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**Earnings and Sales Growth:** Broadly speaking, growth estimates for the new fiscal year are lower than they were in 2021 but are still firmly in positive territory. As is usually the case, emerging market countries are forecasted to lead their developed peers at the median. On the region level, earnings in Emerging Americas are expected to grow the least this year at +7.5%. Contributing to that number, the median EPS estimate in Mexico for 2022 is only +3.0% Y/Y after business contracts agreed to by previous governments were called into question by the current administration. In Emerging EMEA<sup>2</sup>, Russian stocks have been removed from the MSCI All-Country World Index and are therefore not included in the calculations below.

**Earnings Expectation Trends:** Every developed country in Europe experienced a decrease in their expected 2022 earnings growth rate at the median company when compared to last quarter, with the exception of Austria, Norway, and the United Kingdom. In Emerging Asia, projections in China (-5.8% Q/Q) were trimmed notably as well, with more virus-related lockdowns imposed this year. Developed Pacific also suffered a dip in estimates, with Japan (-5.2% Q/Q) feeling the effects of higher commodity costs as well as the shockwaves from China's recent restrictions. This was partially offset by Australia (+2.4% Q/Q), whose mining companies are benefitting from the higher market prices for coal and iron ore. In Emerging EMEA, with oil prices booming from the fallout in Eastern Europe and strong global demand, estimates for this year's median earnings growth rate are up in Saudi Arabia +5.0% Q/Q.

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Region / Select Countries	Current FY Expected Earnings Growth	Q/Q Change <sup>1</sup>	Next FY Expected Earnings Growth	Q/Q Change <sup>1</sup>	Current FY Expected Sales Growth	Q/Q Change <sup>1</sup>	Next FY Expected Sales Growth	Q/Q Change <sup>1</sup>	1Q'22 Local Market Total Return
<b>Developed</b>	<b>10.2%</b>	<b>-0.2%</b>	<b>11.1%</b>	<b>+0.4%</b>	<b>8.3%</b>	<b>+1.9%</b>	<b>5.7%</b>	<b>+0.6%</b>	<b>-4.8%</b>
Americas	9.4%	-0.8%	11.7%	+0.2%	8.9%	+1.6%	6.3%	+0.6%	-4.9%
U.S.	9.7%	-0.8%	12.2%	+0.3%	9.0%	+1.7%	6.5%	+1.8%	-5.3%
Canada	7.7%	-0.8%	8.1%	-1.1%	7.6%	+0.4%	4.8%	+0.6%	3.4%
Europe	7.9%	-1.8%	10.4%	+0.9%	7.3%	+1.1%	5.1%	+0.4%	-5.4%
Germany	7.4%	-1.1%	11.7%	+1.7%	7.5%	+1.1%	5.2%	+0.2%	-11.0%
U.K.	10.0%	+1.2%	9.2%	+1.7%	6.3%	+0.4%	5.4%	+0.8%	4.8%
Pacific	18.6%	-3.2%	9.7%	-1.6%	8.1%	-0.7%	5.4%	+0.3%	-0.5%
Japan (Mar)	25.5%	-5.2%	9.1%	-1.4%	8.8%	-0.5%	4.8%	+0.3%	-1.6%
Australia (Jun)	11.5%	+2.4%	15.1%	-1.8%	5.7%	+1.5%	5.5%	-0.5%	3.8%
<b>Emerging</b>	<b>12.8%</b>	<b>-1.6%</b>	<b>14.8%</b>	<b>+0.0%</b>	<b>11.4%</b>	<b>+2.0%</b>	<b>8.3%</b>	<b>-2.0%</b>	<b>-6.1%</b>
Americas	7.5%	-1.0%	10.5%	-0.9%	7.6%	+0.4%	5.7%	-0.8%	-13.8%
Brazil	11.9%	+3.4%	13.7%	-0.1%	11.3%	+3.3%	6.2%	-1.4%	16.0%
Mexico	3.0%	-4.6%	11.1%	-0.1%	7.0%	+0.1%	6.2%	+0.1%	5.8%
EMEA <sup>2</sup>	16.0%	+2.7%	12.7%	+2.2%	8.1%	+1.0%	6.3%	+1.0%	-9.5%
South Africa	16.8%	+2.0%	12.5%	+3.5%	7.4%	+1.3%	7.2%	+1.9%	10.1%
Saudi Arabia	17.0%	+5.0%	14.2%	-0.2%	9.6%	+2.5%	5.3%	-0.3%	17.6%
Asia	12.7%	-3.0%	16.4%	+0.3%	12.3%	+1.8%	9.8%	-1.8%	-7.3%
China	11.3%	-5.8%	17.8%	-0.5%	13.2%	-1.3%	12.2%	-2.1%	-13.9%
S. Korea	13.4%	+3.1%	12.2%	+1.5%	10.0%	+2.1%	6.0%	+0.1%	-7.8%

Countries / regions with a significant portion of companies with non-calendar year end fiscal years are so noted in parentheses

<sup>1</sup>: Change in the median growth rate of each region/country compared to the median of last quarter. <sup>2</sup>: EMEA: Europe, Middle East and Africa; Source: Refinitiv Financial; MSCI; Smith Asset Management Group; Data as of Mar. 31, 2022; Values calculated using median estimates; Returns are net of estimated tax withholding. **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.**

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**Economic Comments:** As the short and long-term ramifications of the Russo-Ukrainian war increase in volume and clarity, so too will the global corporate outlook. The Russian stock market, having already been host to an exchange implicit with autocratic risk, has stooped to a level many participants are likely to consider completely uninvestable for the foreseeable future. In tandem, inflation worldwide is putting pressure on prices with more central banking action in the wings and its rippling effects, at this point, are unpredictable. With this uncertainty, though, comes the opportunity to take advantage of securities trading at a significant discount to last year's peak values.

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