



Company Note

I Singapore

HOLD (previously ADD)

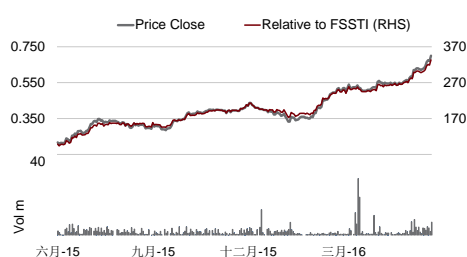
Consensus ratings*: Buy 2 Hold 0 Sell 0

Current price:	S\$0.70
Target price:	S\$0.73
Previous target:	S\$0.73
Up/downside:	4.2%
CIMB / Consensus:	9.6%
Reuters:	MM2A.SI
Bloomberg:	MM2 SP
Market cap:	US\$235.4m
	S\$318.7m
Average daily turnover:	US\$1.14m
	S\$1.55m
Current shares o/s:	455.3m
Free float:	40.0%

* Source: Bloomberg

Key changes in this note

➤ No change.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	29.6	41.4	218.2
Relative (%)	26.6	40.9	233.3

Major shareholders	% held
Wee Chye Ang	52.2
Yeo Khee Seng	7.8
Phillip Apac Opp Fun	4.0

Analyst(s)



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mm2 Asia

Screening the Unusual business

- On 9 Jun, mm2 proposed the separate listing of Unusual Group (current 51% stake). The listing could be completed as early as 1Q17, based on our estimates.
- Unusual was acquired at 10.2x forward P/E and could offer synergies to mm2's core business of content production, in our view.
- The listing potentially unlocks value for mm2 but stake dilution would dent mm2's FY3/17 earnings slightly.
- Our EPS forecasts and target price are unchanged. However, we downgrade mm2 from Add to Hold due to limited upside, as the news have likely been fully priced in.

Potential listing of Unusual

mm2 recently announced the proposed listing of UnUsual group of companies ("Unusual") on SGX-Catalist. Apart from organising trade shows and outdoor events like the Singapore Grand Prix, Unusual produces and promotes concerts for performing artistes in the region. As the talks are still in preliminary stages, we think that the earliest the listing could be completed is 1Q17, should it materialise.

mm2 acquired 51% stake in Unusual at 10.2x P/E

To recap, mm2 announced the proposed acquisition of 51% stake in Unusual in Feb 2016 for purchase consideration of S\$26m (US\$19m) via a mix of cash and new shares. Based on net profit target of S\$5m p.a. for FY17-19, this implies acquisition forward P/E of 10.2x. We viewed the acquisition positively, as it could offer synergies for mm2's core business of content production.

Why the Unusual spin-off?

Unusual is a leading producer of shows and entertainment acts in Asia. It aims to bring and promote concerts in more cities in China, which would position it for the next phase of growth. A separate listing would enable Unusual to command higher valuations (regional concert producers trade at 42x/22x CY16/17 P/E on average) and access public funds for expansion, while unlocking value for mm2. The stock is currently trading at 24.6x FY17 P/E and 20.2x FY18 P/E.

Mainly positive on proposed spin-off

The key concern arising from the proposed spin-off is the reduction in ownership level. We estimate 2-3% drop in mm2's FY17-19F PATMI if it decides to pare down its stake in Unusual to 40%. This could be offset by stronger earnings growth by Unusual and a one-off divestment gain from the stake sale. Assuming eventual ownership of 40% and spin-off valuation of 15x, mm2 could gain net proceeds of S\$8.3m (US\$6m) and realise gain of S\$2.6m (US\$2m). Unusual currently makes up about 14% of our FY17F PATMI.

Maintain EPS forecasts and TP of S\$0.73, but downgrade to Hold

Overall, the merits of Unusual listing depend on: 1) mm2's eventual ownership level, and 2) Unusual's listing valuation. We keep our EPS and target price intact (still pegged to peers' average of 22x CY17 P/E) but downgrade to Hold due to limited upside. Re-rating catalysts are earnings-accretive acquisitions and stronger movie production pipeline. Key downside risk is delay in production.

Financial Summary	Mar-15A	Mar-16A	Mar-17F	Mar-18F	Mar-19F
Revenue (S\$m)	24.3	38.3	93.2	111.9	127.1
Operating EBITDA (S\$m)	9.87	19.07	30.64	39.84	54.33
Net Profit (S\$m)	5.08	8.18	14.88	18.18	21.66
Core EPS (S\$)	0.012	0.018	0.028	0.035	0.041
Core EPS Growth	57.7%	50.3%	53.7%	22.2%	19.1%
FD Core P/E (x)	60.47	39.44	24.64	20.16	16.93
DPS (S\$)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	28.79	16.19	11.80	9.08	6.92
P/FCFE (x)	NA	NA	NA	111.6	NA
Net Gearing	(28.4%)	(4.6%)	(10.9%)	(11.7%)	(1.8%)
P/BV (x)	15.09	8.56	4.45	3.65	3.00
ROE	44.5%	29.5%	25.1%	19.9%	19.4%
% Change In Core EPS Estimates			0%	0%	0%
CIMB/consensus EPS (x)			0.92	0.91	

SOURCE: COMPANY DATA, CIMB FORECASTS

Screening the Unusual business

One of Asia's largest promoters and organisers of shows and entertainment acts

Initial acquisition details ►

mm2 announced the proposed acquisition of 51% stake in Unusual in Feb 2016 for purchase price of S\$26m (US\$19m). The acquisition came with a net profit guarantee of S\$5m (US\$3.7m) p.a. in FY17-19. This implies acquisition forward P/E of 10.2x. This compares favourably with mm2's historical P/E of 39.4x and FY17 P/E of 24.6x. Based on the annual profit target of S\$5m and assumed net margin of 20-25%, we forecast that the 51%-owned Unusual will contribute about 22% to FY17 topline and 14% to FY17 PATMI. We cross-checked this against our estimated ticket sales for 2016, based on past and upcoming events organised by Unusual (Figure 1).

Figure 1: 2016 events in Singapore (past and upcoming) by Unusual, with potential for more events in pipeline

Venue	Seating capacity	Estimated occupancy	2016 performances	Ticket price range (S\$)	ASP (based on median)
Max pavillion	6,500	5,850	Hillsong (28-May)	68-128	98
National stadium	55,000	49,500	Amei (9-Jan)	68-288	178
MBS Grand theatre	2,155	1,940	Kool & gang (27-Feb)	88-168	128
MBS Sands theatre	1,677	1,509			
Indoor stadium	13,000	11,700	Hebe (5-Mar), iKONCERT (24-Jul)	98-228 / 148-268	188
Star Theatre	5,000	4,500	Karen Mok (9-Apr), Kenny Rogers (6-Aug), George Lam (6-Jul)	88-188 / 88-228 / 78-198	188
				ASP:	<u>156</u>
	No. of seats sold	101,979	<i>(assume 90% occupancy)</i>		
	Total forecasted ticket sales	15,908,724	<i>(based on ASP of S\$156 per ticket)</i>		
	Total forecasted ticket sales (S\$m)	15.9	<i>(excludes F&B concessions and miscellaneous items)</i>		

SOURCES: CIMB, COMPANY REPORTS

Established track record with expertise in sound, stage and lighting ►

We are positive on mm2's acquisition of 51% stake in Unusual, not only because it has a strong track record in concert and event management (Singapore F1 Grand Prix and Youth Olympic Games, see Figure 2), but also because of its expertise in sound, stage and lighting. We see this acquisition as complementary to mm2's core business in content creation as it provides more content-offering options and establishes a wider network with more international artistes. Unusual also manages the MAX Pavillion at Singapore Expo, where many concerts and events are held.

Figure 2: Unusual's events track record

Year	No. of concerts	Examples
2009	13	Air Supply, Stefanie Sun, JJ Lin
2010	21	Jam Hsiao, Sammi Cheng, Show Luo
2011	21	Loud Festival, Jacky Cheung
2012	16	Sandy Lam, Wonder World, Yoga Lin
2013	14	Raine Yang, Joey Yung, Pitbull
2014	13	Mariah Carey, Michael Learns to Rock, Kim Soo Hyun
2015	23	Michael Buble, GEM, SHE

SOURCES: CIMB, COMPANY REPORTS

Why list Unusual? ➤

We think mm2's acquisition of Unusual is desirable and we are not surprised by the proposed separate listing of Unusual on SGX-Catalist. Unusual's track record in concert and event production has strengthened locally over the years. It has even extended its presence to Malaysia in 2010, as well as Hong Kong, Taiwan and China in 2011. As the company seeks to promote concerts in more cities in China, we believe that it is poised for the next stage of growth. A separate listing would enable Unusual to tap into public funds for expansion and unlock value for mm2.

Financial impact: sensitivity analysis

Impact on P&L ➤

Given that the 51%-owned Unusual forms about 20% of FY17 revenue and 14% of PATMI, based on our estimates, we expect mm2's core net profit for FY17-19 to dip marginally as a result of the Unusual spin-off (from the dilution of its effective stake in Unusual). Our sensitivity analysis reveals that for every 10% reduction in mm2's stake in Unusual, there would be a negative impact of S\$0.4m (US\$0.3m) on mm2's FY17-19F PATMI (Figure 3). In our view, this could be offset by stronger earnings growth by Unusual once it achieves separate listing status and has a platform to access new funds.

A partial sale of mm2's stake in Unusual could also result in a one-off divestment gain, lifting its FY17 net profit. The amount of cash proceeds and gains to be realised from the stake divestment hinge on the valuation that Unusual fetches and mm2's eventual ownership level, as illustrated in Figure 4. We believe that Unusual will list at more than 10x P/E, as regional concert producers are currently trading at CY16-17 valuations of 22-42x on average (figure 5).

Figure 3: Dilutive effects on mm2's net profit will depend on its eventual stake in the newly-listed company

mm2's PATMI (S\$m)	FY17F	FY18F	FY19F
51% eventual stake (our current estimates)	14.9	18.2	21.7
40% eventual stake	14.4	17.7	21.2
30% eventual stake	14.0	17.3	20.8
20% eventual stake	13.6	16.9	20.4

SOURCES: CIMB, COMPANY REPORTS

Figure 4: Sensitivity analysis based on mm2's eventual ownership level and valuation of Unusual (assuming no new shares)

Annual profit target (\$m):	5	Purchase consideration (\$m):	26
Proposed stake:	51%	Implied PE (x):	10.2

Valuation at spin-off	Cash proceeds (\$m)	Eventual stake			
		20%	30%	40%	50%
	15x	23.3	15.8	8.3	0.8
	16x	24.8	16.8	8.8	0.8
	17x	26.4	17.9	9.4	0.9
	18x	27.9	18.9	9.9	0.9
	19x	29.5	20.0	10.5	1.0
	20x	31.0	21.0	11.0	1.0
	21x	32.6	22.1	11.6	1.1
	22x	34.1	23.1	12.1	1.1

Valuation at spin-off	Potential gain (\$m) from stake sale	Eventual stake			
		20%	30%	40%	50%
	15x	7.4	5.0	2.6	0.2
	16x	9.0	6.1	3.2	0.3
	17x	10.5	7.1	3.7	0.3
	18x	12.1	8.2	4.3	0.4
	19x	13.6	9.2	4.8	0.4
	20x	15.2	10.3	5.4	0.5
	21x	16.7	11.3	5.9	0.5
	22x	18.3	12.4	6.5	0.6

SOURCES: CIMB, COMPANY REPORTS

Figure 5: Peers Comparison

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	Core P/E (x) CY2016	Core P/E (x) CY2017	3-year EPS CAGR (%)	P/BV (x) CY2016	P/BV (x) CY2017	Recurring ROE (%) CY2016	Recurring ROE (%) CY2017	Dividend Yield (%) CY2016	Dividend Yield (%) CY2017
mm2 Asia Ltd	mm2 SP	HOLD	0.70	0.73	235	26.9	21.1	33.2%	5.0	3.8	25.3%	20.8%	na	na
Regional concert producers														
YG Entertainment Inc	122870 KS	Not rated	43,400	na	558	23.0	20.6	4.5%	2.9	2.6	12.4%	12.2%	0.9%	1.0%
FNC Entertainment Co Ltd	173940 KS	Not rated	15,650	na	192	30.7	24.4	57.3%	2.6	2.5	8.7%	10.6%	2.6%	2.6%
SM Entertainment Co	041510 KS	Not rated	40,950	na	761	29.7	21.7	28.4%	2.8	2.5	9.4%	11.4%	0.0%	0.0%
Space Shower Networks Inc	4838 JP	Not rated	436.0	na	46	85.2	na	-5.2%	na	na	na	na	na	na
Simple average (excluding mm2)						42.1	22.3	21.3%	2.8	2.5	10.1%	11.4%	1.2%	1.2%

SOURCES: CIMB, COMPANY REPORTS, BLOOMBERG

Most likely scenario ➤

We believe that the most probable scenario is that mm2 would issue new shares in Unusual, resulting in the dilution of its effective stake to below 50% (Figure 6). Unusual will become an associated company of mm2 following the spin-off, and the new funds could be used to expand further into China or explore other investment opportunities.

Figure 6: Assuming no sale of vendor shares

Issuance of new shares	mm2's eventual ownership (%)	stake dilution vs initial 51%
10%	45.9%	5.1%
15%	43.4%	7.7%
20%	40.8%	10.2%
25%	38.3%	12.8%
30%	35.7%	15.3%

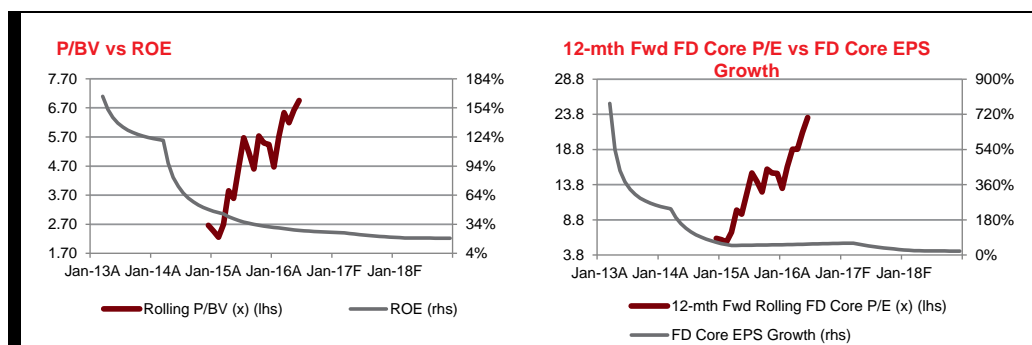
SOURCES: CIMB, COMPANY REPORTS

Figure 7: Peers Comparison

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		Dividend Yield (%)	
						CY2016	CY2017		CY2016	CY2017	CY2016	CY2017	CY2016	CY2017
mm2 Asia Ltd	mm2 SP	HOLD	0.70	0.73	235	26.9	21.1	33.2%	5.0	3.8	25.3%	20.8%	na	na
Regional														
Spackman Entertainment Group L	SEG SP	Not rated	0.11	na	31	na	na	na	na	na	na	na	na	na
Village Roadshow Ltd	VRL AU	Not rated	5.29	na	629	16.2	14.0	-11.1%	1.6	1.7	9.8%	11.5%	5.3%	5.5%
Alibaba Pictures Group Ltd	1060 HK	Not rated	1.82	na	5,916	na	na	na	na	na	na	na	na	na
IMAX China Holding Inc	1970 HK	Add	39.8	53.25	1,822.24	30.6	22.7	33.9%	8.2	5.9	31.3%	30.3%	0.0%	0.0%
Media Asia Group Holdings Ltd	8075 HK	Not rated	0.50	na	138	na	na	na	na	na	na	na	na	na
China 3D Digital Entertainment	8078 HK	Not rated	0.87	na	430	na	na	na	na	na	na	na	na	na
Interactive Entertainment Chin	8081 HK	Not rated	0.12	na	73	na	na	na	na	na	na	na	na	na
Huayi Brothers Media Corp	300027 CH	Not rated	14.95	na	6,334	34.7	29.7	19.5%	4.1	3.7	10.2%	11.2%	0.6%	0.7%
YG Entertainment Inc	122870 KS	Not rated	43,400	na	558	23.0	20.6	4.5%	2.9	2.6	12.4%	12.2%	0.9%	1.0%
CJ E&M Corp	130960 KS	Not rated	76,900	na	2,545	38.3	27.4	32.6%	1.9	1.8	4.8%	6.3%	0.0%	0.3%
SHOWBOX Corp	086980 KS	Not rated	7,840	na	419	34.8	25.5	25.1%	3.7	3.3	11.4%	13.9%	0.6%	0.7%
Simple average						29.6	23.3	17.4%	3.7	3.2	13.3%	14.2%	1.2%	1.4%
International														
Comcast Corp	CMCSA US	Not rated	62.8	na	152,428	17.7	16.1	na	2.7	2.6	15.9%	16.0%	1.8%	2.0%
Walt Disney Co/The	DIS US	Not rated	97.3	na	157,928	16.8	15.5	-0.3%	3.5	3.4	21.3%	21.9%	0.6%	1.7%
Twenty-First Century Fox Inc	FOX US	Not rated	29.0	na	54,848	15.2	13.2	na	3.8	3.7	24.6%	30.5%	1.1%	1.2%
Time Warner Inc	TWX US	Not rated	73.6	na	57,902	13.7	12.2	13.5%	2.4	2.4	17.9%	19.2%	2.2%	2.4%
Simple average						15.8	14.2	6.6%	3.1	3.0	19.9%	21.9%	1.4%	1.8%
Simple average (overall excluding mm2)						22.7	18.8	12.0%	3.4	3.1	16.6%	18.1%	1.3%	1.6%

SOURCES: CIMB, COMPANY REPORTS, BLOOMBERG

BY THE NUMBERS



Profit & Loss

(\$m)	Mar-15A	Mar-16A	Mar-17F	Mar-18F	Mar-19F
Total Net Revenues	24.3	38.3	93.2	111.9	127.1
Gross Profit	9.5	18.4	36.0	43.6	52.0
Operating EBITDA	9.9	19.1	30.6	39.8	54.3
Depreciation And Amortisation	(3.3)	(9.0)	(7.9)	(13.0)	(22.6)
Operating EBIT	6.6	10.1	22.7	26.8	31.7
Financial Income/(Expense)	(0.0)	(0.4)	(0.1)	(0.1)	(0.1)
Pretax Income/(Loss) from Assoc.	0.0	0.0	0.0	0.0	0.0
Non-Operating Income/(Expense)	0.0	0.3	0.0	0.0	0.0
Profit Before Tax (pre-EI)	6.6	10.0	22.7	26.8	31.7
Exceptional Items					
Pre-tax Profit	6.6	10.0	22.7	26.8	31.7
Taxation	(1.5)	(1.1)	(4.3)	(5.1)	(6.0)
Exceptional Income - post-tax					
Profit After Tax	5.1	8.9	18.4	21.7	25.7
Minority Interests	0.0	(0.7)	(3.5)	(3.5)	(4.0)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	5.1	8.2	14.9	18.2	21.7
Recurring Net Profit	5.1	8.2	14.9	18.2	21.7
Fully Diluted Recurring Net Profit	5.1	8.2	14.9	18.2	21.7

Cash Flow

(\$m)	Mar-15A	Mar-16A	Mar-17F	Mar-18F	Mar-19F
EBITDA	9.87	19.07	30.64	39.84	54.33
Cash Flow from Inv. & Assoc.	0.00	0.00	0.00	0.00	0.00
Change In Working Capital	-12.01	-22.57	-18.06	-28.19	-47.47
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	0.00	0.12	0.00	0.00	0.00
Other Operating Cashflow					
Net Interest (Paid)/Received	-0.02	-0.38	-0.05	-0.05	-0.05
Tax Paid	-0.07	-0.09	-4.31	-5.09	-6.02
Cashflow From Operations	-2.23	-3.84	8.22	6.51	0.78
Capex	-0.03	-0.59	-1.00	-1.00	-1.00
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	0.00	-7.71	-30.70	-2.17	-10.00
Other Investing Cashflow	-1.94	-0.23	0.00	0.00	0.00
Cash Flow From Investing	-1.98	-8.53	-31.70	-3.17	-11.00
Debt Raised/(repaid)	2.92	2.30	-0.05	-0.05	-0.05
Proceeds From Issue Of Shares	7.75	9.10	31.30	0.00	0.00
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow					
Cash Flow From Financing	10.67	11.39	31.25	-0.05	-0.05
Total Cash Generated	6.46	-0.97	7.77	3.29	-10.27
Free Cashflow To Equity	-1.29	-10.07	-23.53	3.29	-10.27
Free Cashflow To Firm	-4.19	-11.98	-23.43	3.39	-10.17

BY THE NUMBERS

Balance Sheet

(\$m)	Mar-15A	Mar-16A	Mar-17F	Mar-18F	Mar-19F
Total Cash And Equivalents	5.8	4.7	12.5	15.8	5.5
Total Debtors	20.6	24.4	46.0	47.8	46.0
Inventories	0.0	0.3	0.3	0.3	0.3
Total Other Current Assets	4.8	9.8	20.2	32.9	44.6
Total Current Assets	31.1	39.3	79.0	96.8	96.4
Fixed Assets	0.1	3.6	3.6	3.6	3.6
Total Investments	0.0	0.0	30.7	32.9	42.9
Intangible Assets	6.3	25.3	25.4	35.8	57.1
Total Other Non-Current Assets	0.0	0.8	0.8	0.8	0.8
Total Non-current Assets	6.5	29.7	60.5	73.1	104.4
Short-term Debt	0.2	0.2	0.2	0.2	0.2
Current Portion of Long-Term Debt					
Total Creditors	15.0	24.4	45.3	54.0	59.2
Other Current Liabilities	1.1	3.6	3.6	3.6	3.6
Total Current Liabilities	16.4	28.2	49.1	57.8	63.0
Total Long-term Debt	0.1	2.8	2.8	2.8	2.8
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0.0	0.0	0.0	0.0	0.0
Total Non-current Liabilities	0.1	2.8	2.8	2.8	2.8
Total Provisions	1.9	0.8	0.8	0.8	0.8
Total Liabilities	18.4	31.8	52.7	61.4	66.6
Shareholders' Equity	19.2	36.2	82.4	100.6	122.2
Minority Interests	0.0	1.0	4.5	8.0	12.0
Total Equity	19.2	37.2	86.8	108.5	134.2

Key Ratios

	Mar-15A	Mar-16A	Mar-17F	Mar-18F	Mar-19F
Revenue Growth	51%	58%	143%	20%	14%
Operating EBITDA Growth	36.7%	93.4%	60.7%	30.0%	36.4%
Operating EBITDA Margin	40.6%	49.8%	32.9%	35.6%	42.7%
Net Cash Per Share (S\$)	0.013	0.004	0.018	0.024	0.005
BVPS (S\$)	0.05	0.08	0.16	0.19	0.23
Gross Interest Cover	365.1	26.1	454.9	536.4	634.5
Effective Tax Rate	22.7%	11.0%	19.0%	19.0%	19.0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	240.0	214.8	137.8	153.0	134.7
Inventory Days	0.00	2.42	1.68	1.41	1.28
Accounts Payables Days	325.8	356.1	218.4	261.8	272.2
ROIC (%)	126%	64%	63%	57%	50%
ROCE (%)	48.3%	32.4%	34.6%	26.4%	25.3%
Return On Average Assets	18.5%	17.4%	17.7%	14.0%	13.9%

Key Drivers

	Mar-15A	Mar-16A	Mar-17F	Mar-18F	Mar-19F
TV Adex Rate (% Change)	N/A	N/A	N/A	N/A	N/A
Average Utilisation Rate (%)	N/A	N/A	N/A	N/A	N/A
Prime Time Utilisation Rate (%)	N/A	N/A	N/A	N/A	N/A
Non Prime Time Utilisation Rate (%)	N/A	N/A	N/A	N/A	N/A
Programming Costs (% Change)	80.8%	28.5%	81.8%	32.7%	19.8%
Newspr adex rev. grth (%)	0.0%	0.0%	207.3%	6.0%	6.0%
Newspaper ASP (% Change)	N/A	N/A	N/A	N/A	N/A
Newspr circulation grth (%)	N/A	N/A	N/A	N/A	N/A
Newsprint Cost (% Change)	N/A	N/A	N/A	N/A	N/A

SOURCE: CIMB RESEARCH, COMPANY DATA

DISCLAIMER

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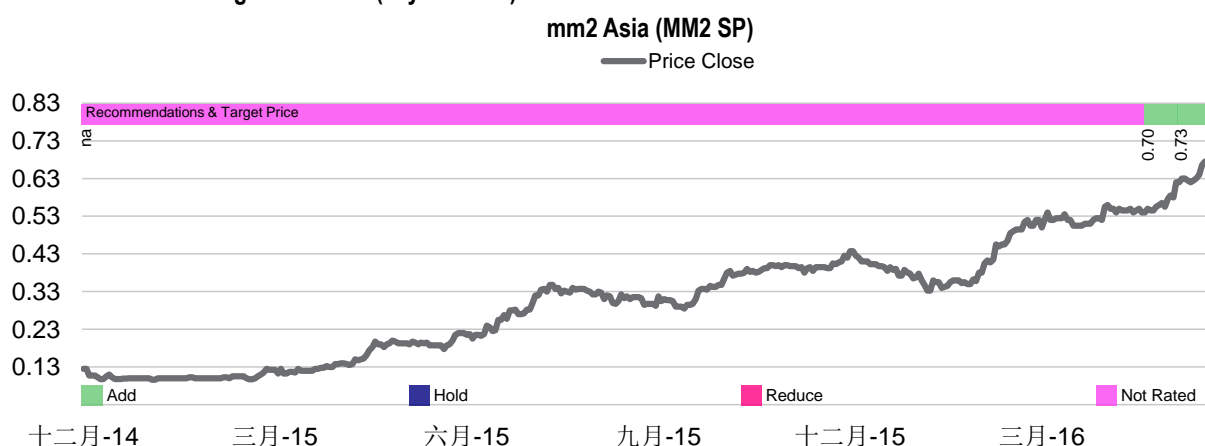
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Add The stock's total return is expected to exceed 10% over the next 12 months.

Hold The stock's total return is expected to be between 0% and positive 10% over the next 12 months.

Reduce The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.

Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.

Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.

Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.

Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.