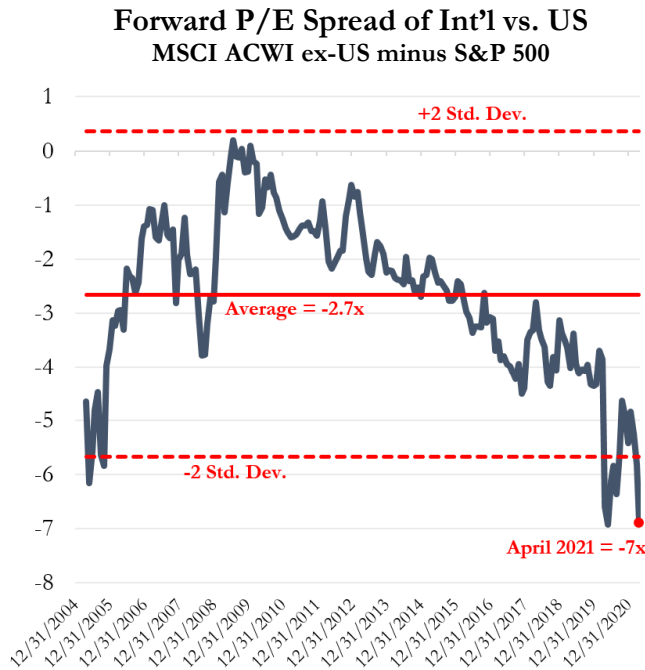
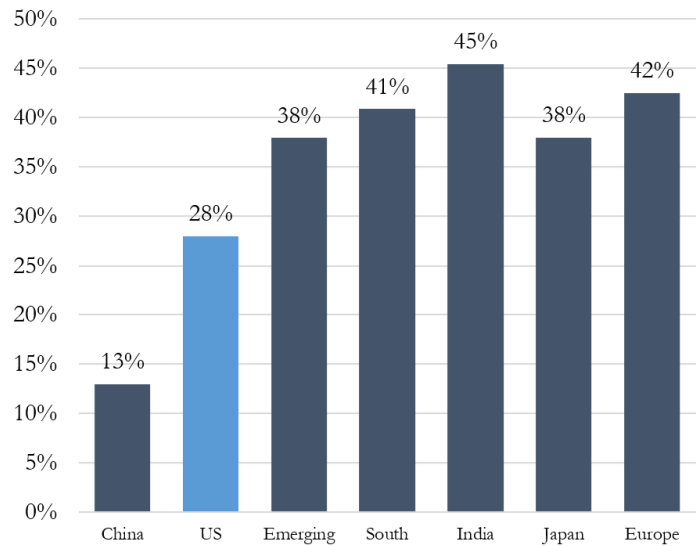


'Multiple' Drivers for International Markets



2021 Consensus EPS Growth Estimates



Source: (Left chart) Bloomberg, MSCI, S&P and Todd Asset Management. (Right chart) Bloomberg estimates, MSCI, S&P and Todd Asset Management. As of 4/28/2021

- International markets currently possess a unique set of drivers that could have long ranging implications on returns going forward. Multiples (as seen in the left chart above) are at the widest discount on record vs. the US, with the Forward P/E nearly -7x lower for International. At the same time, consensus expects earnings growth in most foreign markets to run about +10-15% ahead of the US in 2021 (right chart above).
- **This looks like the most powerful combination of historically discounted multiples and superior earnings growth outlook we've seen internationally.** This is occurring as we begin a new global economic cycle. New cycles tend to last years and bring with them a change in leadership from the prior cycle.
- As reopening efforts gain more traction, the lagged effect of historic stimulus and pent up demand should usher in a period of synchronized global growth that could support markets for some time. The more economically sensitive exposure of International markets should help fuel this rotation we began to witness last year.

The indexes used in the chart are unmanaged, and not available for direct investment; they include reinvestment of dividends; they do not reflect management fees or transaction costs: **S&P 500 Index** is a widely recognized index of market activity based on the aggregate performance of a selected portfolio of publicly traded common stocks. **MSCI ACWI ex-U.S. Index** is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the United States. The ACWI ex-U.S. includes both developed and emerging markets.

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