%	4.7%	3.7%	7.1%	3.9%	3.5%	3.5%	1.1%	15.0%	3.6%	9.9%	5.0%
12/29/2018	**-1.8%**	-4.9%	-3.2%	-3.5%	-1.8%	-2.2%	-0.8%	-0.4%	-1.5%	-5.9%	-0.9%	0.4%	-5.7%
1/5/2019	**-0.4%**	-0.6%	-3.3%	-5.1%	-3.1%	-1.4%	0.6%	5.4%	0.0%	-12.1%	-1.3%	2.5%	-8.3%
1/12/2019	**-5.9%**	-10.0%	-9.9%	-9.5%	-6.3%	-4.5%	-0.6%	-3.9%	-9.0%	-10.7%	-6.1%	-4.4%	-20.0%
1Q15	3.1%	0.5%	1.3%	1.7%	3.6%	3.9%	3.5%	4.0%	-0.2%	6.1%	1.1%	4.0%	4.6%
2Q15	1.6%	0.6%	0.5%	0.6%	1.7%	2.2%	1.3%	2.3%	-0.3%	0.3%	0.3%	1.7%	3.5%
3Q15	1.4%	0.6%	0.4%	0.5%	1.3%	1.8%	1.0%	2.1%	0.2%	-0.3%	1.3%	-0.1%	0.4%
4Q15	1.2%	0.4%	0.8%	0.2%	1.3%	0.6%	0.2%	2.1%	0.3%	1.4%	2.0%	-0.9%	1.1%
1Q16	-0.5%	-0.3%	-0.8%	-0.9%	-0.6%	-1.7%	-1.5%	0.3%	2.0%	-4.3%	4.7%	-3.0%	2.0%
2Q16	0.6%	-0.7%	0.7%	0.2%	0.4%	0.5%	-0.4%	1.2%	-1.4%	-1.7%	1.5%	-1.4%	1.3%
3Q16	0.0%	0.0%	-0.1%	-0.6%	-0.6%	-0.6%	-0.6%	0.7%	0.3%	-2.8%	1.7%	-0.7%	1.9%
4Q16	0.6%	-0.2%	-0.8%	-1.0%	0.2%	1.7%	1.2%	1.2%	2.2%	-2.8%	1.0%	-0.5%	3.7%
1Q17	0.9%	-0.2%	0.6%	-0.3%	0.7%	1.6%	0.2%	1.6%	1.0%	-1.1%	-2.4%	-0.2%	2.2%
2Q17	0.5%	0.1%	-0.6%	-1.1%	-0.3%	0.4%	1.4%	1.6%	1.7%	0.3%	0.8%	-0.7%	-1.2%
3Q17	0.5%	-0.9%	-0.9%	-0.1%	0.6%	1.6%	0.5%	0.9%	1.1%	-1.0%	-2.9%	-2.7%	-0.5%
4Q17	1.8%	2.2%	1.3%	2.0%	2.1%	1.2%	0.3%	2.0%	1.0%	2.8%	-0.3%	-0.5%	-0.2%
1Q18	0.9%	2.1%	0.0%	0.5%	1.1%	0.9%	1.3%	0.7%	3.5%	3.7%	-1.3%	4.4%	-1.8%
2Q18	1.1%	1.3%	0.5%	0.4%	0.9%	1.5%	0.4%	1.5%	0.5%	-1.1%	-1.4%	0.7%	0.7%
3Q18	-0.4%	0.0%	-0.5%	-1.0%	-1.7%	-1.1%	0.5%	0.3%	-0.5%	0.9%	0.2%	0.7%	-2.6%

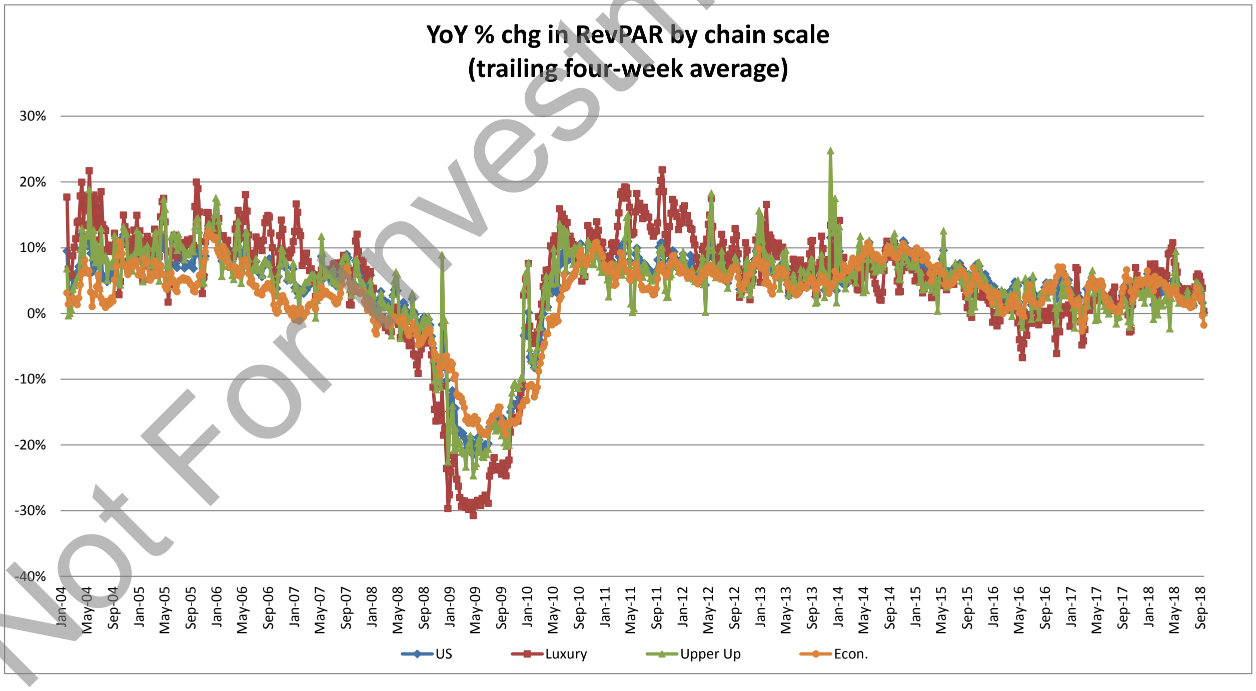
Source: STR data, STRH research

RevPAR Component Trends



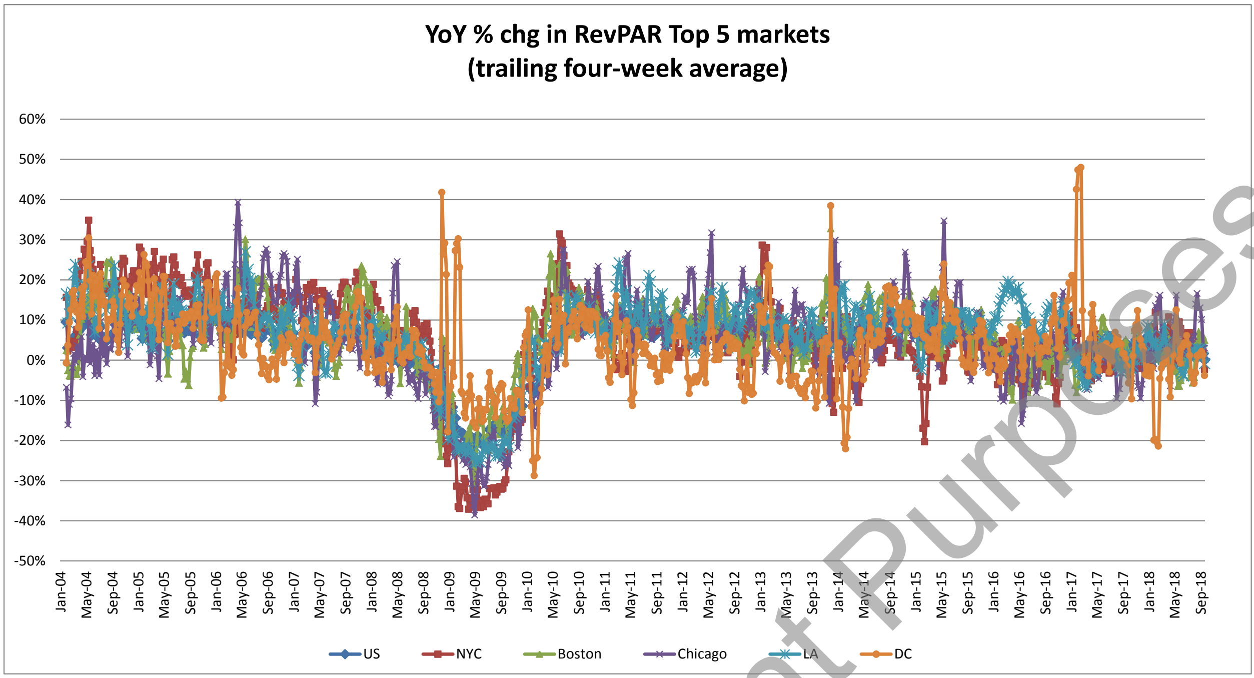
Source: STR data, STRH research

RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market



Source: STR data, STRH research

Price Target/Risks Summary

Lodging	TKR	Price 1/15/19	Rating	PT*	% upside down-side	2019E EBITDA ($M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	$26.62	Hold	$27	1%	$187	12.0X	Upside risk: improvement in NY and Chicago markets Downside risk: softening of RevPAR trends in Boston or SF. Slowdown in real estate lending.
Choice Hotels	CHH	$75.00	Hold	$80	7%	$363	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	$9.71	Hold	$11	13%	$258	12.0X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	$17.46	Hold	$21	20%	$1,498	12.5X	Upside risk: the company increases dividends by more than expected; NYC outperforms or is sold down at attractive multiples. Downside risk: Group underperforms. NYC hotels underperform and asset sales do not happen.
Hyatt Hotels	H	$67.86	Hold	$78	15%	$797	13.3X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	$13.51	Hold	$18	33%	$161	8.1X	Upside risk: Accelerating tour flow, FCF generation and decliining consumer defaults. Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	$29.49	Buy	$44	49%	$462	11.4X	Downside risk: Disruption in a major market (HGV more concentrated than peers), issues with Japanese customer (HGV more exposed than peers), difficulty sourcing additional fee-for-service inventory deals
Hilton	HLT	$72.50	Buy	$88	21%	$2,267	14.9X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
Marriott International	MAR	$110.18	Hold	$125	13%	$3,292	14.9X	Upside Risk: Significant U.S macroeconomic improvement results in large recovery in transient corporate demand (and consequential >400 bps RevPAR improvement). Owned assets sell for premium prices relative to MAR expectations. Downside Risk: 2018 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	$77.98	Buy	$130	66%	$741	11.2X	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	$28.45	Buy	$34	20%	$779	12.5X	Downside risk: Significant supply growth and macroeconomic challenges/shocks.
Playa Hotels & Resorts	PLYA	$7.70	Buy	$14	82%	$175	11.5X	Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives, country-specific risks (emerging market portfolio)
RLJ Lodging Trust	RLJ	$17.68	Hold	$21	19%	$518	11.5X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion. Downside risk: Significant supply growth, struggle to source deals/lower leverage, macroeconomic challenges/demand shocks.
Ryman Hospitality Properties	RHP	$75.81	Hold	$76	0%	$461	12.2X	Upside risk:recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	$14.07	Hold	$15	7%	$320	12.0X	Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions. Downside risk: Weaker than expected demand trends following capital investment projects.
Wyndham Destinations	WYND	$38.75	Buy	$62	60%	$1,003	9.3X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	$49.05	Buy	$63	28%	$639	13.0X	Downside risk: Slowdown in development opportunities. La Quinta synergies below expectations.

** All of our Lodging price targets (ex-RHP) are derived by applying a target EV/EBITDA multiple to our estimate for 2019 EBITDA*

Source: FactSet, STRH research

Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, $13.51, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, $75.00, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, $26.62, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, $9.71, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $67.86, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, $29.49, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, $72.50, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, $17.46, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $110.18, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, $28.45, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, $7.70, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, $75.81, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $17.68, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, $14.07, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, $77.98, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, $49.05, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, $38.75, Buy, C. Patrick Scholes)

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I, C. Patrick Scholes , hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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Hold (H) – the stock's total return is expected to perform in line with the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Sell (S) – the stock's total return is expected to underperform the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Not Rated (NR) – STRH does not have an investment rating or opinion on the stock

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H = Hold
S = Sell
D = Drop Coverage
CS = Coverage Suspended
NR = Not Rated
I = Initiate Coverage
T = Transfer Coverage

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· Reduce – total return ≤ negative 10% (5% for low Beta securities)
· Neutral – total return is within the bounds above
· NR – NOT RATED, STRH does not provide equity research coverage
· CS – Coverage Suspended
*Total return (price appreciation + dividends); **Price targets are within a 12-month period, unless otherwise noted; ***Low Beta defined as securities with an average Beta of 0.8 or less, using Bloomberg's 5-year average

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Sell	2	0.28%	Sell	0	0.00%

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