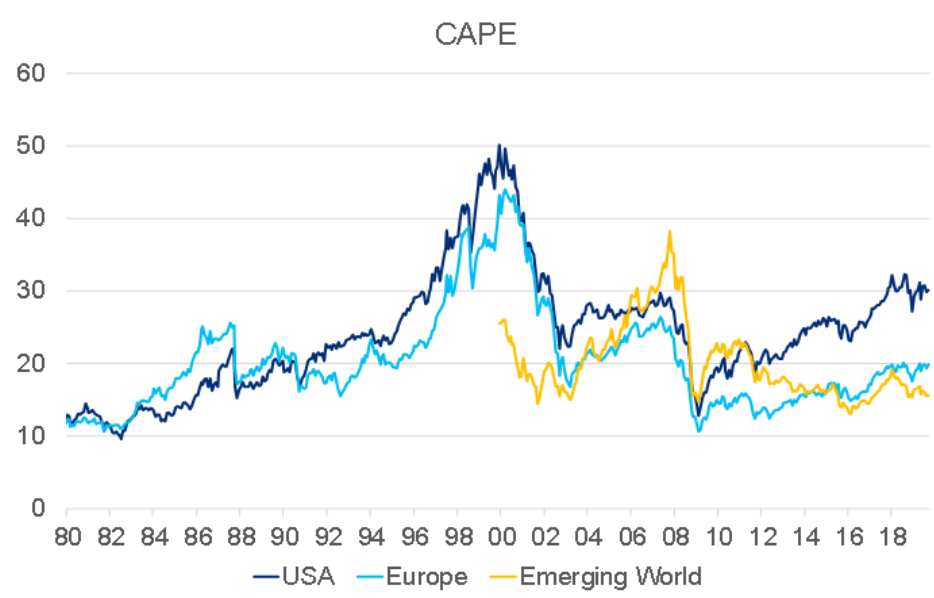


Valuations of major regions



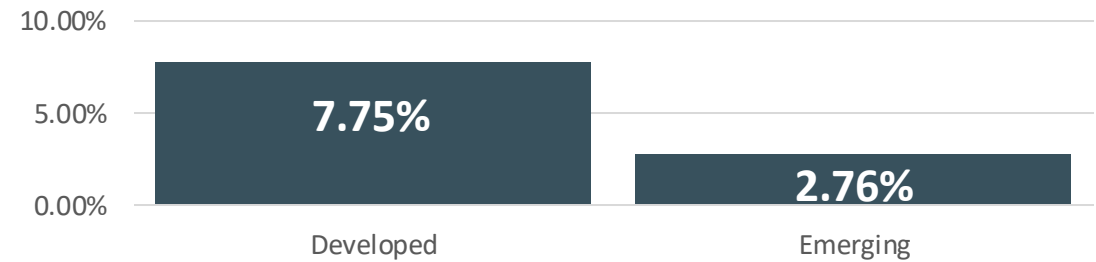
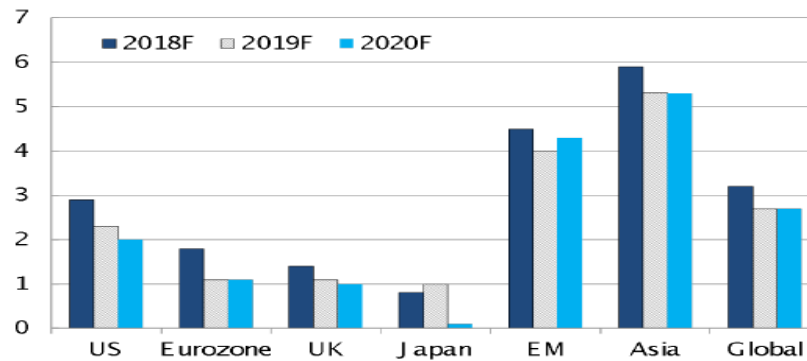
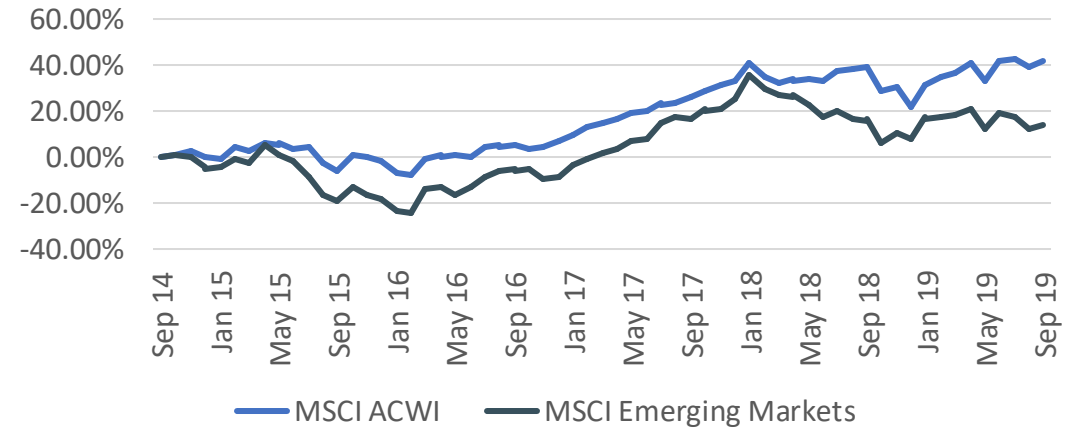
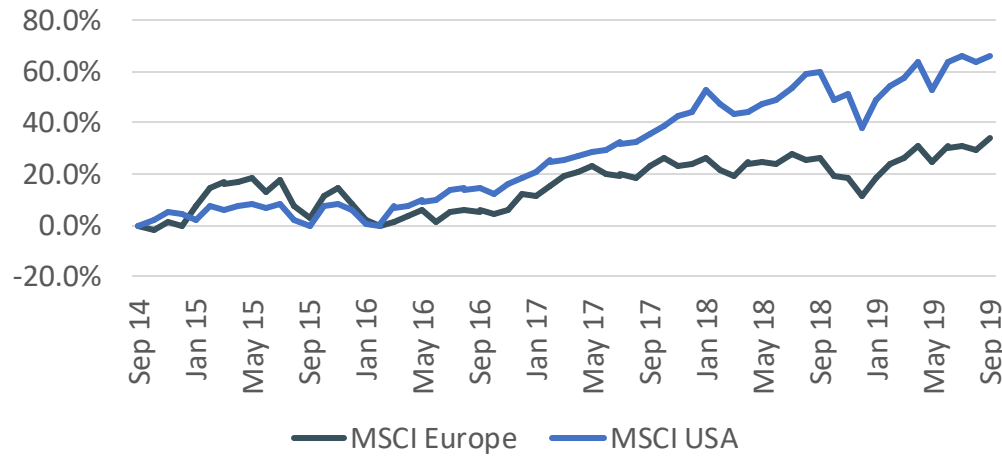
	US	UK	EurxUK	JP	GEM
PE	21.1	13.8	17.3	13.3	13.2
PBV	3.4	1.7	1.9	1.3	1.6
CAPE	30.1	17.1	21.1	21.3	15.6
DY	2.0	4.7	3.3	2.5	2.9
fwd PE	17.4	12.2	14.4	13.3	12.0

The US is expensive

Europe & Emerging Markets are cheap

– investors can buy great quality businesses outside of US and not have to go to poor quality value stocks

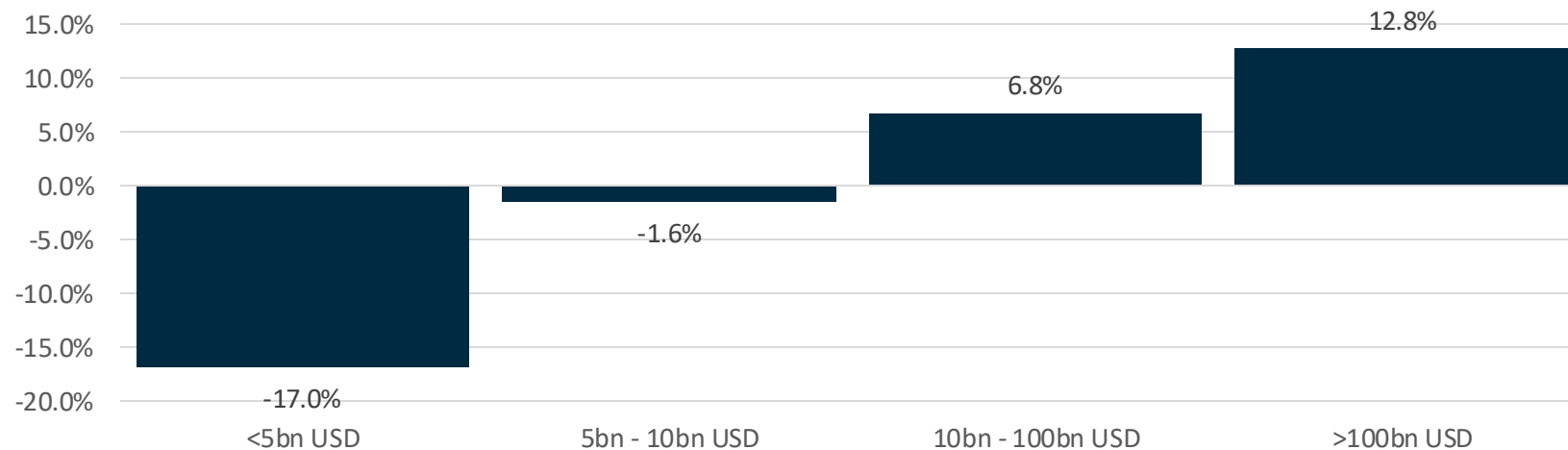
Performance by Regions



All the action was in USA – EM under-owned and cheap and has most long term potential

Crowding by Market Capitalisation

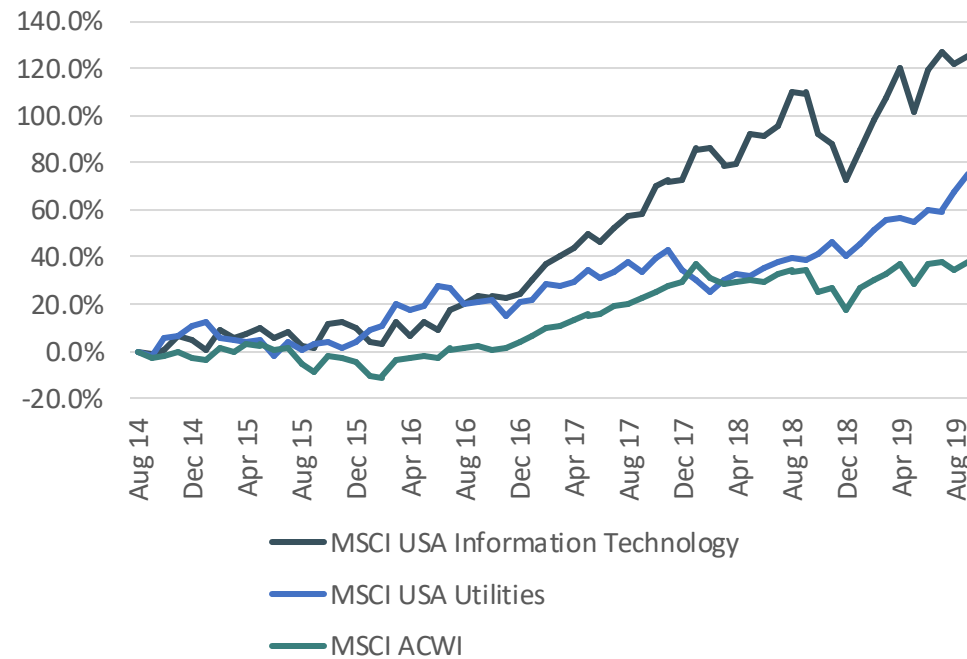
Global Returns over 5 years by market cap



Mega Caps have done well

The rest have been average best risk/reward in 5-100 bn range

US Technology and Utilities have been enormous outperformers



- US fast growing technology companies and payment processors are expensive
- Crowding in these sectors is at extremes
- Diversifying into quality companies in several sectors is best strategy going forward
- **Increase in volatility will increase price discovery and reward stock picking**
- **Active management and traditional stock picking will be rewarded**