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*A Disciplined Approach to
Global Market Equity Allocation*

All-Country Equity Allocator February 2019

- **Summary:** *We continue to favor emerging markets, with overweights in several oil exporters. The U.S. is an underweight, due to unfavorable valuation and risk indicators. Continental Europe is marketweighted, partly due to downward GDP revisions. In Developed Asia, we have decreased our position in Australia, where growth indicators are weak. We have an overweight position in the U.K., despite Brexit uncertainties.*
- **We continue to be somewhat overweight in emerging markets**
We are overweight in Emerging Europe/Middle East/Africa, where our top ranked markets are Russia, Egypt, and the U.A.E. These markets have attractive equity valuation ratios and stand to benefit from recent oil price strength. We are underweight in China and India. China's valuation ratios are roughly average among emerging markets, but its risk and momentum indicators rank poorly. India's equity valuations are expensive, and analysts have been downgrading GDP and earnings growth forecasts.
- **In North America, the U.S. is underweighted**
The U.S. market is underweighted based on expensive valuation ratios and some unfavorable risk measures. Under risk, the market's negatives include a high beta, a high rate of credit growth, and a 6% overvalued real exchange rate. On the other hand, it looks relatively attractive on growth with stable GDP 2019 forecasts and upward company revisions higher than many other markets.
- **Continental Europe is marketweighted**
Although GDP forecasts continue to be revised downward for many markets, we have increased our allocations in several. Spain has become an overweight with inexpensive valuations and relatively strong upward company earnings revisions. Sweden continues to be overweighted with attractive valuations, an undervalued exchange rate and a declining sovereign spreads trend over the last 24 months.
- **Developed Asia remains an overweight**
We have become much closer to a marketweight in Developed Asia. Our allocation to Australia has decreased to an underweight due to a negative terms-of-trade trend (stemming from weak commodity prices) and weak upward company revisions. Japan is still an overweight with attractive valuations where its trailing P/E at 12x is 7 units below its 10-year average. We have trimmed our overweight in Singapore which remains attractive on valuation with a forecasted 2019 P/E of 12x. However, its GDP forecasts for 2019 have been downgraded and upward company revisions are weak.
- **We have increased our weight in the U.K.**
In spite of uncertainties over Brexit, we have a contrarian position on the U.K. It is relatively cheap with a dividend yield of 4.7% and forecasted 2019 P/E of 12x. Other positives include its low beta relative to world returns and negative domestic credit growth over the last 5 years. On the negative side, it has a large current account deficit/GDP and weak upward company revisions.

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Purpose

The All-Country Equity Allocator provides country allocation recommendations with the goal of enhancing the dollar returns of unhedged global equity portfolios. Our allocation model, based on quantitative indicators, evaluates the attractiveness of each equity market relative to a benchmark based on the Morgan Stanley Capital International (MSCI) All-Country World Index (ACWI). For a detailed discussion of the methodology, please refer to our other monthly publications, the *Global Investment Outlook* and the *Emerging Markets Equity Allocator*. Our model covers 23 developed and 15 emerging markets — the ones we have found to be of most interest to global fund managers.

Quantitative Factors

Valuation

Price-to-Earnings Ratio (Forecast)

Price-to-Earnings Minus 10 Year Average Price-to-Earnings

Dividend Yield

Growth

6-Month Change in GDP Forecasts

One-Month Upward Company Revision Ratio

Terms-of-Trade Trend

Risk

Beta

Real Exchange Rate Overvaluation

Current Account

Domestic Credit

Change in Sovereign Spreads

Monetary Policy

Nominal Interest Rate Trend

Momentum

Year-over-Year Price Momentum

Investment Factor Definitions:

VALUATION -

Forecasted Price-to-Earnings: The forecasted price-to-earnings ratio is calculated by dividing the aggregate market capitalization of a country's MSCI constituents by the aggregate of their forecast earnings, aggregated from FactSet Estimates company-level data by Heckman Global Advisors. *Source: FactSet Research Systems, Heckman Global Advisors*

Price-to-Earnings Minus its 10-Year Average: The Price-to-earnings ratio is calculated by dividing the aggregate market capitalization of a country's MSCI constituents by the aggregate of their recently reported 12 months of earnings. This ratio is compared with its average over the last 10 years. *Source: MSCI, Heckman Global Advisors*

Dividend Yield: The ratio of the total dividend payout to the marketcap of a country index. *Source: MSCI*

GROWTH

6-Month Change in GDP Forecasts: The 6-month change of GDP forecasts measures the difference between the forecasted GDP growth rate and the forecasted GDP growth rate as of 6-months ago. *Source: Bloomberg*

One Month Upward Company Revision Ratio: The one month upward company revision ratio is computed as the number of companies with upward revisions to earnings forecasts divided by the total number of companies with revisions over the last month. *Source: FactSet Research Systems*

Terms-of-Trade Trend: A country's terms of trade is a measure of its aggregate export price index relative to its aggregate import price index. The model's proprietary measure of the terms-of-trade change over the past 18 months is based on the interaction of (a) global fuel, mineral, agricultural, and manufacturing price movements, and (b) the varying import and export structures of the markets in the model's universe. *Source: International Monetary Fund (IMF), World Trade Organization, U.S. Bureau of Economic Analysis, Heckman Global Advisors*

RISK

Beta: Beta measures the combination of volatility and correlation for each market relative to world returns based on the last 18 months of returns. *Source: MSCI, Heckman Global Advisors*

Real Exchange Rate Overvaluation: The real effective exchange rate is a measure of the local-currency cost of the local consumption basket relative to the local-currency cost of a trade weighted basket of foreign consumption baskets. The model's measure of overvaluation is the percent deviation between the current real effective exchange rate and its 6-year moving average. *Source: Bloomberg, IMF, Heckman Global Advisors*

Current Account/GDP: Current Account Balance is measured relative to GDP. *Source: Bloomberg, Heckman Global Advisors*

Excess Domestic Credit Growth: Excess domestic credit growth is defined as the change in the ratio of domestic credit to GDP (DC/GDP) over the last five years. *Source: World Bank and Heckman Global Advisors*

Change in Sovereign Spreads: Sovereign spreads are barometers for measuring investor risk aversion. A declining spread implies a decline in risk aversion. The indicator included in the model is based on the decline of the spread over the previous 24 months. *Source: JP Morgan, Bloomberg*

MONETARY POLICY

Nominal Interest Rate Trend: Nominal interest rate changes are measured as differences between short-term rates and their 24-month averages. *Source: Bloomberg, Heckman Global Advisors*

MOMENTUM (Higher Values Preferred)

Price Momentum: The price momentum factor is defined as the one-year percentage change in each market's local currency price index. *Source: MSCI*

VALUE-TRAP MARKETS

Value-trap markets are those that score in the first quartile according to valuation indicators but in the bottom quartile according to the non-valuation indicators. For these markets, we neutralize valuation scores by setting them equal to the global average country valuation score. This has the effect of lowering the overall scores of value-trap markets.

All Country Equity Rankings – February 2019

	Overall Rank	Previous Rank	Valuation Rank	Growth Rank	Risk Rank	Monetary Policy Rank	Momentum Rank
Russia	1	1	1	1	4	18	2
Colombia	2	4	7	7	20	3	12
Spain	3	13	4	8	13	10	29
Taiwan	4	3	3	15	10	17	27
Norway	5	27	19	4	17	25	7
Austria	6	6	2	12	25	12	38
UK	7	7	5	13	16	30	18
Israel	8	23	25	2	24	23	3
Brazil	9	8	31	26	11	1	1
Sweden	10	9	12	20	12	32	13
Japan	11	5	9	16	9	8	30
Netherlands	12	17	24	5	8	21	20
Singapore	13	10	6	24	7	34	26
Portugal	14	15	18	36	1	6	15
Australia	15	21	8	34	19	29	8
Ireland	16	11	13	22	2	12	35
Canada	17	24	20	11	22	33	9
Germany	18	16	10	14	15	27	34
Switzerland	19	25	27	25	6	16	11
Poland	20	20	28	3	30	9	19
Thailand	21	12	29	19	14	5	16
France	22	22	14	18	32	20	21
Hong Kong	23	26	22	21	23	15	17
Denmark	24	19	34	27	3	7	22
Malaysia	25	30	32	23	5	22	23
Belgium	26	28	11	10	35	11	36
Finland	27	18	26	28	33	12	4
S. Korea*	28	14	15	30	18	28	32
China	29	29	21	9	36	2	37
Italy*	30	2	15	31	26	24	33
Indonesia	31	35	35	17	27	37	6
Chile	32	32	30	35	29	26	24
Mexico	33	34	23	33	31	35	31
USA	34	33	36	6	38	36	14
India	35	31	37	32	28	31	10
Turkey*	36	37	15	29	34	38	28
New Zealand	37	36	38	38	21	4	5
South Africa	38	38	33	37	37	19	25

Note: Whereas our market rankings are a snapshot of relative attractiveness, our model's allocations are slower-moving: A sustained improvement in a market's ranking will be fully reflected in our model portfolio's allocations only after three months.

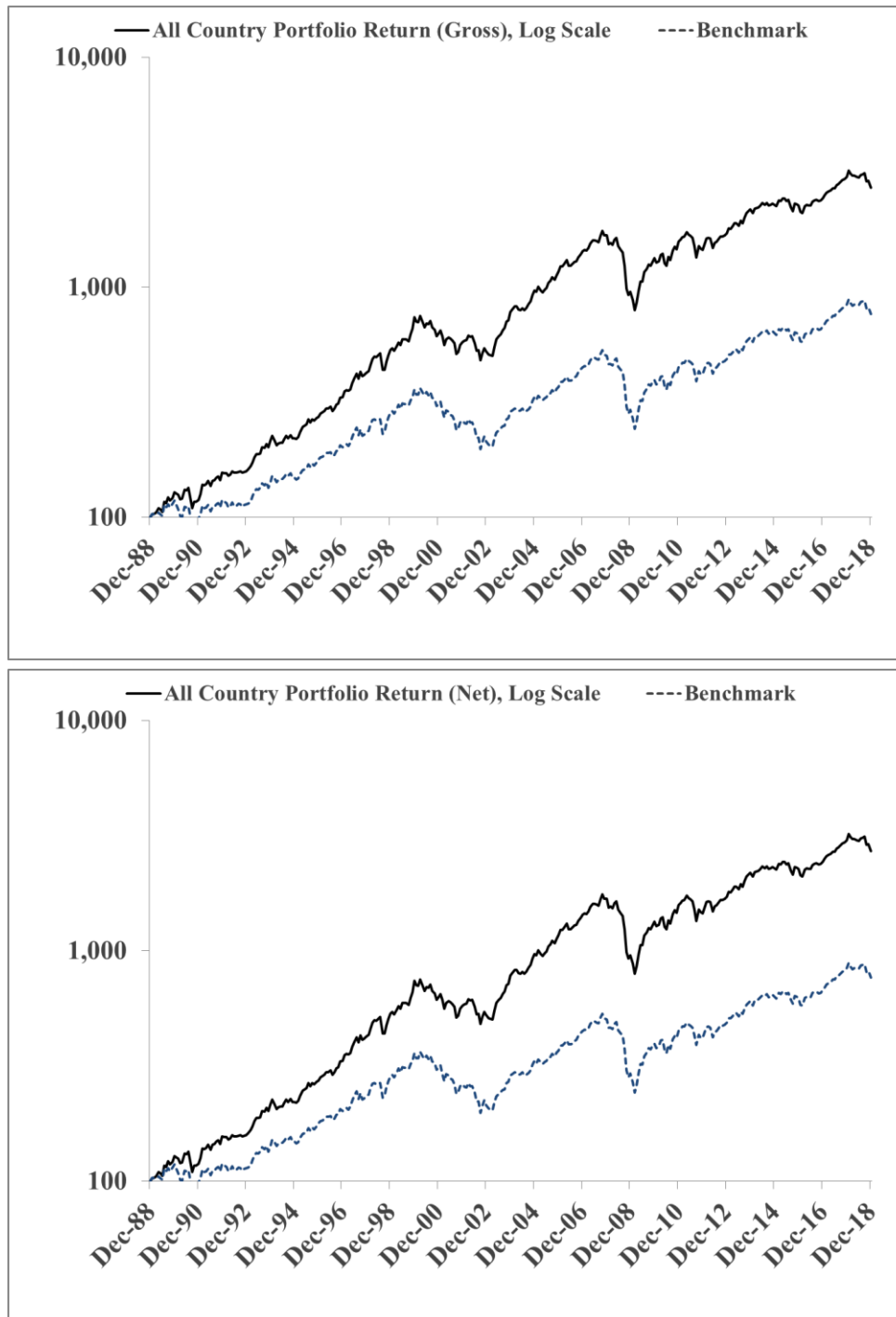
Source for benchmark weight: Morgan Stanley Capital International (MSCI) All Country World Index (ACWI).

*Value traps: markets with attractive valuation indicators but generally poor growth, risk, and momentum/sentiment indicators. These markets are assigned the global average valuation score, which causes a decline in their value ranks, overall ranks, and recommended allocations.

Performance of Model

The following describes the performance of a portfolio weighted using the investment factors and weights described on page two.

Figure 1. Performance of Model Portfolio



Source: MSCI, Heckman Global Advisors. See Important Disclosures on page 11.

All Country Equity Allocation – February 2019

In accordance with our proprietary mapping algorithm, which is based on value, growth, risk, and momentum factors, the recommended equity allocation is shown below:

	MSCI All Country Benchmark Weight (%)	Heckman Global Advisors Model Weight (%)	Heckman Global Advisors Model Underweight/Overweight
U.S.	54.8%	46.5%	-8.3%
Canada	3.1%	1.6%	-1.5%
North America	57.9%	48.1%	-9.9%
Japan	7.5%	10.0%	2.4%
Australia	2.1%	1.1%	-1.0%
Hong Kong	1.2%	0.0%	-1.2%
New Zealand	0.1%	0.0%	-0.1%
Singapore	0.4%	1.4%	1.0%
Dev. Mkt Asia	11.4%	12.5%	1.2%
Austria	0.1%	2.5%	2.4%
Belgium	0.3%	0.0%	-0.3%
Denmark	0.5%	0.0%	-0.5%
Finland	0.3%	0.0%	-0.3%
France	3.4%	0.8%	-2.6%
Germany	2.7%	1.8%	-0.9%
Ireland	0.2%	0.0%	-0.2%
Italy*	0.7%	1.8%	1.1%
Netherlands	1.1%	1.2%	0.2%
Norway	0.2%	0.6%	0.4%
Portugal	0.0%	0.2%	0.1%
Spain	0.9%	2.0%	1.1%
Sweden	0.8%	2.9%	2.1%
Switzerland	2.6%	0.6%	-2.0%
Continental Europe	13.9%	14.5%	0.6%
U.K.	5.2%	7.0%	1.8%
Europe	19.1%	21.5%	2.4%
Israel	0.2%	1.2%	1.0%
Brazil	1.0%	2.0%	1.1%
Chile	0.1%	0.0%	-0.1%
Colombia	0.1%	4.1%	4.1%
Mexico	0.3%	0.0%	-0.3%
Latin America	1.5%	6.2%	4.7%
China	3.7%	0.0%	-3.7%
India	1.0%	0.0%	-1.0%
Indonesia	0.3%	0.0%	-0.3%
Malaysia	0.3%	0.0%	-0.3%
S. Korea*	1.7%	0.4%	-1.3%
Taiwan	1.3%	4.9%	3.6%
Thailand	0.3%	0.0%	-0.3%
Emerging Mkt. Asia	8.5%	5.2%	-3.3%
Poland	0.1%	0.0%	-0.1%
Russia	0.5%	5.4%	4.9%
South Africa	0.8%	0.0%	-0.8%
Turkey*	0.1%	0.0%	-0.1%
Emerging Europe/Africa	1.5%	5.4%	3.9%

Source for benchmark weight: Morgan Stanley Capital International (MSCI) Index. MSCI ACWI® is a registered trademark of Morgan Stanley. Note: Whereas our market rankings are a snapshot of relative attractiveness, our model portfolios are slower-moving. A sustained improvement in a market's ranking will be fully reflected in our model portfolios only after three months.

* Value-traps

All Country Equity Allocation x-US – February 2019

	MSCI All Country Benchmark Weight (%)	Heckman Global Advisors Model Weight (%)	Heckman Global Advisors Model Underweight/Overweight
Canada	6.9%	5.2%	-1.6%
North America	6.9%	5.2%	-1.6%
Japan	16.7%	19.0%	2.3%
Australia	4.7%	3.6%	-1.1%
Hong Kong	2.7%	0.1%	-2.5%
New Zealand	0.2%	0.0%	-0.2%
Singapore	0.9%	1.8%	0.9%
Dev. Mkt Asia	25.1%	24.5%	-0.6%
Austria	0.2%	2.5%	2.3%
Belgium	0.7%	0.0%	-0.7%
Denmark	1.1%	0.0%	-1.1%
Finland	0.7%	0.0%	-0.7%
France	7.5%	4.8%	-2.7%
Germany	6.0%	4.9%	-1.0%
Ireland	0.4%	0.1%	-0.3%
Italy*	1.5%	2.5%	1.0%
Netherlands	2.3%	2.4%	0.1%
Norway	0.5%	0.8%	0.3%
Portugal	0.1%	0.1%	0.0%
Spain	2.1%	3.0%	0.9%
Sweden	1.8%	3.8%	2.0%
Switzerland	5.8%	3.7%	-2.2%
Continental Europe	30.7%	28.6%	-2.0%
U.K.	11.5%	13.2%	1.7%
Europe	42.2%	41.8%	-0.4%
Israel	0.4%	1.3%	0.9%
Brazil	2.1%	3.1%	1.0%
Chile	0.3%	0.0%	-0.3%
Colombia	0.1%	4.3%	4.2%
Mexico	0.7%	0.0%	-0.7%
Latin America	3.3%	7.4%	4.1%
China	8.3%	4.1%	-4.1%
India	2.2%	0.0%	-2.2%
Indonesia	0.6%	0.0%	-0.6%
Malaysia	0.6%	0.0%	-0.6%
S. Korea*	3.7%	2.3%	-1.4%
Taiwan	2.8%	6.3%	3.5%
Thailand	0.6%	0.0%	-0.6%
Emerging Mkt. Asia	18.9%	12.7%	-6.2%
Poland	0.3%	0.0%	-0.3%
Russia	1.0%	7.1%	6.0%
South Africa	1.7%	0.0%	-1.7%
Turkey*	0.2%	0.0%	-0.2%
Emerging Europe/Africa	3.2%	7.1%	3.8%

Source for benchmark weight: Morgan Stanley Capital International (MSCI) Index. MSCI ACWI® is a registered trademark of Morgan Stanley. Note: Whereas our market rankings are a snapshot of relative attractiveness, our model portfolios are slower-moving. A sustained improvement in a market's ranking will be fully reflected in our model portfolios only after three months.

* Value-traps

Quantitative Investment Indicators

Figure 2. Data Summary – February 2019

	VALUATION						GROWTH					
	Forecast 2019 P/E		P/E minus 10 yr avg P/E		Dividend Yield %		6-Month Change in GDP Forecasts, %		Upward Company Revisions, %		Terms of Trade Change, %	
	(lower is preferred)		(lower is preferred)		(higher is preferred)		(higher is preferred)		(higher is preferred)		(higher is preferred)	
	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month
U.S.	16.2	14.1	1.1	-0.1	2.1	2.2	0.0	0.2	46	46	-0.4	-0.4
Canada	13.8	11.7	-1.5	-2.5	3.2	3.5	0.0	0.0	39	46	-0.3	-2.5
Japan	11.9	11.0	-6.5	-7.1	2.4	2.6	-0.1	-0.1	34	42	0.1	3.6
Australia	15.0	13.9	-1.7	-2.1	4.7	4.9	-0.1	0.0	38	39	-2.3	-6.0
Hong Kong	14.6	13.2	-1.7	-2.5	2.8	3.1	-0.2	-0.2	32	42	0.1	0.6
New Zealand	23.6	21.8	11.3	10.4	2.6	2.6	-0.2	-0.2	20	30	-4.3	-6.8
Singapore	12.1	11.4	-0.6	-1.0	4.2	4.4	-0.2	-0.1	33	37	-0.2	1.0
Austria	9.3	7.6	-3.7	-4.3	3.4	3.7	0.0	0.0	38	30	-0.1	0.7
Belgium	14.6	13.1	-3.5	-4.6	3.9	4.2	-0.2	-0.1	46	50	-0.1	0.3
Denmark	17.7	16.5	-2.0	-2.5	2.4	2.5	0.1	0.1	24	53	-0.4	-0.6
Finland	16.1	14.2	5.8	4.7	4.2	4.6	-0.2	-0.1	29	55	-0.2	0.7
France	12.9	11.7	-0.7	-1.3	3.4	3.6	-0.3	-0.2	44	44	-0.5	0.3
Germany	11.6	10.6	-1.9	-2.5	3.3	3.5	-0.5	-0.3	47	45	0.1	1.2
Ireland	13.3	12.1	-11.1	-9.8	2.2	2.2	0.2	0.3	21	33	-0.1	0.9
Italy	9.6	8.9	-4.4	-5.1	4.3	4.8	-0.5	-0.3	32	55	0.1	1.6
Netherlands	14.9	13.8	-1.0	-1.5	2.9	3.1	-0.2	0.0	58	48	-0.3	-0.2
Norway	13.0	11.6	2.0	1.6	4.2	4.4	0.0	0.1	36	23	2.0	-5.0
Portugal	14.4	13.4	2.9	2.2	5.1	5.4	-0.2	-0.2	2	8	0.0	0.8
Spain	11.2	10.3	-0.8	-1.1	4.5	4.7	-0.1	-0.1	50	32	-0.6	-0.1
Sweden	13.4	13.3	-1.0	-2.9	4.0	4.3	-0.2	-0.2	32	41	-0.1	0.4
Switzerland	15.7	14.5	0.7	-0.7	3.2	3.4	-0.2	-0.1	30	26	0.1	0.7
U.K.	12.2	11.3	-0.4	-1.0	4.7	5.0	0.0	0.0	33	40	0.2	0.5
Israel	11.2	10.6	0.3	-1.0	1.9	2.1	-0.1	0.0	80	20	0.0	1.9
Brazil	12.6	10.9	4.4	2.6	3.3	3.6	0.0	-0.1	46	48	-3.2	-4.8
Chile	15.6	14.8	-0.8	-2.3	2.8	2.9	0.0	0.1	36	33	-4.9	-5.9
Colombia	11.8	10.5	-5.1	-6.2	2.8	3.1	0.2	0.2	28	60	1.0	-5.0
Mexico	13.9	12.8	-2.7	-3.7	2.7	2.8	-0.4	-0.4	29	36	-0.1	0.0
China	9.6	8.6	0.7	-0.3	2.2	2.4	-0.1	-0.1	36	32	0.6	2.7
India	17.4	17.0	3.6	3.7	1.3	1.3	-0.2	0.0	32	36	-0.8	1.2
Indonesia	15.6	14.5	1.4	0.7	2.2	2.4	-0.3	-0.3	49	54	-0.8	-2.4
Malaysia	16.3	15.7	-0.2	-0.2	3.0	3.0	-0.5	-0.6	39	44	0.1	-0.5
S. Korea	9.9	7.8	-2.8	-3.6	2.4	2.5	-0.2	-0.3	24	29	0.0	2.7
Taiwan	14.0	12.8	-4.0	-4.2	4.4	4.4	0.0	0.0	33	37	0.1	2.1
Thailand	14.8	13.2	0.2	-0.3	3.0	3.1	0.2	0.2	32	46	-0.9	0.0
Poland	11.3	11.0	0.7	0.3	2.1	2.2	0.3	0.2	46	60	-0.4	-0.1
Russia	5.2	4.7	-0.5	-0.8	5.6	5.9	-0.2	-0.3	57	70	2.4	-4.8
South Africa	13.8	12.4	1.6	1.0	3.0	3.1	-0.4	-0.5	37	27	-1.9	-2.0
Turkey	7.4	5.8	-2.3	-3.2	4.6	5.2	-3.3	-3.2	52	57	-0.6	0.7
Averages												
Global	12.5	11.2	-1.9	-0.8	3.3	3.5	-0.2	-0.2	37	41	-0.4	-0.6
Developed	13.3	12.1	-1.2	-0.7	3.5	3.7	-0.1	-0.1	37	38	-0.3	-0.3
Emerging	11.6	10.4	-7.0	-1.1	3.0	3.2	-0.3	-0.3	38	45	-0.6	-1.1

Source: MSCI, Heckman Global Advisors.

Quantitative Investment Indicators (Cont'd)

Figure 3. Data Summary – February 2019 (Cont'd)

	RISK										MONETARY POLICY		MOMENTUM	
	Beta		Real Exch Rate Overvaluation, %		Current Account as a % of GDP		Excess Domestic Credit Growth, %		Sovereign Spread Change, bps		Nom. Interest Rate minus 2 year avg., %		Price Momentum YoY, %	
	(lower is preferred)		(lower is preferred)		(higher is preferred)		(lower is preferred)		(lower is preferred)		(lower is preferred)		(higher is preferred)	
	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month	Curr Month	Prev Month
U.S.	1.2	1.2	6	9	-3	-2	14	14	-2	-1	1.0	1.0	-4	-6
Canada	0.8	0.8	-7	-10	-2	-3	NA	NA	NA	NA	0.6	0.6	-3	-12
Japan	0.4	0.5	-1	0	3	4	2	2	-5	-1	0.0	-0.1	-14	-17
Australia	0.6	0.6	-8	-10	-3	-2	19	19	0	5	0.2	0.3	-3	-6
Hong Kong	0.6	0.6	4	7	3	4	2	2	3	3	0.0	1.3	-8	-10
New Zealand	0.5	0.5	-3	-3	-3	-3	NA	NA	1	1	-0.3	-0.1	2	-1
Singapore	0.6	0.5	-2	-2	18	19	14	14	NA	NA	0.6	0.6	-11	-12
Austria	0.9	0.9	2	1	2	2	-10	-10	0	4	0.0	0.0	-25	-26
Belgium	0.7	0.7	1	2	0	0	12	12	10	18	0.0	0.0	-19	-25
Denmark	0.6	0.6	0	1	6	6	-17	-17	-3	-3	-0.1	0.0	-9	-12
Finland	0.8	0.8	0	2	0	-1	2	2	11	16	0.0	0.0	3	-2
France	0.8	0.8	-1	0	-1	-1	5	5	4	9	0.1	-0.2	-8	-10
Germany	0.9	0.9	1	2	7	8	-6	-6	0	1	0.2	-0.1	-17	-20
Ireland	0.7	0.7	-4	-4	10	11	-67	-67	25	19	0.0	0.0	-18	-23
Italy	0.8	0.8	-2	-1	2	3	-13	-13	46	55	0.2	0.3	-16	-16
Netherlands	0.8	0.8	-1	0	10	10	-7	-7	-4	1	0.1	-0.1	-8	-11
Norway	0.8	0.8	-3	-5	7	7	23	23	-2	-2	0.2	0.2	-3	-6
Portugal	0.6	0.6	-1	-1	0	0	-49	-49	-43	-51	-0.1	-0.2	-6	-10
Spain	0.8	0.8	0	1	1	1	-51	-51	-4	8	0.0	0.0	-13	-14
Sweden	0.9	0.9	-7	-5	4	4	2	2	-3	-2	0.3	0.2	-4	-9
Switzerland	0.6	0.6	-3	-1	10	10	15	15	-5	-5	0.0	0.0	-3	-10
U.K.	0.7	0.7	-3	-5	-3	-3	-27	-27	11	15	0.3	0.3	-8	-13
Israel	0.9	0.9	-1	-3	2	2	-3	-3	0	4	0.1	0.2	4	-2
Brazil	0.8	0.9	-5	-9	-1	-1	-3	-3	-39	-2	-1.7	-2.0	11	12
Chile	0.8	0.8	-1	-4	-2	-2	8	8	-10	4	0.2	0.2	-10	-11
Colombia	0.8	0.8	-23	-26	-3	-3	3	3	4	36	-0.7	-0.9	-4	-6
Mexico	0.8	0.9	-7	-10	-2	-2	10	10	16	34	0.7	1.0	-14	-17
China	1.2	1.2	-1	-5	0	0	27	27	-10	1	-1.0	-0.3	-21	-20
India	0.5	0.5	1	4	-3	-2	-2	-2	15	22	0.3	0.4	-3	0
Indonesia	0.6	0.6	-1	-2	-3	-3	5	5	-3	21	1.2	1.6	-2	-6
Malaysia	0.3	0.3	-5	-5	3	3	15	15	-6	22	0.1	0.1	-10	-7
S. Korea	0.8	0.8	1	2	4	5	8	8	-18	-12	0.2	0.2	-14	-19
Taiwan	0.7	0.7	-1	2	12	13	NA	NA	NA	NA	0.1	0.1	-12	-9
Thailand	0.5	0.5	5	3	7	8	8	8	-8	-6	-0.1	-0.1	-7	-8
Poland	0.9	0.9	-3	-3	-1	-1	3	3	6	8	0.0	0.0	-8	-8
Russia	0.8	0.8	-8	-13	5	6	9	9	-12	8	0.1	0.4	9	11
South Africa	1.5	1.6	5	-2	-4	-4	5	5	-13	33	0.1	0.1	-10	-15
Turkey	0.9	0.9	-19	-20	-2	-4	14	14	50	109	7.5	7.5	-12	-21
Averages														
Global	0.8	0.8	-3	-3	2	2	-1	-1	-2	4	0.3	0.3	-9	-11
Developed	0.7	0.7	-1	-1	3	3	-7	-7	0	3	0.2	0.2	-8	-12
Emerging	0.8	0.8	-4	-6	1	1	6	6	-8	8	0.4	0.5	-9	-10

Source: MSCI, Heckman Global Advisors.
All data is rounded to the nearest decimal or whole number.

Forecast P/E Ratio and Earnings Growth Rate

Country	P/E	P/E	P/E	Earnings Growth (%)	Earnings Growth (%)	Earnings Growth (%)
	2018	2019	2020	2018	2019	2020
Argentina	15	9	6	-14	59	44
Australia	16	15	14	9	4	4
Austria	9	9	9	5	1	6
Belgium	16	15	13	3	11	8
Brazil	15	13	11	42	19	11
Canada	15	14	12	12	7	10
Chile	18	16	14	16	16	11
China	11	10	9	5	12	13
Colombia	13	12	10	35	10	17
Czech Rep.	15	14	12	-12	5	12
Denmark	18	18	16	0	4	11
Egypt	10	9	8	18	12	12
Finland	18	16	14	1	13	12
France	14	13	12	8	7	9
Germany	12	12	11	-4	7	9
Greece	15	12	10	12	20	23
Hong Kong	16	15	14	4	7	7
Hungary	10	10	9	0	3	14
India	22	17	15	6	24	18
Indonesia	17	16	14	11	12	11
Ireland	14	13	12	6	4	9
Israel	13	11	10	13	14	11
Italy	11	10	9	15	12	8
Japan	12	12	11	2	2	5
Japan X-Financials	13	13	12	3	2	5
Korea	9	10	9	2	-8	14
Malaysia	17	16	15	3	3	7
Mexico	16	14	12	11	16	13
Morocco	19	18	16	-2	6	8
Netherlands	16	15	13	3	5	11
New Zealand	36	24	22	-20	53	9
Norway	14	13	12	18	9	12
Pakistan	11	8	6	16	47	19
Peru	17	15	13	22	15	16
Philippines	19	17	15	5	12	12
Poland	12	11	10	1	10	9
Portugal	17	14	13	1	17	8
Qatar	14	14	13	15	5	8
Russia	5	5	5	57	-4	5
Singapore	13	12	11	11	5	7
South Africa	17	14	12	18	20	15
Spain	12	11	10	1	8	7
Sweden	16	13	14	5	20	-4
Switzerland	17	16	14	29	11	9
Taiwan	13	14	13	-1	-4	11
Thailand	15	15	14	4	2	8
Turkey	7	7	6	18	-2	30
UAE	10	9	9	5	6	4
United Kingdom	13	12	11	10	4	8
United States	17	16	15	24	6	11
EAFE (Mkt. Wgt.)	13	13	12	7	6	7
EAFE (Equal Wgt.)	14	13	12	6	10	9
Emerging Mkts(Mkt. Wgt.)	12	11	10	9	6	12
Emerging Mkts(Eq. Wgt.)	13	12	11	9	8	12
Global (Mkt. Wgt)	15	15	13	15	6	10
Global (Equal. Wgt)	13	12	11	8	10	11

Data Sources and Methodology: These data are aggregates built from company-level data supplied by FactSet Research Systems and MSCI. According to FactSet Research System FactSet Research System EPS estimates are reported in local currency for most markets, where not available we have converted USD EPS into local terms. The P/E ratios and earnings growth rates are earnings-weighted aggregates of all companies covered by FactSet Research System estimates. We calendarize the data by assigning fiscal years ending during January-May to the previous calendar year. Growth rate and P/E calculations may include different sets of companies depending on data availability.

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