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Earnings and Sales Growth: With one reporting period to go, emerging markets remain forecasted to outperform developed markets for 2019 from a median earnings and sales growth perspective. As the calendar turns to 2020, both the developed and emerging regions are expected to accelerate the pace of earnings growth by +4%, while the sales growth rate is projected to see only modest gains (less than +1%) versus the previous year. On a country-by-country basis, 2020 earnings growth estimates are invariably positive across the globe, with only the Czech Republic flirting with negative territory having a median earnings growth rate of less than +1%. 2020 sales growth estimates appear similarly optimistic, with only Greece expected to contract year-over-year at around -1%.

Earnings Expectation Trends: In contrast to last quarter's all-pervading decline, median bottom-line estimates have remained relatively stable across both the developed and emerging markets this period. Sentiment in Emerging Asia has changed the most with all metrics gaining positive momentum supported by improved 2019 earnings outlooks in India and Indonesia offsetting weakness in South Korea (semiconductor prices, trade wars). Sentiment in Emerging Americas has changed the least with upbeat estimates in Brazil (pension reform, pro-business policy) neutralized by falling forecasts in Mexico. Elsewhere, there were recoveries of earnings growth rates in the major European economies led by Germany (strong exports, state spending) and the U.K. (Brexit delay to 2020).

Economic Comments: As the decade ends, it appears that some of the most dominant global headlines of the past few years are reaching their resolutions. With the most decisive conservative victory since Thatcher, the U.K. finally looks to be in a position to complete their Brexit and leave the European bloc. With a Phase I deal all but signed, the U.S. and China have finally made a tangible co-effort towards "peace" in their trade war. While the exact grace with which the loose ends of these events may be tied up remains unclear, the macroeconomic picture has improved substantially since the market's anxiety of an impending downturn in Q4 2018.

Region / Select Countries	Current FY Expected Earnings Growth	Q/Q Change	Next FY Expected Earnings Growth	Q/Q Change	Current FY Expected Sales Growth	Q/Q Change	Next FY Expected Sales Growth	Q/Q Change	YTD Local Market Total Return
Developed	4.3%	+0.0%	8.5%	-0.2%	3.3%	+0.2%	3.8%	+0.0%	27.3%
Americas	5.5%	+0.3%	9.0%	+0.0%	4.0%	+0.1%	4.5%	+0.0%	30.4%
U.S.	5.7%	+0.2%	9.3%	+0.2%	4.0%	+0.1%	4.5%	-0.1%	30.9%
Canada	3.9%	+0.1%	8.0%	-1.1%	4.0%	+0.2%	4.4%	+0.0%	21.1%
Europe	5.4%	-0.2%	8.1%	-0.5%	3.9%	+0.2%	3.1%	-0.3%	23.8%
Germany	5.3%	+1.0%	9.2%	-0.2%	5.2%	+1.3%	3.5%	+0.0%	23.0%
U.K.	2.1%	+2.0%	7.1%	-0.4%	3.5%	+0.0%	2.7%	-0.7%	16.4%
Asia	1.7%	-0.3%	7.5%	-0.1%	1.6%	-0.1%	2.8%	-0.2%	18.5%
Japan	1.0%	-0.7%	8.5%	+0.4%	0.9%	-0.5%	2.6%	+0.1%	18.5%
Australia	2.6%	+0.8%	5.8%	+0.4%	3.1%	+0.0%	3.3%	-0.2%	23.1%
Emerging	8.0%	+0.8%	12.1%	-0.3%	6.6%	+0.1%	7.5%	+0.2%	18.1%
Americas	6.2%	+0.0%	13.7%	-0.2%	5.4%	-0.2%	6.3%	-0.6%	19.7%
Brazil	14.1%	+2.8%	17.0%	-0.3%	8.4%	+1.2%	6.5%	-0.6%	31.1%
Mexico	1.6%	-2.2%	10.1%	-1.0%	4.8%	+0.3%	6.2%	-0.6%	6.8%
EMEA ¹	3.8%	-0.1%	10.9%	-0.3%	5.3%	-0.5%	6.3%	+0.2%	12.6%
Russia	-4.3%	+3.0%	3.8%	-1.9%	2.6%	-1.2%	1.5%	-1.6%	37.5%
S. Africa	10.9%	+1.6%	10.9%	+0.8%	6.3%	+0.5%	7.2%	+0.0%	7.0%
Asia	9.3%	+0.7%	13.1%	+0.3%	7.2%	+0.2%	8.5%	+0.6%	19.1%
China	14.4%	-0.9%	13.5%	-0.5%	12.2%	+0.8%	11.3%	+0.2%	23.1%
S. Korea	2.4%	-4.4%	17.3%	-0.4%	4.1%	-0.4%	5.4%	+0.2%	16.6%

¹: EMEA: Europe, Middle East and Africa; Source: Refinitiv Financial; MSCI; Smith Asset Management Group; Data as of Dec. 31, 2019; Values calculated using median estimates.

Past performance is not indicative of future results. As with any investment vehicle, there is always a potential for profit as well as the possibility of loss. Nothing contained in this presentation should be construed as a recommendation to buy or sell a security or economic sector.