

## Global Heatmap: Diversify for Cheaper Valuations and Higher Yield?

- YTD, markets have experienced elevated volatility compared to 2017. U.S. small caps have performed best, returning -0.1%, followed by Asia at -0.4%.
- Given recent market volatility, valuations across global equity markets appear more attractive while earnings growth rates remain positive.
- Higher dividend yields and cheaper valuations may provide investors more reason to diversify globally.

	Fwd. P/E	Yield	1y Fwd. Earnings Gr. Rate
U.S. Large Cap	16.4	2.0%	16.6%
U.S. Small Cap	23.5	1.3%	36.1%
MSCI World Ex. U.S.	13.8	3.3%	11.5%
Europe	13.2	3.4%	11.4%
Asia Pacific	13.0	2.6%	12.3%

■ U.S.   
 ■ U.S. Small Cap   
 ■ MSCI World ex. U.S.   
 ■ Europe   
 ■ Asia

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
U.S. Large Caps	58.7%	-3.1%	2.5%	-8.1%	47.3%	20.9%	24.1%	32.0%	21.5%	-33.8%	38.2%	26.8%	2.1%	19.9%	38.8%	13.7%	1.4%	21.3%	32.3%	-0.1%
U.S. Small Caps	28.8%	-8.0%	-11.9%	-15.4%	42.5%	18.9%	15.1%	26.3%	14.9%	-37.0%	34.5%	17.5%	-4.2%	17.4%	32.4%	4.9%	-1.5%	12.0%	24.9%	-0.4%
MSCI World ex. U.S.	27.3%	-9.1%	-20.3%	-20.5%	41.3%	18.3%	7.6%	18.3%	13.0%	-41.4%	29.7%	15.1%	-11.7%	17.1%	27.0%	0.5%	-2.5%	5.4%	24.3%	-0.8%
Europe	21.3%	-13.0%	-21.0%	-22.1%	40.1%	18.2%	4.9%	17.1%	5.6%	-43.2%	27.1%	9.6%	-14.7%	16.4%	21.7%	-3.7%	-4.4%	3.4%	21.8%	-1.5%
Asia	21.0%	-28.4%	-23.9%	-24.2%	28.7%	10.9%	4.5%	15.8%	-1.6%	-45.2%	26.4%	-9.1%	-16.9%	16.0%	12.5%	-8.7%	-4.5%	0.7%	14.6%	-2.1%

U.S. Large Caps **OUSA**  
LISTED  
NYSE ARCA

U.S. Small Caps **OUSM**  
LISTED  
NYSE ARCA

International Equities **ONTL**  
LISTED  
NYSE ARCA

European Equities **OEUR**  
LISTED  
NYSE ARCA

Asian Equities **OASI**  
LISTED  
NYSE ARCA

Source: Bloomberg. Data from 12/31/1998 to 3/31/2018. \* Returns are in USD. U.S.: S&P 500 Index, Asia Pacific: MSCI AC Asia Pacific Index, US Small Cap: Russell 2000 Index, MSCI World Ex. US: MSCI World Excluding United States Index, Europe: EURO STOXX 50 Net Return USD. Past performance is not indicative of future results. One cannot invest directly in an index.

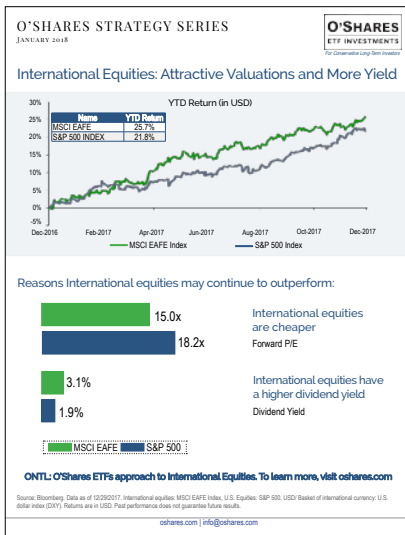
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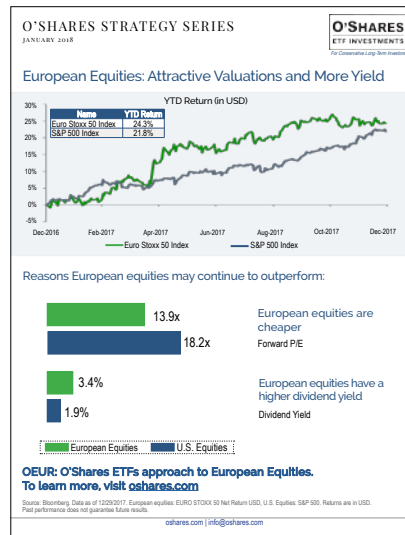
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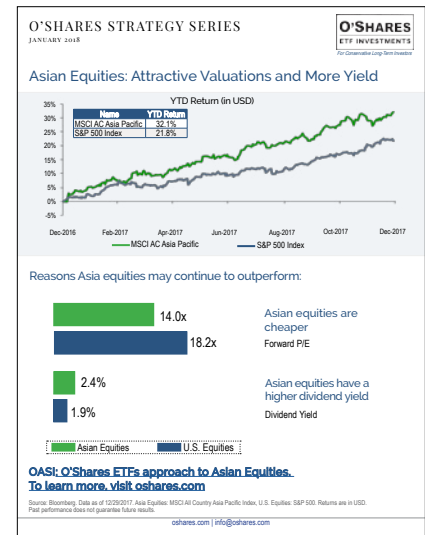
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