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*A Disciplined Approach to
Global Market Equity Allocation*

All-Country Equity Allocator July 2018

Summary: *We are reducing our overweight in emerging markets, where sovereign spreads have widened in a few key countries. The U.S. remains an underweight, largely due to expensive valuations and unfavorable risk indicators. We are underweight in Continental Europe, but have overweights in several of the smaller markets, including Austria, Portugal, and Norway. We remain overweight in developed Asia, but are trimming our position in Japan.*

➤ **Reducing overweight in Emerging Markets**

We are reducing the EM overweight in our All-Country World portfolio to 7.4% from 11.4%. Emerging markets remain attractive on a valuation basis, with the average emerging market trading at 11.6x forecast 2018 earnings, which is well below the 14.8x multiple in developed markets. However, outside of the value category, emerging markets have lost some of their luster. For example, whereas emerging markets benefited over the past year or more from substantial sovereign spread declines, spreads have widened recently in some key emerging markets, including Brazil, South Africa, and Turkey.

➤ **In North America, the U.S. is underweighted**

U.S. equity valuations remain pricey. The market's trailing price-to-earnings ratio is substantially higher than its 10-year historical average, and its 1.9% dividend yield is well below the 3.2% developed market average. The market's risk indicators are generally unfavorable, including a high rate of domestic credit growth and a real exchange rate that is overvalued by 10%.

➤ **We are underweight Continental Europe**

We are overweight in several smaller markets in Europe. Ireland's ranking has improved this month, due to upward revisions to company earnings and GDP forecasts. Austria, Portugal, and Norway are all overweighted. Austria has cheap valuations, Portugal has strong upward company revisions and narrowing sovereign spreads, while Norway benefits from a positive terms-of-trade trend and undervalued real exchange rate. We have tapered our overweight in Italy, which has fallen into the "value trap" category.

➤ **Developed Asia remains an overweight**

We have tapered our overweight in Japan, which is looking less attractive in our growth category. GDP forecasts for 2018 have been downgraded by 0.2% over the last six months. Also our overweights in Singapore and Hong Kong have come down a bit. In the case of Singapore, upward company revisions look weak and GDP forecasts for 2018 are not as rosy as six months ago. For Hong Kong, the real exchange rate has become somewhat overvalued.

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

The U.K. market ranks about average in most of our investment categories, although it is looking somewhat more attractive in our risk category. Its real exchange rate has become somewhat more undervalued relative to its trading partners, and domestic credit growth has moderated.

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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 – July 2018

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

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.

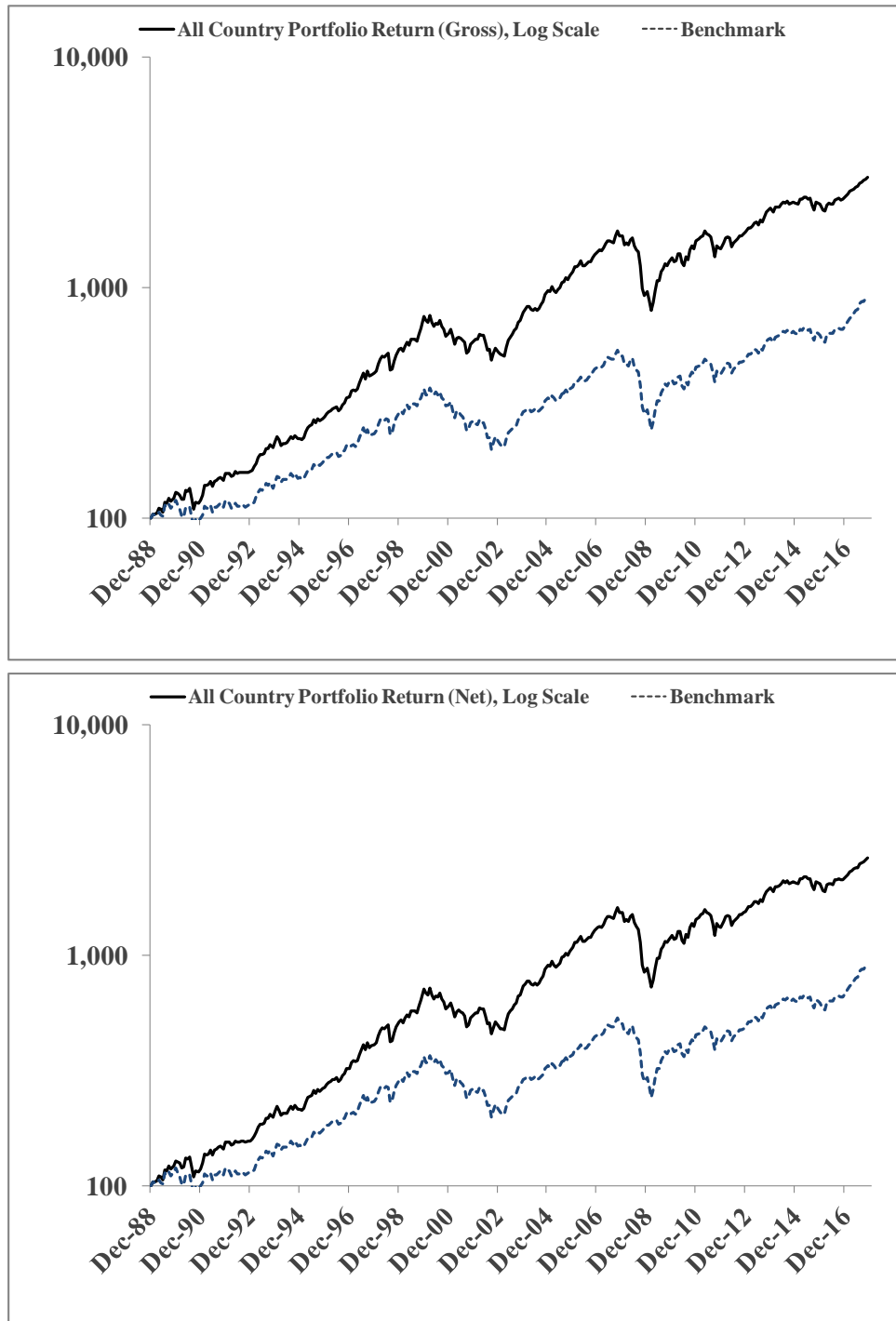
Source for benchmark weight: Morgan Stanley Capital International (MSCI) All Country World Index (ACWI).

*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 – July 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.	53.9%	46.0%	-7.9%
Canada	3.1%	1.1%	-2.0%
North America	57.0%	47.2%	-9.8%
Japan	7.6%	8.5%	0.9%
Australia	2.2%	3.8%	1.6%
Hong Kong	1.2%	3.3%	2.2%
New Zealand	0.1%	0.0%	-0.1%
Singapore	0.4%	1.9%	1.5%
Dev. Mkt Asia	11.5%	17.5%	6.0%
Austria	0.1%	4.0%	4.0%
Belgium	0.3%	0.0%	-0.3%
Denmark	0.5%	0.0%	-0.5%
Finland	0.3%	0.0%	-0.3%
France	3.5%	0.0%	-3.5%
Germany	3.0%	0.2%	-2.8%
Ireland	0.2%	0.2%	0.1%
Italy*	0.8%	1.1%	0.4%
Netherlands	1.1%	0.0%	-1.1%
Norway	0.2%	2.8%	2.5%
Portugal	0.1%	1.6%	1.5%
Spain	1.0%	0.3%	-0.7%
Sweden	0.8%	0.0%	-0.8%
Switzerland	2.5%	2.5%	0.0%
Continental Europe	14.5%	12.7%	-1.7%
U.K.	5.7%	4.0%	-1.7%
Europe	20.2%	16.7%	-3.5%
Israel	0.2%	0.0%	-0.2%
Brazil	0.7%	1.5%	0.8%
Chile	0.1%	0.5%	0.3%
Colombia	0.1%	4.1%	4.1%
Mexico	0.3%	0.0%	-0.3%
Latin America	1.2%	6.1%	4.9%
China	3.8%	0.0%	-3.8%
India	1.0%	0.0%	-1.0%
Indonesia	0.2%	0.0%	-0.2%
Malaysia	0.3%	0.0%	-0.3%
S. Korea	1.7%	0.6%	-1.1%
Taiwan	1.4%	5.0%	3.7%
Thailand	0.3%	0.5%	0.3%
Emerging Mkt. Asia	8.6%	6.2%	-2.4%
Poland	0.1%	0.0%	-0.1%
Russia	0.4%	5.2%	4.8%
South Africa	0.8%	0.0%	-0.8%
Turkey*	0.1%	1.1%	1.0%
Emerging Europe/Africa	1.4%	6.3%	4.9%

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 – July 2018

	MSCI All Country Benchmark Weight (%)	Heckman Global Advisors Model Weight (%)	Heckman Global Advisors Model Underweight/Overweight
Canada	6.7%	4.7%	-2.0%
North America	6.7%	4.7%	-2.0%
Japan	16.6%	17.4%	0.8%
Australia	4.8%	6.3%	1.5%
Hong Kong	2.5%	4.6%	2.1%
New Zealand	0.1%	0.0%	-0.1%
Singapore	0.9%	2.3%	1.4%
Dev. Mkt Asia	24.9%	30.6%	5.7%
Austria	0.2%	4.1%	3.9%
Belgium	0.7%	0.0%	-0.7%
Denmark	1.1%	0.0%	-1.1%
Finland	0.7%	0.0%	-0.7%
France	7.6%	3.3%	-4.3%
Germany	6.6%	3.7%	-2.9%
Ireland	0.4%	0.4%	0.0%
Italy*	1.7%	2.0%	0.3%
Netherlands	2.5%	0.0%	-2.4%
Norway	0.5%	3.0%	2.5%
Portugal	0.1%	1.6%	1.5%
Spain	2.1%	1.4%	-0.8%
Sweden	1.8%	0.9%	-0.8%
Switzerland	5.4%	5.4%	0.0%
Continental Europe	31.3%	25.8%	-5.5%
U.K.	12.4%	10.6%	-1.8%
Europe	43.8%	36.4%	-7.3%
Israel	0.4%	0.0%	-0.4%
Brazil	1.5%	2.3%	0.8%
Chile	0.3%	0.6%	0.3%
Colombia	0.1%	4.3%	4.2%
Mexico	0.7%	0.0%	-0.7%
Latin America	2.6%	7.2%	4.6%
China	8.3%	3.3%	-5.0%
India	2.2%	0.0%	-2.2%
Indonesia	0.5%	0.0%	-0.5%
Malaysia	0.6%	0.0%	-0.6%
S. Korea	3.7%	2.6%	-1.1%
Taiwan	2.9%	6.5%	3.6%
Thailand	0.5%	0.8%	0.2%
Emerging Mkt. Asia	18.7%	13.2%	-5.5%
Poland	0.3%	0.0%	-0.3%
Russia	0.9%	6.7%	5.8%
South Africa	1.7%	0.0%	-1.7%
Turkey*	0.2%	1.2%	1.0%
Emerging Europe/Africa	3.0%	7.8%	4.8%

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 – July 2018

	VALUATION						GROWTH					
	Forecast 2018 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.	17.1	17.2	4.4	4.3	1.9	1.9	0.4	0.3	57	63	-1.0	-2.2
Canada	14.9	14.8	0.0	-0.2	3.0	3.0	-0.2	-0.1	50	59	1.7	4.6
Japan	12.9	13.2	-4.7	-4.7	2.1	2.1	-0.2	0.0	47	47	-3.3	-7.5
Australia	16.2	15.8	-0.3	-0.7	4.3	4.4	0.0	0.0	50	53	1.4	7.5
Hong Kong	14.7	15.9	-2.2	-1.8	2.8	2.6	0.8	0.7	43	45	-0.1	-0.8
New Zealand	35.1	32.8	19.8	15.4	2.7	3.5	-0.1	-0.1	32	52	-8.7	-3.8
Singapore	12.8	13.6	0.7	1.6	3.7	3.6	0.3	0.6	43	49	-1.6	-2.8
Austria	10.1	10.5	-2.2	-1.5	3.2	2.7	0.5	0.7	58	51	-1.1	-2.0
Belgium	17.2	16.9	1.3	0.7	3.8	3.9	0.1	0.2	68	49	-0.8	-1.4
Denmark	17.8	18.0	-1.3	-1.0	2.4	2.3	0.2	0.2	53	33	-0.6	0.3
Finland	17.5	17.9	9.7	11.2	4.1	4.0	0.5	0.6	82	67	-1.6	-2.9
France	14.6	14.9	0.9	1.1	3.2	3.1	0.1	0.2	47	47	-1.8	-2.6
Germany	13.0	13.2	0.9	1.3	2.9	2.9	-0.1	0.3	47	58	-1.0	-2.6
Ireland	16.6	17.0	-2.4	-1.5	1.9	1.7	1.8	1.0	60	40	-1.3	-3.0
Italy	11.1	11.4	-2.3	-1.6	3.8	3.9	-0.1	0.1	43	67	-1.4	-3.6
Netherlands	16.6	16.6	1.6	1.7	2.7	2.7	0.5	0.6	31	46	-1.1	-1.2
Norway	14.4	14.4	4.9	4.5	4.0	4.1	0.3	0.3	47	39	11.7	19.4
Portugal	17.9	18.0	6.0	6.1	4.6	4.6	0.2	0.3	88	51	-0.8	-1.9
Spain	12.2	11.9	1.3	1.2	4.2	4.2	0.3	0.2	59	57	-2.1	-3.0
Sweden	15.2	15.9	1.5	1.1	3.9	3.8	0.0	0.0	64	63	-0.5	-1.3
Switzerland	15.9	15.8	2.4	2.0	3.3	3.4	0.3	0.4	55	61	-0.4	-1.2
U.K.	13.7	14.0	3.4	3.6	4.0	4.0	-0.1	0.0	53	51	0.4	0.3
Israel	13.3	13.3	-1.6	-1.0	2.0	2.1	0.2	0.2	28	54	-1.5	-4.1
Brazil	10.8	11.7	2.6	3.5	3.5	3.3	-0.5	0.0	42	46	-5.7	-1.8
Chile	16.3	17.5	-1.1	-0.7	2.7	2.7	0.6	0.7	68	52	-5.4	-1.7
Colombia	13.2	13.2	-2.8	-3.5	2.5	2.8	-0.1	0.0	48	70	8.2	16.2
Mexico	16.3	15.3	0.5	-1.0	2.2	2.6	0.0	0.0	37	40	-0.1	0.8
China	10.3	11.0	2.8	3.5	2.0	1.8	0.0	0.0	44	47	-1.4	-4.1
India	18.8	18.8	4.6	4.3	1.4	1.3	-0.1	-0.1	38	39	-3.8	-5.6
Indonesia	14.4	15.2	-0.1	0.7	2.7	2.7	0.0	0.0	31	27	-0.4	2.5
Malaysia	15.3	15.8	-0.6	-0.3	3.1	3.1	0.2	0.3	26	31	0.6	1.3
S. Korea	8.3	8.4	-2.1	-1.6	2.1	1.9	-0.1	0.0	45	45	-2.8	-6.2
Taiwan	13.5	13.9	-1.9	-1.4	3.9	3.7	0.2	0.3	48	46	-2.1	-4.5
Thailand	13.7	14.7	0.7	1.8	3.1	2.9	0.5	0.7	35	30	-3.4	-4.0
Poland	11.1	11.1	-0.1	-0.4	2.0	2.0	0.5	0.6	51	45	-1.3	-1.8
Russia	5.2	5.5	1.2	1.4	5.4	4.6	-0.1	-0.1	66	68	13.6	21.3
South Africa	14.6	15.2	3.5	3.1	2.8	2.9	0.4	0.7	51	42	-2.0	-0.7
Turkey	6.5	6.8	-2.6	-2.0	4.9	4.7	0.4	0.6	45	50	-3.1	-4.6
Averages												
Global	13.2	13.4	0.7	0.6	3.1	3.0	0.2	0.3	49	50	-0.6	-0.3
Developed	14.8	15.0	0.6	0.5	3.2	3.2	0.2	0.3	52	52	-0.7	-0.7
Emerging	11.6	11.9	1.3	0.8	2.9	2.8	0.1	0.2	45	45	-0.6	0.4

Source: MSCI, Heckman Global Advisors.

Quantitative Investment Indicators (Cont'd)

Figure 3. Data Summary – July 2018 (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.	1.1	1.2	10	8	-3	-3	14	14	-3	-3	1.0	0.8	12	12
Canada	1.0	1.0	-8	-8	-3	-3	NA	NA	NA	NA	0.5	0.6	8	5
Japan	0.4	0.4	-5	-6	4	4	2	2	-3	-6	0.0	0.0	7	11
Australia	0.7	0.7	-8	-9	-2	-2	20	20	-3	-6	0.3	0.2	8	4
Hong Kong	0.5	0.5	5	2	3	4	2	2	-2	-7	1.4	0.4	7	13
New Zealand	0.3	0.4	-5	-4	-3	-3	NA	NA	-3	-4	-0.1	-0.1	5	2
Singapore	0.5	0.5	-3	-3	19	19	21	21	NA	NA	0.5	0.5	3	9
Austria	1.1	1.1	3	2	3	3	-12	-12	7	11	0.0	0.0	4	6
Belgium	1.0	0.9	2	2	0	0	10	10	6	8	0.0	0.0	-3	-10
Denmark	0.8	0.8	3	2	8	8	-17	-17	-6	-6	0.0	0.0	-3	-1
Finland	1.0	1.1	2	1	1	1	5	5	5	8	0.0	0.0	5	4
France	1.0	1.0	1	1	-1	-1	1	1	-1	-4	0.0	0.0	5	3
Germany	1.1	1.1	1	1	8	8	-7	-7	-3	-2	0.2	0.2	-2	-2
Ireland	0.9	0.9	-1	-3	7	4	-68	-68	5	15	0.0	0.0	1	2
Italy	1.2	1.2	0	-1	3	3	-9	-9	75	86	0.3	0.2	3	4
Netherlands	0.9	0.9	0	-1	10	10	0	0	2	4	0.1	0.1	5	2
Norway	1.1	1.1	-2	-5	6	6	19	19	-6	-7	-0.1	0.0	20	17
Portugal	1.0	1.0	1	0	1	0	-44	-44	-96	-88	0.0	0.0	9	1
Spain	1.2	1.1	1	0	2	2	-55	-55	-7	6	0.0	0.0	-8	-13
Sweden	1.2	1.1	-9	-9	4	4	2	2	-8	-7	0.1	0.0	-2	-4
Switzerland	0.8	0.8	-3	-3	10	10	15	15	-10	-9	0.1	0.1	-2	-5
U.K.	0.9	0.8	-6	-5	-4	-4	-39	-39	-2	-2	0.1	0.1	4	1
Israel	0.9	0.9	0	2	3	3	-3	-3	6	6	0.0	0.0	-4	-2
Brazil	1.5	1.6	-14	-13	-1	-1	4	4	49	-6	-4.0	-4.3	13	19
Chile	1.0	1.0	-1	0	-1	-1	9	9	-5	-10	-0.5	-0.4	8	8
Colombia	0.8	0.8	-22	-23	-3	-3	3	3	-9	-17	-1.6	-1.6	13	12
Mexico	1.1	1.3	-15	-16	-2	-2	9	9	7	2	1.4	1.3	-3	-8
China	1.1	1.0	-1	1	1	1	34	34	-10	-23	0.3	0.2	20	29
India	0.5	0.5	1	2	-2	-2	-2	-2	3	-9	-0.1	-0.1	11	10
Indonesia	0.4	0.5	-4	-4	-2	-2	9	9	14	-6	1.1	0.9	-9	-2
Malaysia	0.3	0.2	-3	-4	3	3	15	15	11	-10	0.2	0.2	-4	-2
S. Korea	0.8	0.8	3	5	5	5	5	5	-2	-7	0.2	0.2	-1	6
Taiwan	0.5	0.5	2	2	13	13	NA	NA	NA	NA	0.0	0.0	1	6
Thailand	0.3	0.3	2	4	9	9	15	15	-11	-18	-0.1	-0.1	6	16
Poland	1.3	1.3	-4	-4	-1	-1	3	3	2	3	0.0	0.0	-6	-4
Russia	1.0	1.1	-9	-11	4	3	12	12	-20	-29	-2.2	-2.8	26	25
South Africa	1.8	1.8	-1	4	-3	-3	5	5	19	-24	-0.2	-0.3	9	1
Turkey	1.1	1.2	-23	-24	-6	-6	20	20	78	37	7.5	0.0	-8	-1
Averages														
Global	0.9	0.9	-3	-3	2	2	0	0	-2	-6	0.2	-0.1	4	4
Developed	0.9	0.9	-1	-2	3	3	-7	-7	-3	-3	0.2	0.1	4	3
Emerging	0.9	0.9	-6	-5	1	1	9	9	2	-10	0.1	-0.4	4	6

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	12	10	8	650	17	25
Australia	18	16	15	16	10	6
Austria	11	10	10	32	4	6
Belgium	19	17	16	38	12	9
Brazil	15	11	10	30	42	13
Canada	17	15	14	28	14	10
Chile	21	16	15	9	26	12
China	12	10	9	35	12	14
Colombia	18	13	11	-3	33	17
Czech Rep.	13	15	14	12	-15	5
Denmark	19	18	16	3	5	8
Egypt	20	11	10	9	76	11
Finland	18	18	16	15	4	10
France	16	15	13	12	9	10
Germany	13	13	12	20	4	9
Greece	38	15	10	-45	149	45
Hong Kong	16	15	14	22	8	6
Hungary	9	10	9	27	-10	9
India	22	19	16	8	17	20
Indonesia	16	14	13	16	11	12
Ireland	17	17	15	7	2	10
Israel	15	13	12	4	11	13
Italy	13	11	10	NEG TO POS	20	11
Japan	13	13	12	38	2	5
Japan X-Financials	14	14	13	46	3	5
Korea	10	8	8	48	17	7
Malaysia	18	15	14	-6	16	7
Mexico	19	16	14	17	17	16
Morocco	19	18	17	5	5	4
Netherlands	17	17	15	12	3	9
New Zealand	26	35	22	0	-27	58
Norway	17	14	13	48	18	11
Pakistan	11	10	8	-22	18	22
Peru	20	14	12	47	41	13
Philippines	18	16	15	7	8	12
Poland	11	11	10	92	-1	7
Portugal	20	18	16	-10	9	10
Qatar	13	12	10	-1	13	11
Russia	7	5	5	18	33	0
Singapore	14	13	12	7	13	9
South Africa	20	15	13	1	34	20
Spain	13	12	11	21	4	9
Sweden	17	15	14	2	11	7
Switzerland	21	16	14	-3	33	10
Taiwan	14	13	13	15	5	6
Thailand	15	14	13	13	9	4
Turkey	7	7	6	43	13	16
UAE	10	9	8	-2	9	10
United Kingdom	15	14	13	24	11	7
United States	21	17	16	12	23	10
EAFE (Mkt. Wgt.)	15	14	13	19	8	7
EAFE (Equal Wgt.)	17	15	13	10	9	10
Emerging Mkts(Mkt. Wgt.)	13	11	10	23	15	11
Emerging Mkts(Eq. Wgt.)	14	12	11	15	14	10
Global (Mkt. Wgt)	17	17	14	17	16	9
Global (Equal. Wgt)	15	13	12	12	12	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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