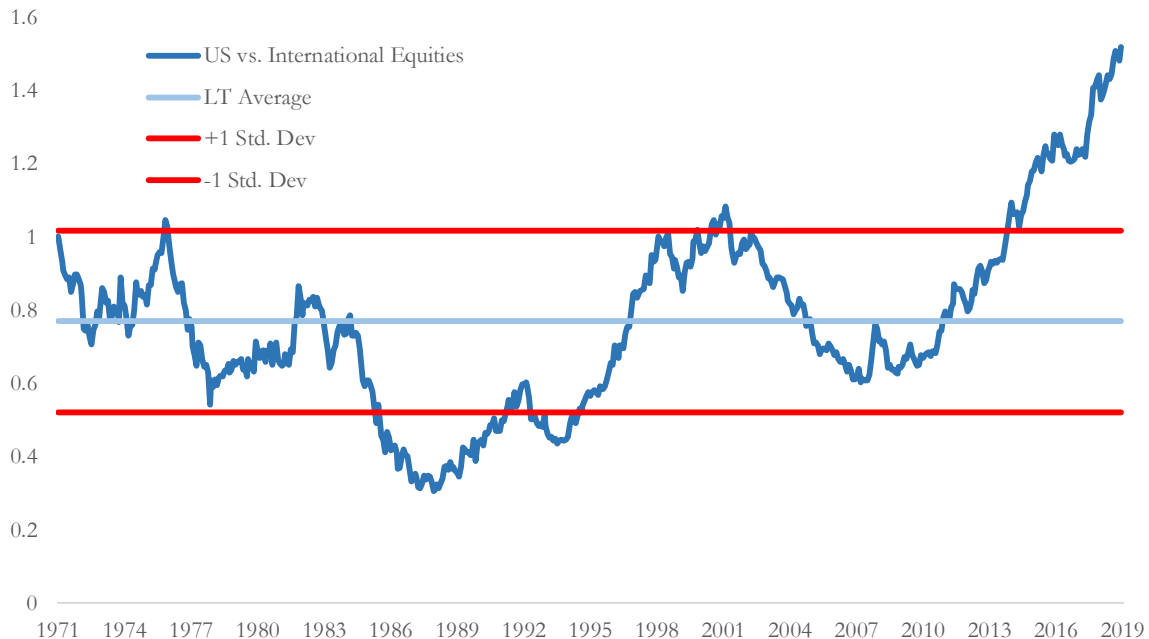


Tipping Point to the Next 10 Years?

Relative Equity Market Performance US vs. International



Source: Bloomberg, MSCI, S&P and Todd Asset Management as of 11/30/2019. Series is indexed to 1 on 12/31/1971. The S&P 500 Index is used to represent US equities. In order to show a longer period of time the MSCI ACWI ex-US index was blended with the MSCI EAFE to represent International equities. The ACWI ex-US inception is 12/31/2987, so prior to this point the EAFE was used. Since the MSCI ACWI ex-US contains both Developed and Emerging Market countries, we chose to use this index once data became available.

- If reversion to the mean is the strongest force in the universe, relative performance between US and International stocks indicate that a tipping point could be near.
- International markets are more cyclically oriented and would be larger beneficiaries of reaccelerating global growth, whereas US markets have been driven by larger Technology exposure (FAANG) over the past 10 years.
- Potential catalysts for a reversal would include: reaccelerating global growth, valuation dispersion and a weaker US dollar.

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. **MSCI EAFE Index** is an equity index which captures large and mid cap representation across 21 Developed Markets countries* around the world, excluding the US and Canada. With 925 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. For investors who benchmark their U.S. and international stocks separately, these indexes provide a way to monitor international exposure apart from U.S. investments.

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