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*A Disciplined Approach to
Global Market Equity Allocation*

All-Country Equity Allocator February 2018

Summary: *We are making several changes to our model this month. We are adjusting our measure of Valuation to include Price-to-Earnings minus its 10-Year Average. To our Risk category, we are adding Excess Domestic Credit Growth and Current Account/GDP. We have also added Changes to Nominal Interest Rates under a new category "Interest Rates". [The definitions of these factors are shown on page 3].*

➤ **We continue to overweight Emerging Markets**

In a global portfolio, we are overweighting all three emerging market regions. Within Asia, Taiwan, S. Korea, and Malaysia are overweighted. We have increased our weight in Taiwan, which is favored by inexpensive valuations and attractive risk measures. In Latin America, Brazil has moved to an overweight with decreases in nominal interest rates over last 24 months, narrowing sovereign spreads, and strong price momentum. In Emerging Europe, Russia and Turkey continue to be overweighted with inexpensive valuations, GDP growth upgrades over the past six months, and narrowing sovereign risk spreads.

➤ **In North America, the U.S.**

The underweight in the U.S. is based on valuation and poor risk indicators. While the real exchange rate of the U.S. dollar has weakened, it still remains modestly overvalued in real terms. In addition, there has been a buildup of excess domestic credit growth and short-term interest rates are trending upward.

➤ **We are underweight Continental Europe**

France and Germany are underweighted with not particularly inexpensive valuations but high beta risk. We are overweight in several small European markets, including Austria, Norway, and Portugal. Norway has a positive 18-month terms-of-trade trend (due to firm oil prices) and an undervalued real exchange rate. Portugal has inexpensive valuations (its PE is cheaper than its 10-year average, and its dividend yield is high at 4.6%) and is favored by declining sovereign risk spreads. Austria has had a 60bp upgrade to forecast 2018 GDP growth over last six months and has very strong year-over-year local-currency price momentum.

➤ **Developed Asia continues as a major overweight**

Singapore and Hong Kong have had strong upgrades to GDP forecasts and look attractive based on our risk measures (due to low beta risk and relatively high current account surpluses). Australia also remains an overweighted market, with inexpensive valuations, a positive terms-of-trade trend, and a competitively valued real exchange rate. Japan continues to be overweighted, based on an undervalued real exchange rate, strong upward company revisions, and solid local-currency price momentum.

➤ **The U.K. continues to be underweighted**

There are several reasons for the underweight. In the risk category, the market's beta risk is high and the country is running a large current account deficit (4% of GDP). Year-over-year price momentum in local currency has been weak, and upward revisions to GDP forecasts have been very modest.

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

Terms-of-Trade Change

Risk

Beta

Real Exchange Rate Overvaluation

Current Account/GDP

Excess Domestic Credit Growth

Change in Sovereign Spreads

Interest Rates

Nominal Interest Rate Change

Sentiment/Momentum

One-Month Upward Company Revision Ratio

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: Consensus Economics*

Terms-of-Trade Change: 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*

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*

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*

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

INTEREST RATES

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

SENTIMENT/MOMENTUM (Higher Values Preferred)

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*

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 2018

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

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.

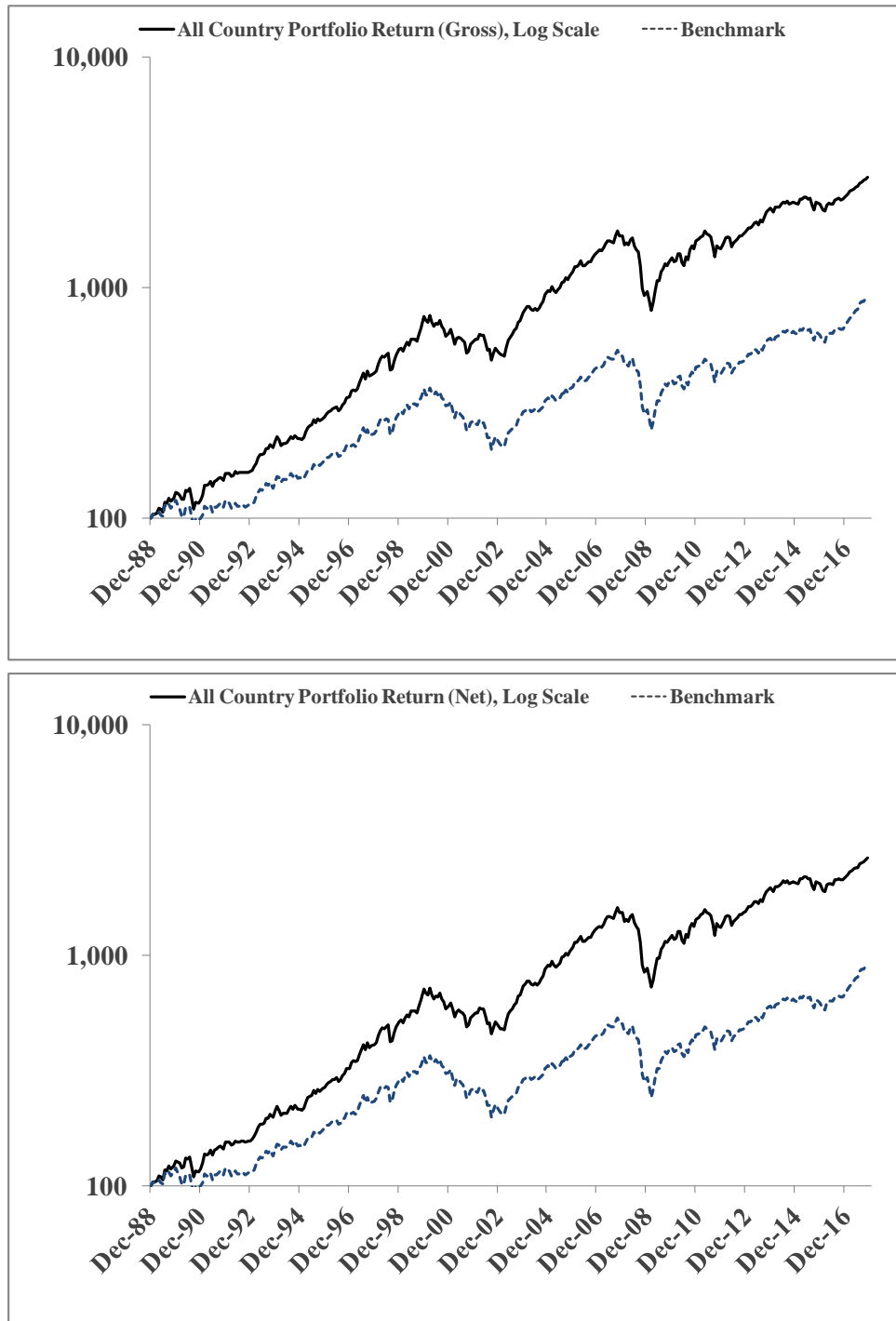
Source for benchmark weight: Morgan Stanley Capital International (MSCI) All Country World Index (ACWI).

*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 2018

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.	52.5%	43.8%	-8.7%
Canada	3.0%	1.0%	-2.0%
North America	55.5%	44.8%	-10.6%
Japan	7.8%	10.4%	2.6%
Australia	2.2%	4.2%	2.0%
Hong Kong	1.2%	2.9%	1.7%
New Zealand	0.1%	0.0%	-0.1%
Singapore	0.4%	2.1%	1.7%
Dev. Mkt Asia	11.7%	19.6%	7.9%
Austria	0.1%	3.7%	3.6%
Belgium	0.4%	0.0%	-0.4%
Denmark	0.6%	0.0%	-0.6%
Finland*	0.3%	0.0%	-0.3%
France	3.6%	0.0%	-3.6%
Germany	3.3%	0.0%	-3.3%
Ireland	0.2%	0.0%	-0.2%
Italy	0.8%	0.0%	-0.8%
Netherlands	1.2%	0.0%	-1.2%
Norway	0.2%	1.7%	1.5%
Portugal	0.0%	3.1%	3.0%
Spain	1.1%	0.0%	-1.1%
Sweden	0.9%	0.0%	-0.9%
Switzerland	2.6%	0.0%	-2.6%
Continental Europe	15.2%	8.4%	-6.8%
U.K.	5.7%	2.3%	-3.4%
Europe	20.9%	10.7%	-10.2%
Israel	0.2%	0.0%	-0.2%
Brazil	0.9%	2.3%	1.4%
Chile	0.2%	0.5%	0.4%
Colombia	0.1%	2.0%	1.9%
Mexico	0.4%	0.0%	-0.4%
Latin America	1.5%	4.8%	3.4%
China	3.8%	0.0%	-3.8%
India	1.0%	0.0%	-1.0%
Indonesia	0.3%	0.0%	-0.3%
Malaysia	0.3%	1.6%	1.3%
S. Korea	1.8%	3.4%	1.6%
Taiwan	1.4%	5.4%	4.1%
Thailand	0.3%	0.0%	-0.3%
Emerging Mkt. Asia	8.8%	10.4%	1.7%
Poland	0.2%	0.0%	-0.2%
Russia	0.4%	5.2%	4.8%
South Africa	0.8%	0.0%	-0.8%
Turkey	0.1%	4.3%	4.2%
Emerging Europe/Africa	1.5%	9.6%	8.0%

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 2018

	MSCI All Country Benchmark Weight (%)	Heckman Global Advisors Model Weight (%)	Heckman Global Advisors Model Underweight/Overweight
Canada	6.3%	4.5%	-1.8%
North America	6.3%	4.5%	-1.8%
Japan	16.5%	19.2%	2.7%
Australia	4.7%	6.8%	2.1%
Hong Kong	2.5%	4.3%	1.8%
New Zealand	0.1%	0.0%	-0.1%
Singapore	0.9%	2.7%	1.8%
Dev. Mkt Asia	24.7%	33.1%	8.4%
Austria	0.2%	3.9%	3.7%
Belgium	0.8%	0.0%	-0.8%
Denmark	1.2%	0.0%	-1.2%
Finland*	0.7%	0.0%	-0.7%
France	7.5%	3.0%	-4.5%
Germany	6.9%	3.6%	-3.3%
Ireland	0.3%	0.0%	-0.3%
Italy	1.7%	0.0%	-1.7%
Netherlands	2.5%	0.5%	-2.0%
Norway	0.5%	2.1%	1.6%
Portugal	0.1%	3.3%	3.2%
Spain	2.3%	1.0%	-1.3%
Sweden	1.9%	0.5%	-1.4%
Switzerland	5.5%	2.3%	-3.2%
Continental Europe	32.0%	20.1%	-11.9%
U.K.	12.0%	6.7%	-5.3%
Europe	43.9%	26.8%	-17.2%
Israel	0.3%	0.0%	-0.3%
Brazil	1.9%	3.4%	1.6%
Chile	0.3%	0.8%	0.5%
Colombia	0.1%	2.2%	2.0%
Mexico	0.7%	0.0%	-0.7%
Latin America	3.1%	6.4%	3.4%
China	7.9%	3.2%	-4.8%
India	2.1%	0.0%	-2.1%
Indonesia	0.5%	0.0%	-0.5%
Malaysia	0.6%	2.1%	1.5%
S. Korea	3.8%	5.5%	1.7%
Taiwan	2.9%	7.1%	4.2%
Thailand	0.6%	0.0%	-0.6%
Emerging Mkt. Asia	18.5%	17.8%	-0.7%
Poland	0.3%	0.0%	-0.3%
Russia	0.9%	6.6%	5.8%
South Africa	1.7%	0.0%	-1.7%
Turkey	0.3%	4.8%	4.5%
Emerging Europe/Africa	3.2%	11.4%	8.2%

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 1. Data Summary – February 2018

	VALUATION						GROWTH				INTEREST RATES	
	P/E minus 10 yr avg P/E (lower is preferred)		Forecast 2018 P/E (lower is preferred)		Dividend Yield % (higher is preferred)		6-Month Change in GDP Forecasts, % (higher is preferred)		Terms of Trade Change, % (higher is preferred)		Nom. Interest Rate minus 2 year avg. (lower 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.	7.8	6.6	18.9	18.3	1.8	1.9	0.3	0.3	-2.6	-1.6	0.75	0.70
Canada	0.8	1.0	15.3	15.5	2.8	2.8	0.2	0.2	4.1	2.5	0.59	0.47
Japan	-2.8	-3.0	14.7	14.6	1.9	1.9	0.3	0.3	-6.5	-3.7	0.00	0.00
Australia	0.5	0.4	16.0	15.9	4.3	4.3	0.1	0.0	11.5	11.3	-0.05	-0.03
Hong Kong	1.0	0.3	17.2	16.5	2.4	2.5	0.4	0.5	-0.4	0.0	4.71	7.72
New Zealand	6.2	6.4	24.1	20.1	4.2	4.2	0.0	0.2	-9.1	-9.1	-0.47	-0.24
Singapore	2.2	1.9	14.2	13.7	3.2	3.2	0.6	0.5	-2.4	-1.3	0.16	0.49
Austria	2.1	1.2	12.3	12.0	2.1	2.2	0.6	0.6	-2.0	-1.3	0.00	0.00
Belgium	6.8	6.3	18.8	18.3	3.4	3.5	0.0	0.2	-1.5	-1.0	0.00	0.00
Denmark	3.4	2.8	18.3	18.1	2.1	2.1	0.1	0.1	-0.2	-0.5	0.00	0.00
Finland	2.1	1.5	16.4	16.4	4.0	4.1	0.6	0.6	-2.9	-2.1	0.00	0.00
France	3.7	3.1	15.3	14.8	2.9	3.0	0.5	0.3	-2.8	-1.8	0.00	0.00
Germany	5.5	5.2	13.8	13.4	2.5	2.5	0.6	0.6	-2.3	-1.3	0.00	0.00
Ireland	-5.3	-4.9	16.4	16.7	1.5	1.4	0.4	0.4	-2.6	-1.3	0.00	0.00
Italy	15.9	15.8	12.9	12.5	3.2	3.4	0.4	0.4	-3.4	-2.0	0.00	0.00
Netherlands	4.9	4.4	16.9	16.4	2.4	2.5	0.5	0.5	-1.6	-1.2	0.00	0.00
Norway	16.0	16.4	16.3	15.4	3.9	3.9	0.3	0.2	16.6	8.7	-0.09	-0.18
Portugal	-3.5	-3.6	17.2	16.9	4.6	4.6	0.3	0.5	-1.5	-0.6	-0.01	-0.01
Spain	3.5	2.8	13.4	12.8	3.9	4.0	0.2	0.2	-3.4	-2.4	0.00	0.00
Sweden	1.5	0.9	16.6	16.2	3.4	3.4	0.2	0.3	-0.8	-0.1	0.00	0.00
Switzerland	5.9	6.1	17.3	17.3	3.1	3.0	0.2	0.1	-0.8	-0.3	0.00	0.00
U.K.	7.8	8.1	14.6	14.5	3.8	3.8	0.1	0.1	0.8	0.8	0.14	0.14
Israel	0.4	-0.1	12.9	12.5	2.3	2.4	0.0	0.0	-3.2	-1.4	0.00	0.00
Brazil	5.1	3.3	14.2	13.0	2.4	2.7	0.5	0.5	-3.0	-2.1	-5.04	-5.34
Chile	4.3	3.2	20.1	18.9	2.1	2.2	0.3	0.2	6.5	12.4	-0.77	-0.62
Colombia	-2.5	-3.4	14.8	13.9	2.3	2.5	-0.2	-0.2	13.3	6.5	-1.18	-1.25
Mexico	-2.2	-2.7	16.8	16.2	2.2	2.3	0.0	0.0	1.1	0.7	1.74	1.89
China	6.1	4.5	12.3	11.3	1.5	1.6	0.2	0.2	-4.7	-4.0	0.62	1.51
India	6.2	5.4	18.7	17.9	1.3	1.3	-0.7	-0.7	-5.4	-3.2	-0.21	-0.19
Indonesia	3.2	2.9	17.0	16.8	2.1	2.2	-0.1	-0.1	1.7	0.9	-1.12	-0.68
Malaysia	1.0	0.4	17.0	15.7	2.9	3.0	0.7	0.7	0.4	-0.5	0.20	-0.05
S. Korea	-0.2	-0.5	8.9	8.4	1.6	1.5	0.3	0.4	-5.8	-3.8	0.17	0.16
Taiwan	-0.8	-1.5	14.2	13.4	3.5	3.7	0.3	0.3	-4.4	-3.0	-0.01	-0.01
Thailand	3.4	2.7	16.1	15.5	2.6	2.7	0.3	0.3	-5.1	-4.1	-0.17	-0.18
Poland	2.0	1.4	12.8	11.9	1.6	1.7	0.4	0.4	-1.9	-1.1	0.01	0.01
Russia	1.7	0.9	6.4	5.8	4.4	4.8	0.4	0.4	20.1	12.1	-3.24	-3.16
South Africa	4.9	5.0	16.3	15.4	2.7	2.6	0.2	-0.1	3.4	6.2	-0.11	-0.08
Turkey	0.0	-0.2	8.3	8.0	2.8	2.9	0.8	0.6	-5.2	-3.8	0.00	0.00
Averages												
Global	0.3	0.4	14.5	13.8	2.7	2.8	0.3	0.2	-0.2	0.1	-0.20	-0.15
Developed	0.3	0.3	15.7	15.3	3.0	3.1	0.3	0.3	-0.7	-0.4	0.07	0.09
Emerging	0.4	0.6	12.9	12.1	2.3	2.4	0.2	0.2	0.6	0.8	-0.57	-0.50

Source: MSCI, Heckman Global Advisors.

Quantitative Investment Indicators (Cont'd)

Figure 2. Data Summary – February 2018 (Cont'd)

	RISK										SENT/MOM			
	Beta		Real Exch Rate Overvaluation, %		Current Account as a % of GDP		Excess Domestic Credit Growth		Sovereign Spread Change, bps		Upward Company Revision		Price Momentum YoY, %	
	(lower is preferred)		(lower is preferred)		(higher is preferred)		(lower is preferred)		(lower 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	Curr Month	Prev Month
U.S.	1.0	0.9	4	8	-2	-3	15	15	-4	0	66	66	24	19
Canada	1.2	1.0	-6	-7	-3	-3	na	na	NA	NA	58	58	4	6
Japan	0.5	0.6	-9	-11	4	4	na	na	-15	-7	62	62	19	18
Australia	0.9	0.9	-6	-7	-2	-2	20	20	-13	-10	65	65	6	6
Hong Kong	0.5	0.5	0	4	4	4	na	na	-17	-8	73	73	29	33
New Zealand	0.6	0.7	-2	-3	-3	-3	na	na	-12	-8	50	50	0	4
Singapore	0.6	0.7	-3	-2	19	19	27	27	NA	NA	52	52	20	21
Austria	1.4	1.7	3	3	2	2	-10	-10	-10	-6	65	65	41	36
Belgium	1.2	1.3	2	2	0	0	10	10	-6	-14	31	31	6	2
Denmark	1.0	1.2	2	2	7	7	na	na	-8	-7	48	48	13	16
Finland	1.4	1.4	1	1	-1	-1	6	6	-3	1	44	44	11	5
France	1.4	1.6	1	0	-1	-1	1	1	-11	-2	42	42	16	11
Germany	1.4	1.5	3	3	8	8	-7	-7	-8	-7	46	46	12	10
Ireland	1.4	1.7	-2	-2	3	3	-65	-65	-5	-26	58	58	3	3
Italy	1.7	2.1	-1	-1	2	2	-9	-9	-20	7	51	51	24	10
Netherlands	1.2	1.4	-1	-1	9	9	-5	-5	-12	-6	50	50	19	15
Norway	1.2	1.4	-7	-10	5	6	na	na	-8	-8	46	46	15	18
Portugal	1.3	1.5	0	0	0	0	-44	-44	-151	-132	0	0	9	5
Spain	1.5	1.9	0	1	2	2	-55	-55	-45	-6	52	52	15	9
Sweden	1.4	1.5	-5	-4	5	4	3	3	-9	-8	45	45	6	6
Switzerland	1.0	1.1	-2	-4	10	10	17	17	-11	-11	49	49	13	15
U.K.	1.1	1.6	-2	-5	-4	-4	-39	-39	-14	-11	52	52	6	7
Israel	0.9	0.8	4	4	3	3	na	na	-16	-15	56	56	-1	-4
Brazil	2.0	1.7	-5	-7	-1	-1	4	4	-112	-108	41	41	29	23
Chile	1.0	0.9	1	1	-2	-2	11	11	-35	-32	52	52	34	28
Colombia	1.0	1.0	-27	-30	-3	-4	na	na	-69	-62	6	6	19	13
Mexico	1.6	1.5	-11	-16	-2	-2	9	9	-41	-36	40	40	7	8
China	1.0	0.8	3	1	1	1	33	33	-37	-44	56	56	60	52
India	0.7	0.6	8	9	-2	-2	na	na	-47	-50	41	41	27	29
Indonesia	0.6	0.6	-3	-2	-2	-2	9	9	-60	-62	42	42	26	23
Malaysia	0.4	0.4	-4	-5	3	3	16	16	-55	-60	50	50	11	9
S. Korea	0.9	0.9	4	6	6	6	5	5	-5	-3	31	31	29	29
Taiwan	0.6	0.6	3	4	12	12	na	na	NA	NA	58	58	18	14
Thailand	0.5	0.5	5	3	9	9	17	17	-37	-38	53	53	22	19
Poland	1.4	1.5	0	-1	0	-1	3	3	-22	-23	64	64	25	27
Russia	1.4	1.2	-7	-6	2	2	na	na	-85	-73	62	62	7	-4
South Africa	2.1	2.0	5	3	-3	-3	-73	-73	-82	-77	50	50	17	21
Turkey	1.5	1.3	-18	-17	-5	-5	17	17	-64	-70	80	80	35	45
Averages														
Global	1.1	1.2	-2	-2	2	2	-3	-3	-16	-12	50	50	18	16
Developed	1.1	1.3	-1	-1	3	3	-8	-8	-11	-8	50	50	14	12
Emerging	1.1	1.1	-3	-4	1	1	3	3	-55	-60	48	48	25	22

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 (%)
	2017	2018	2019	2017	2018	2019
Argentina	21	15	12	668	40	27
Australia	17	16	15	17	8	4
Austria	12	12	12	30	1	4
Belgium	21	19	17	35	12	11
Brazil	17	14	12	48	17	14
Canada	17	15	14	25	11	10
Chile	23	20	17	7	15	15
China	14	12	11	33	15	14
Colombia	18	15	12	-5	25	22
Czech Rep.	14	16	15	5	-12	3
Denmark	20	18	17	3	8	11
Egypt	12	11	9	60	7	24
Finland	17	16	16	1	4	3
France	16	15	14	11	7	9
Germany	15	14	13	15	10	8
Greece	25	14	10	-3	77	37
Hong Kong	18	17	16	15	8	7
Hungary	12	9	7	-31	36	18
India	22	19	16	11	20	18
Indonesia	19	17	15	16	14	12
Ireland	18	16	15	2	9	9
Israel	15	13	12	5	13	10
Italy	15	13	11	NEG TO POS	19	13
Japan	16	15	14	23	8	8
Japan X-Financials	10	9	8	28	9	9
Korea	19	17	16	55	13	5
Malaysia	17	17	15	1	9	7
Mexico	20	19	18	39	3	14
Morocco	18	17	15	8	5	5
Netherlands	25	24	21	11	7	10
New Zealand	25	16	15	1	4	14
Norway	13	10	9	-29	56	10
Pakistan	18	15	14	-19	31	13
Peru	22	19	18	77	18	9
Philippines	13	13	12	8	12	13
Poland	18	17	16	94	1	9
Portugal	14	12	10	-11	4	9
Qatar	7	6	6	-1	17	11
Russia	16	14	13	17	12	3
Singapore	20	16	14	7	12	8
South Africa	15	13	12	4	22	15
Spain				17	9	9
Sweden	19	17	16	1	14	5
Switzerland	22	17	16	2	25	10
Taiwan	15	14	13	13	9	7
Thailand	17	16	15	8	9	9
Turkey	9	8	7	46	10	12
UAE	11	10	9	0	10	9
United Kingdom	16	15	14	11	11	8
United States	22	19	17	11	18	11
EAFE (Mkt. Wgt.)	17	15	14	13	10	8
EAFE (Equal Wgt.)	18	16	14	6	12	9
Emerging Mkts(Mkt. Wgt.)	14	12	11	23	14	10
Emerging Mkts(Eq. Wgt.)	15	13	12	14	12	11
Global (Mkt. Wgt)	19	19	15	14	14	10
Global (Equal. Wgt)	17	14	13	10	13	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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