



International – But without getting burned

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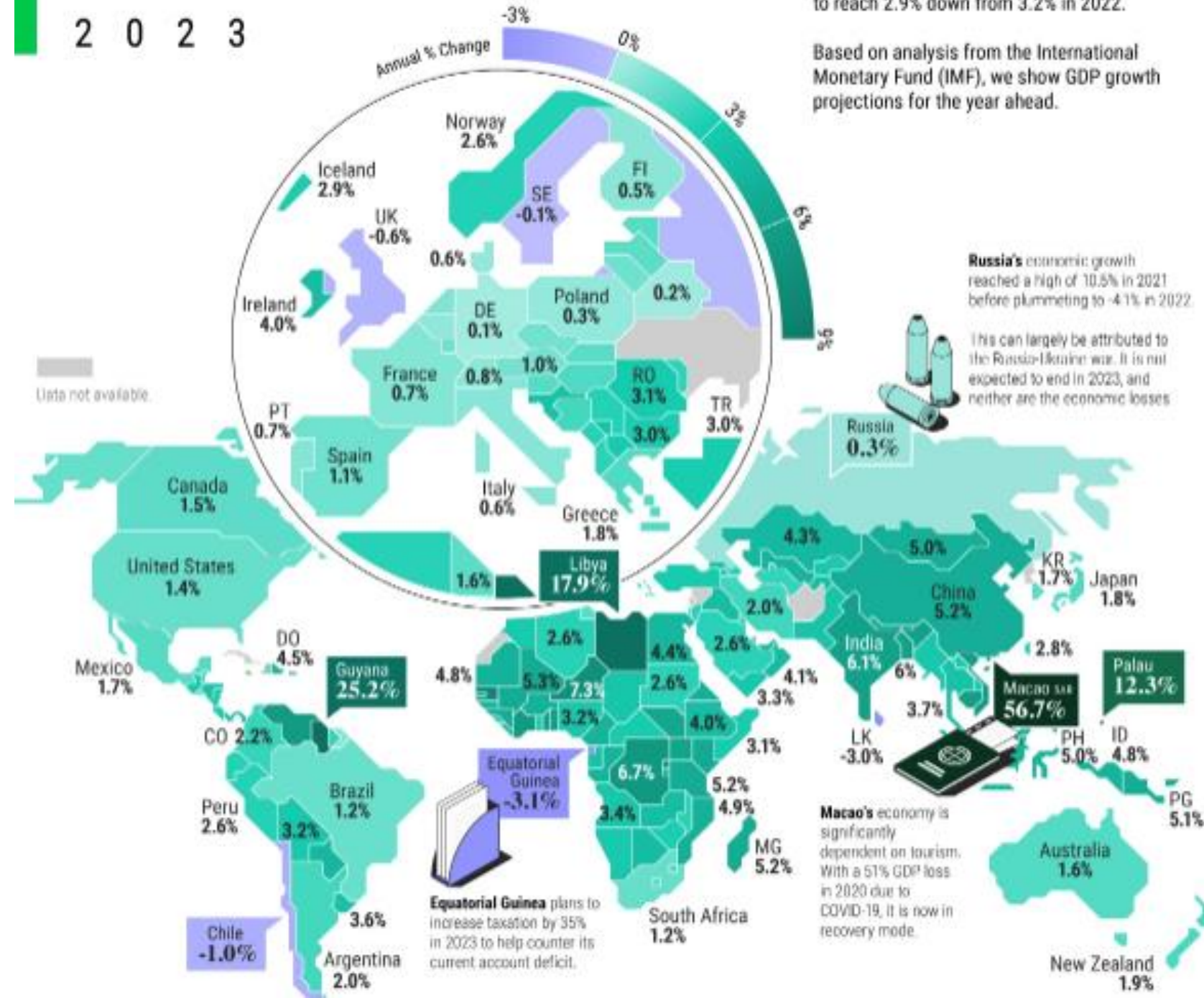
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Global Growth Forecasts

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As countries face persistent inflation pressures, global growth in 2023 is projected to reach 2.9% down from 3.2% in 2022.

Based on analysis from the International Monetary Fund (IMF), we show GDP growth projections for the year ahead.



Top 50 countries with largest population in 2050

| Top 50 countries 8.3B. Rest of world 1.4B. Total 9.7B

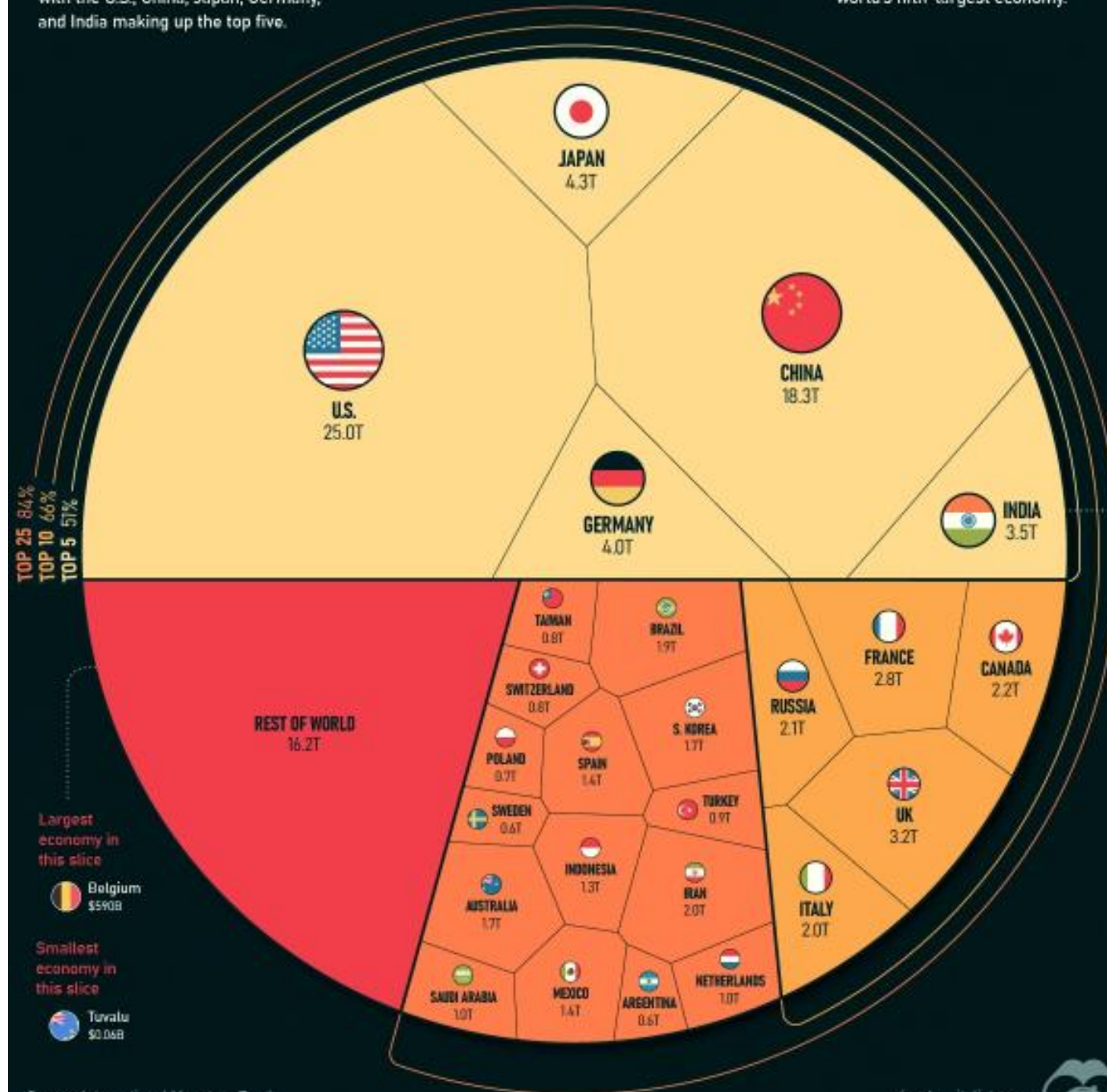


GLOBAL ECONOMY

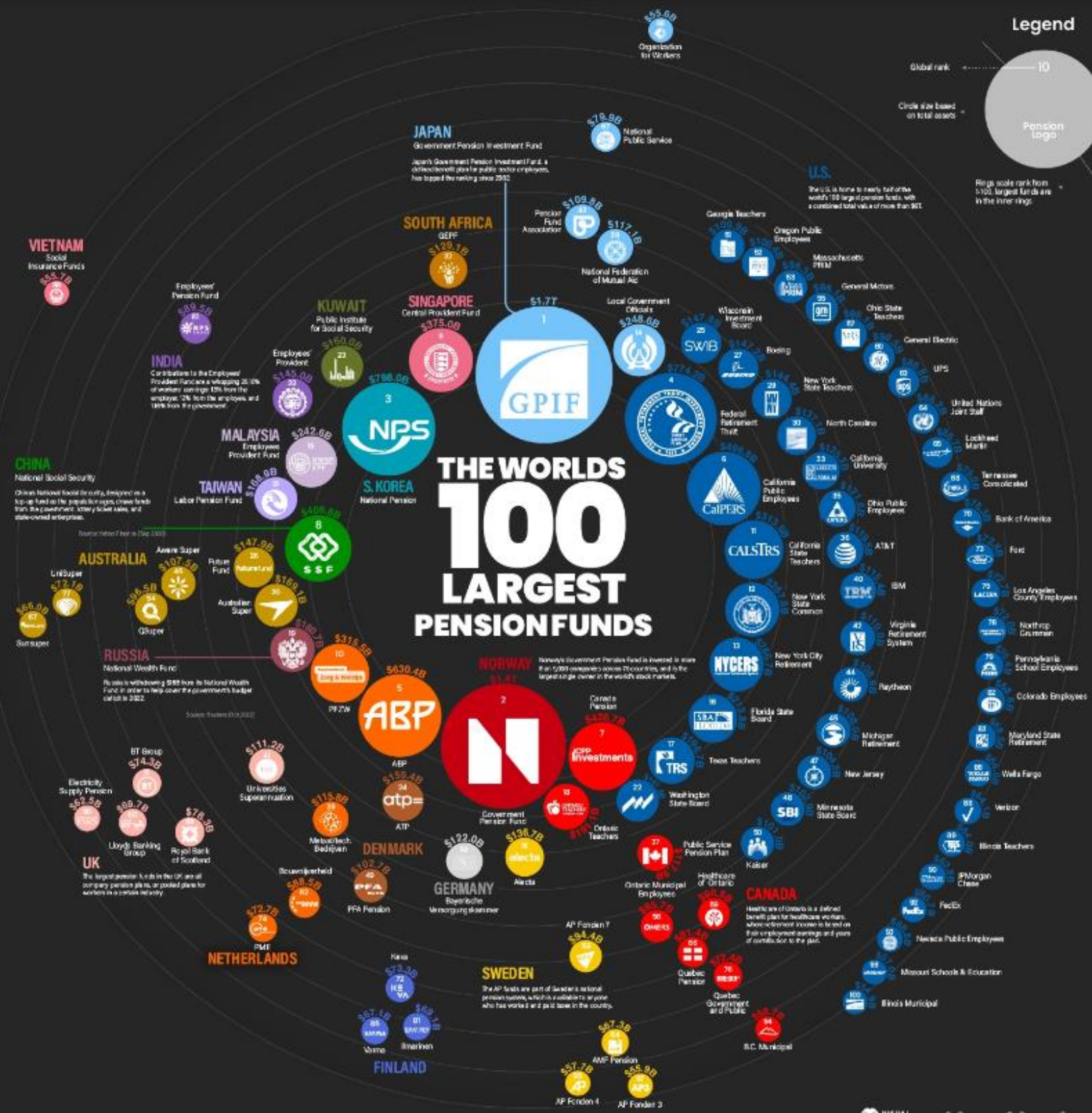
The majority of global economic activity comes from just a handful of countries, with the U.S., China, Japan, Germany, and India making up the top five.

Share of the \$101.6 trillion global GDP, by country (2022)

In 2022, India overtook the United Kingdom to become the world's fifth-largest economy.



Ranked: The World's 100 Biggest Pension Funds

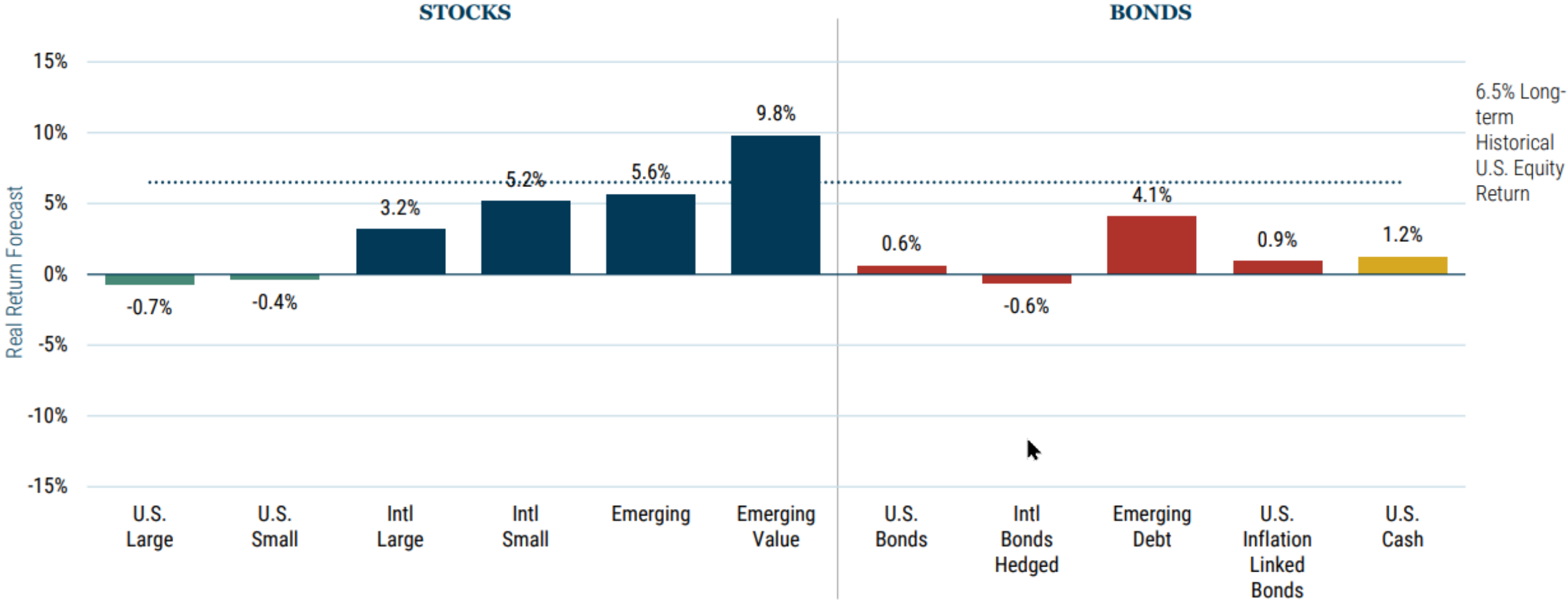


GMO 7-Year Asset Class Forecast | January 10, 2023

GMO 7-YEAR ASSET CLASS FORECAST: 4Q 2022

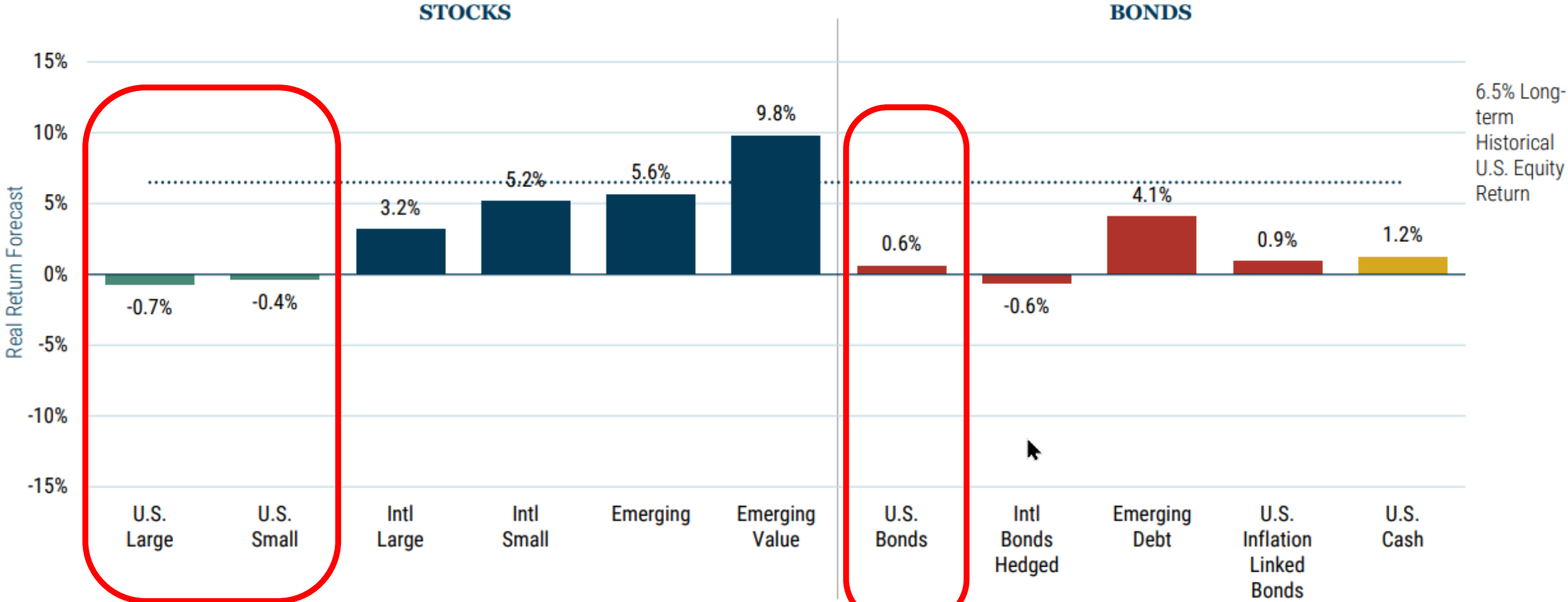
7-YEAR ASSET CLASS REAL RETURN FORECASTS*

As of December 31, 2022



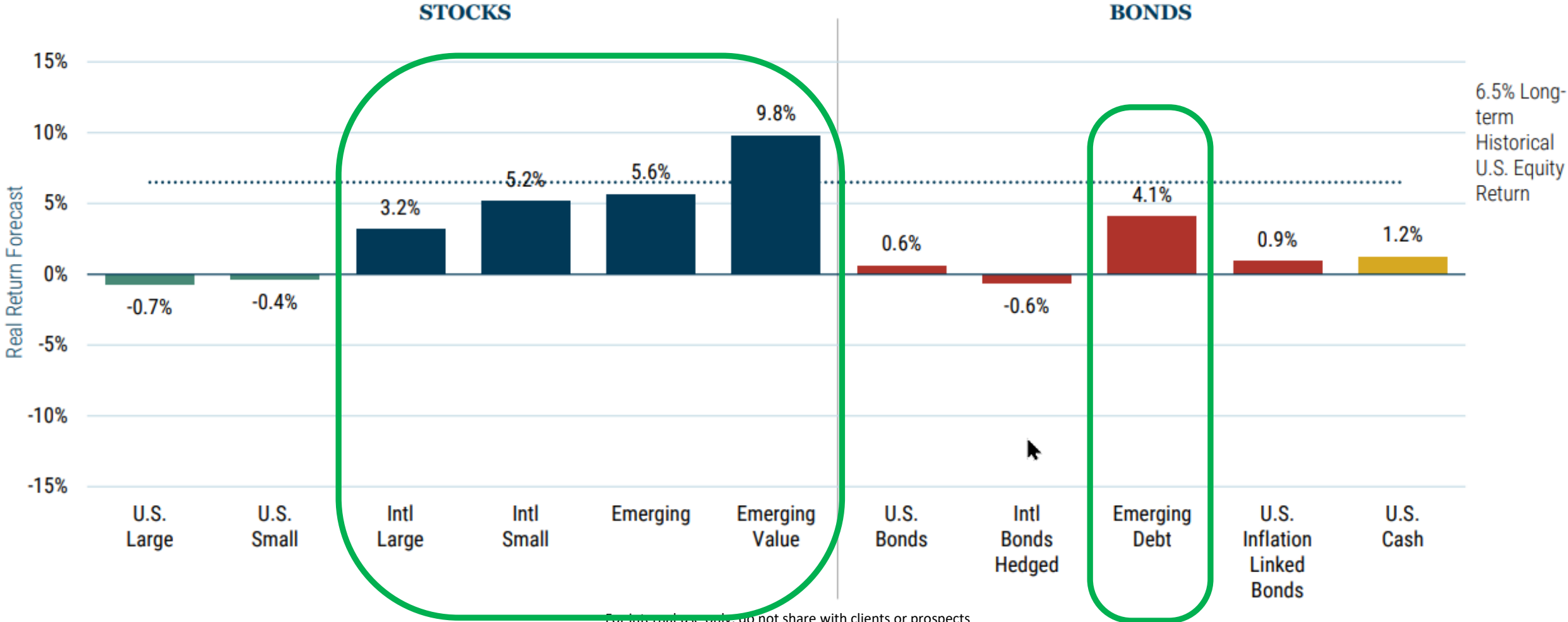
7-YEAR ASSET CLASS REAL RETURN FORECASTS*

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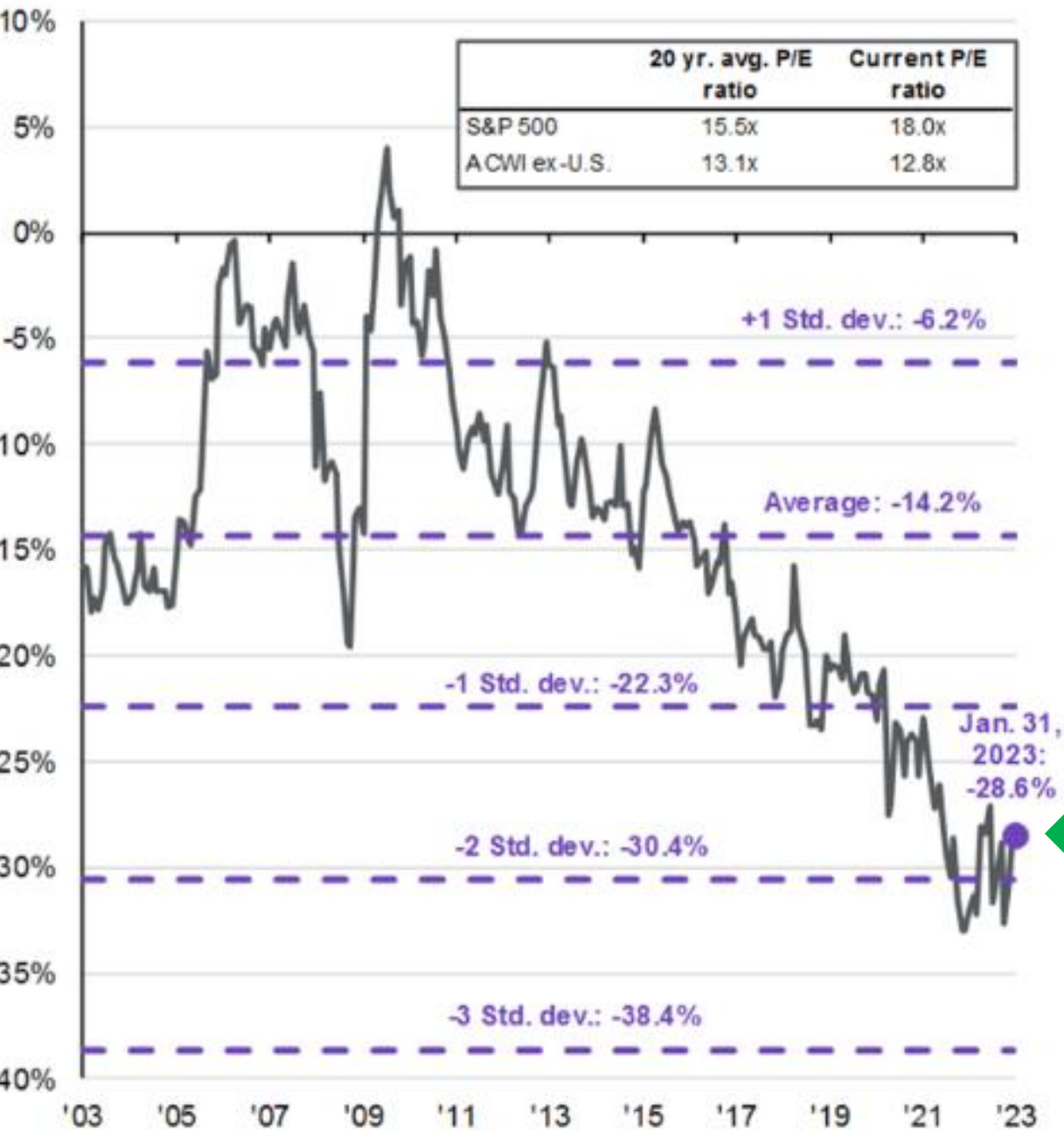
Forward PE as of 02/03/23

S&P 500	18.7x	
Russell 1000 Growth Index	24.1x	
Russell 1000 Value Index	15.6x	
MSCI World	16.6x	
Russell Small	24.2x	
Russell Mid Cap	18.1x	
MSCI EAFE	13.1x	
MSCI EM	12.6x	

A “two standard deviation” valuation opportunity . . . Not to be missed

International: Price-to-earnings discount vs. U.S.

MSCI AC World ex-U.S. vs. S&P 500 Indices, next 12 months



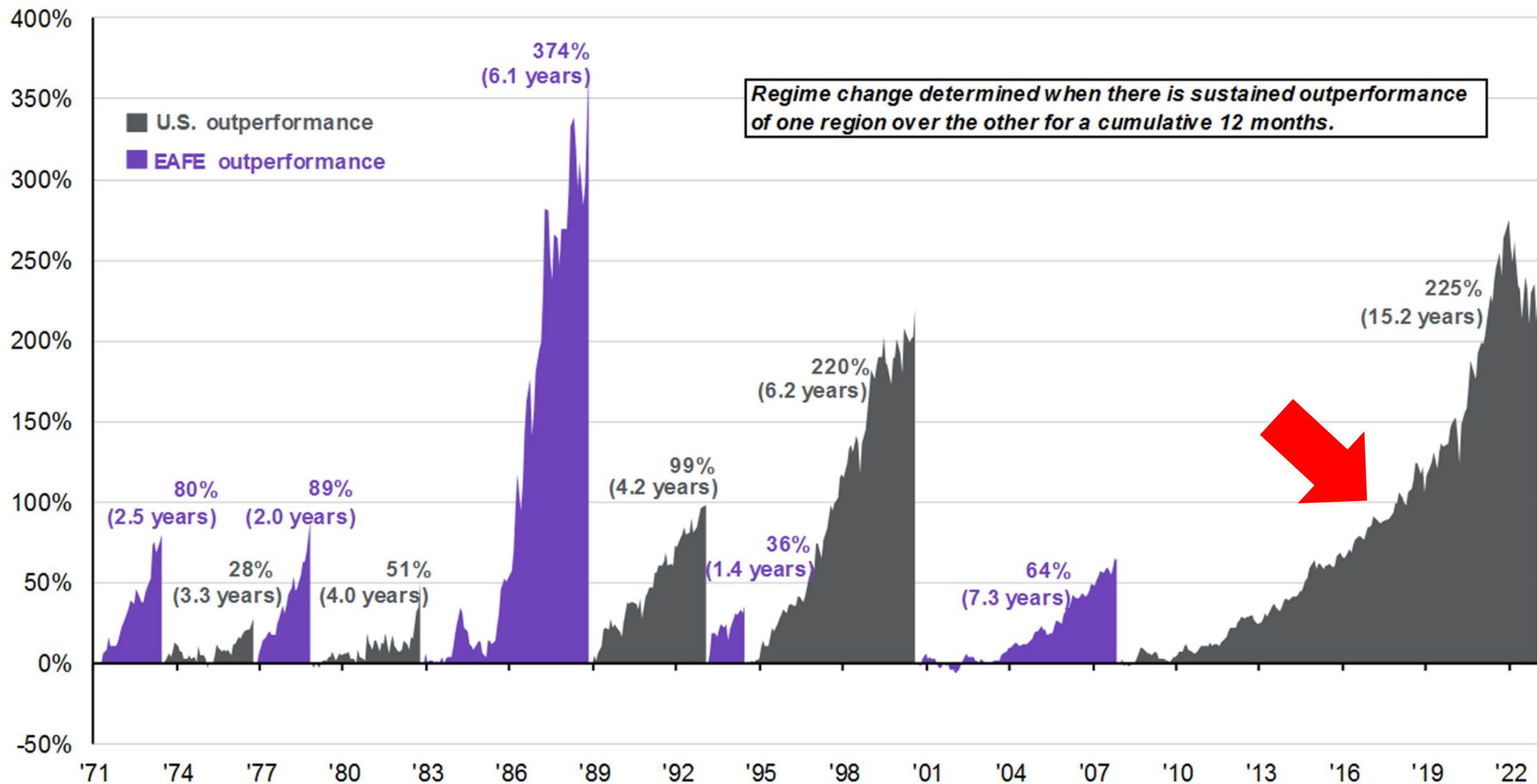
WOW

But . . . Cheap can get cheaper

A hard lesson . . . but well appreciated from history

MSCI EAFE and MSCI USA relative performance

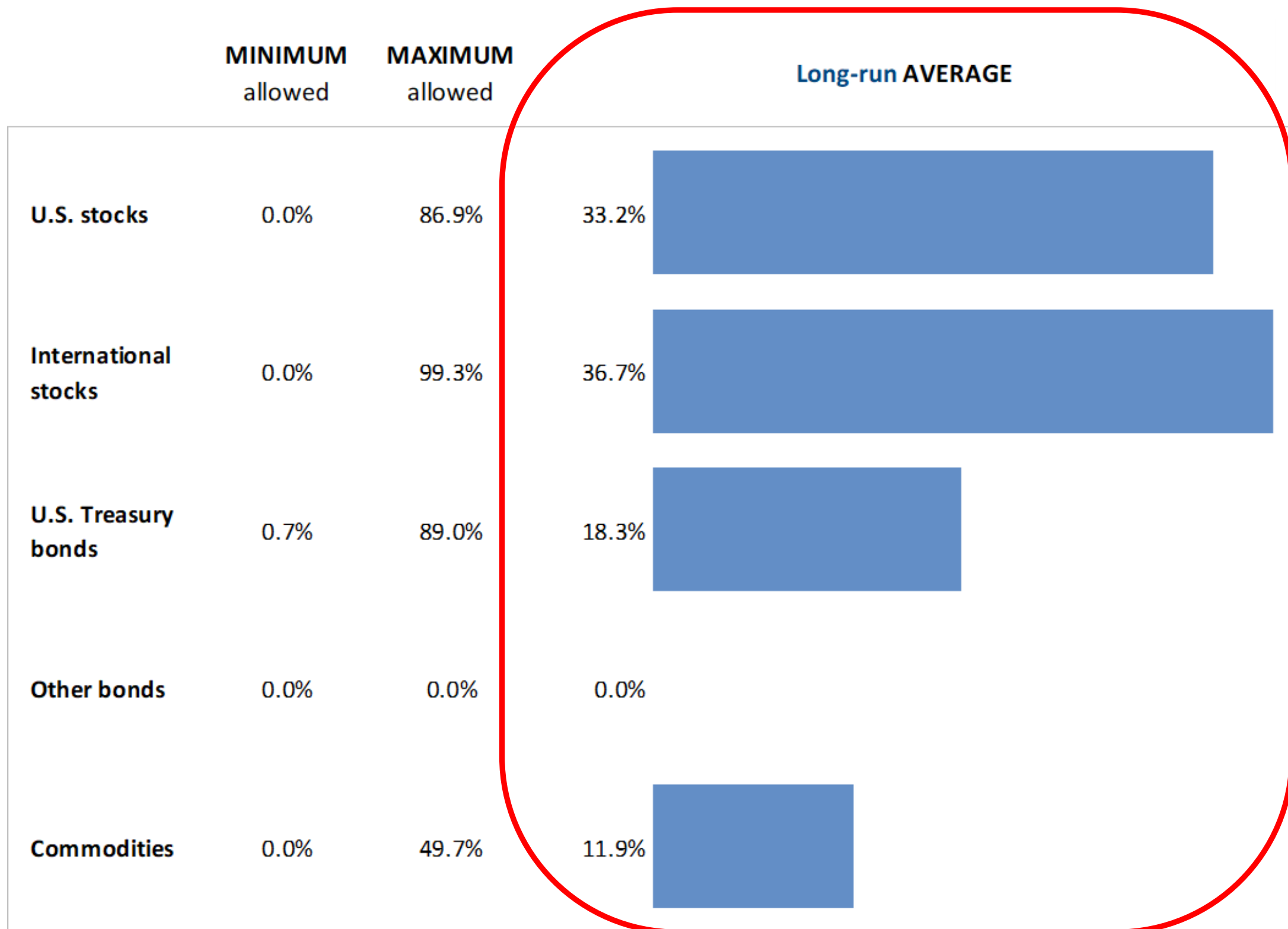
U.S. dollar, total return, cumulative outperformance*

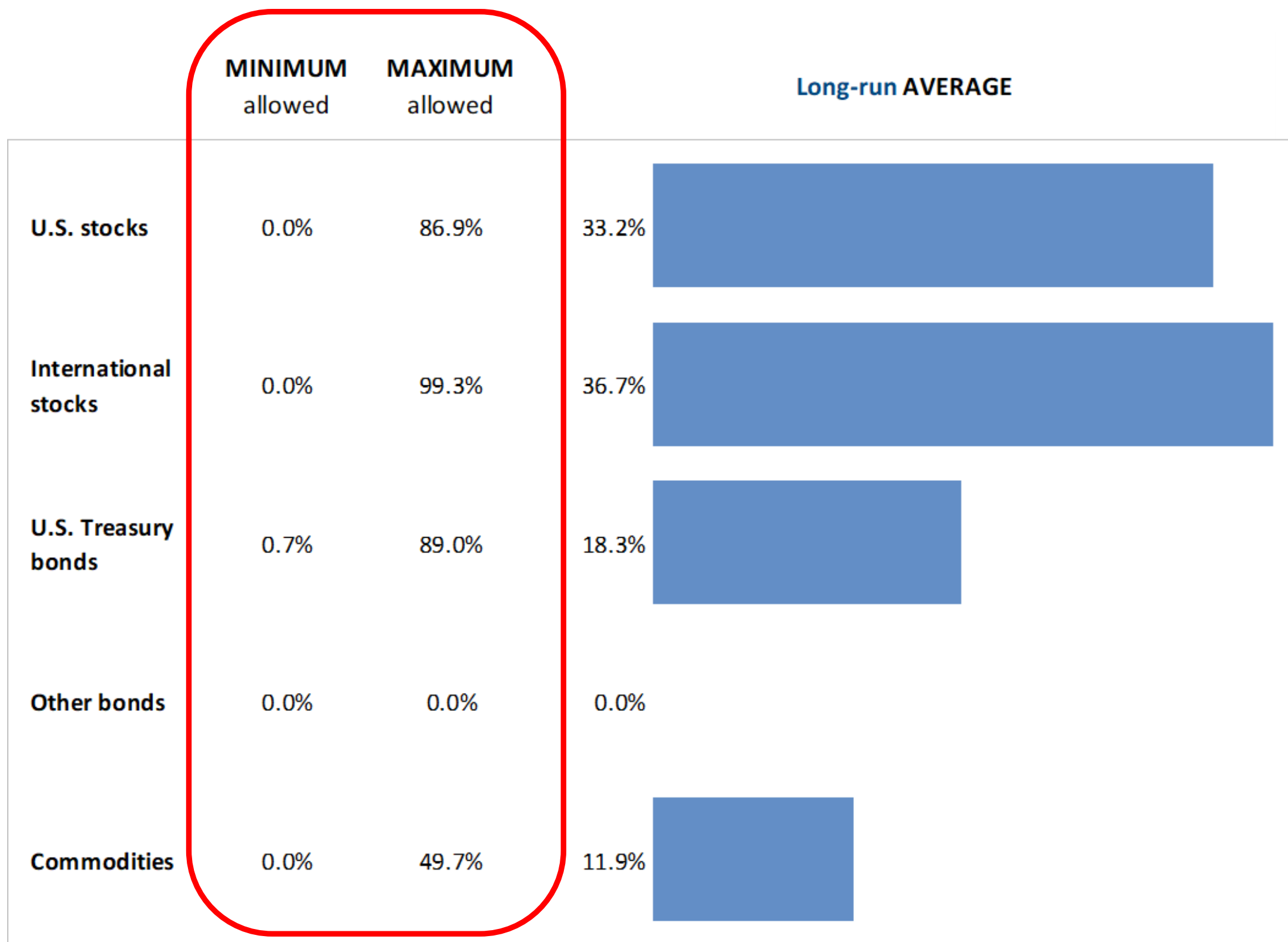


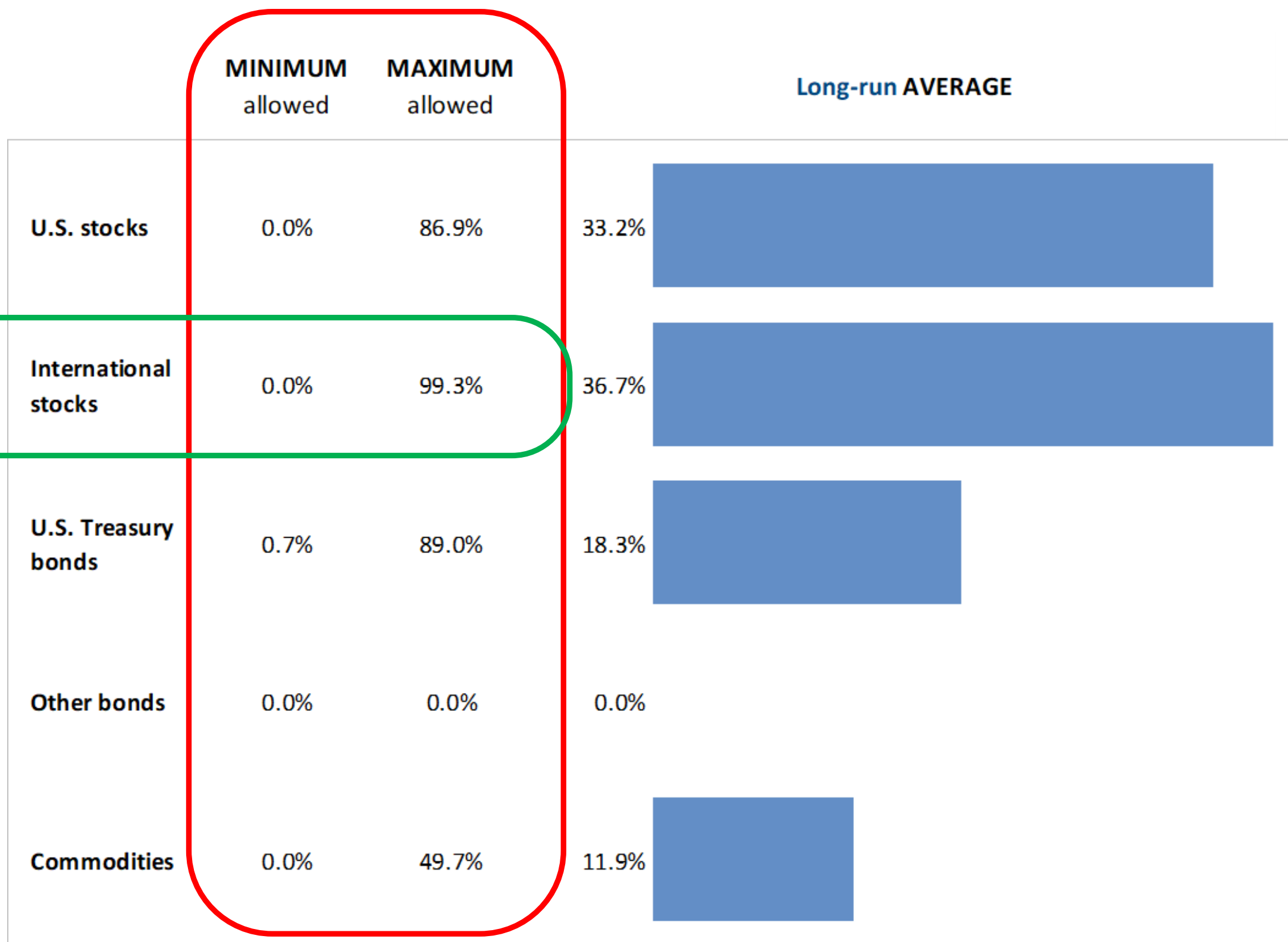
So what's to be done?

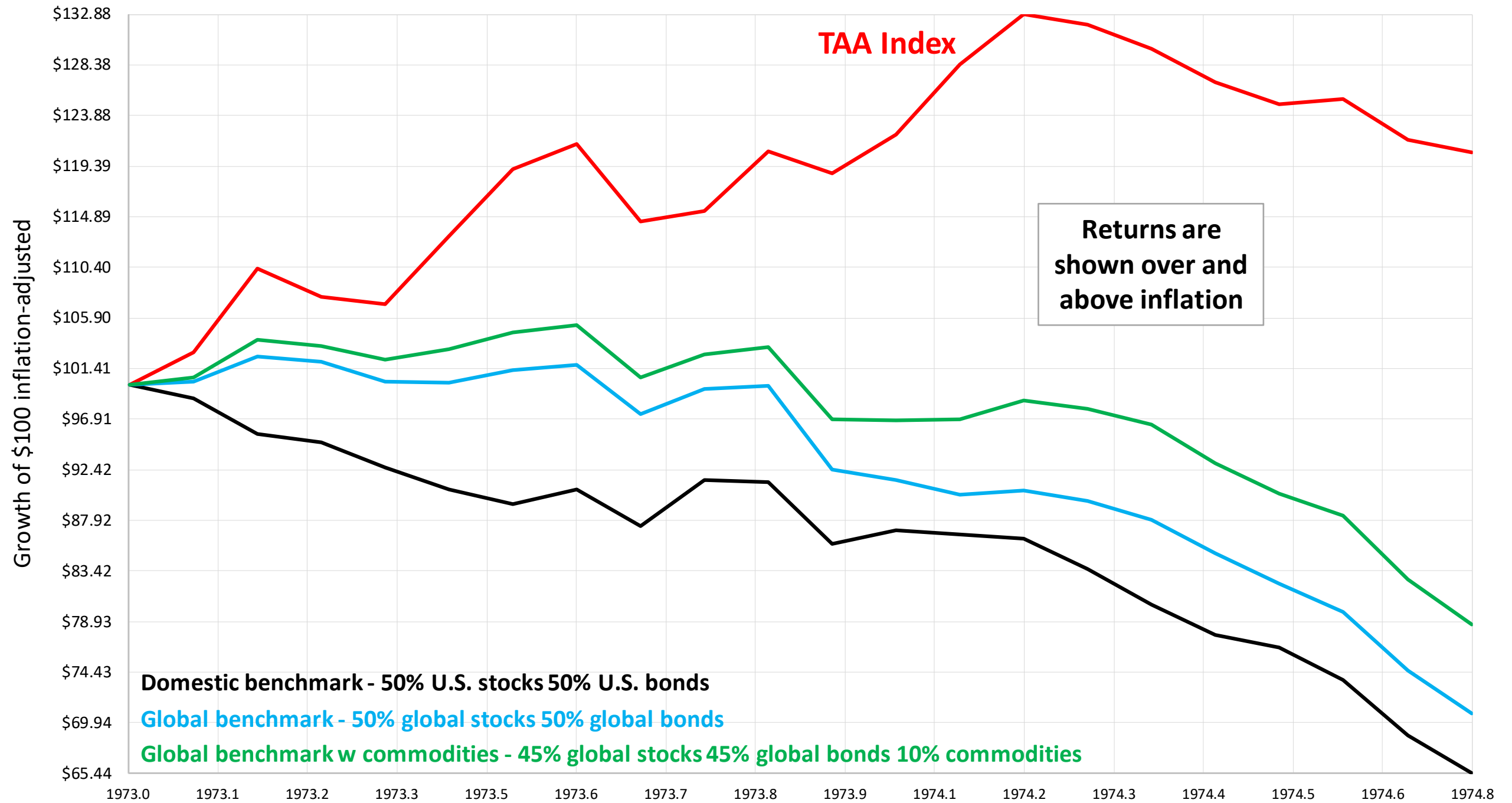
Diversification does NOT work

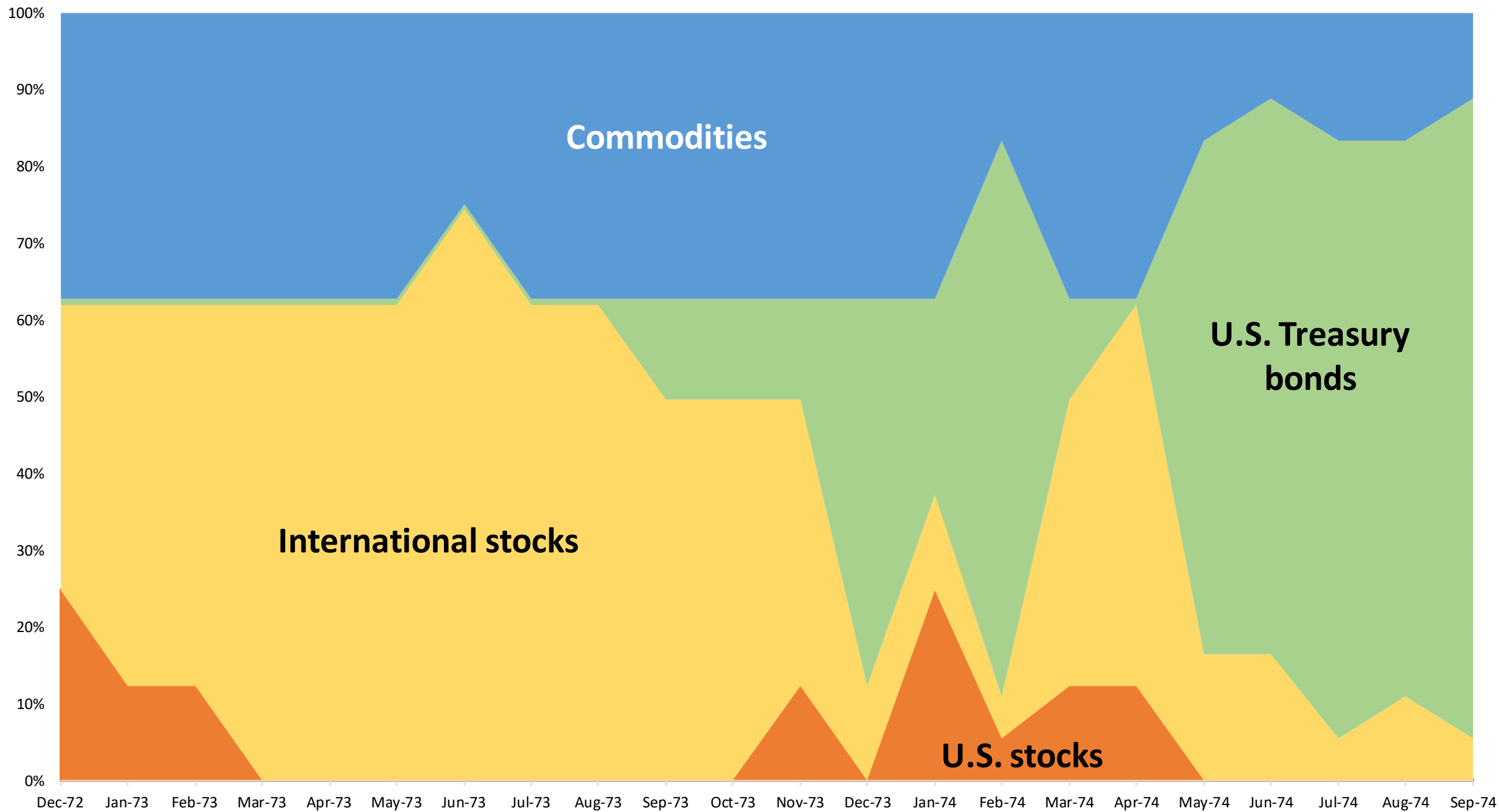
Little “wiggles” that you see with so many managers make NO difference

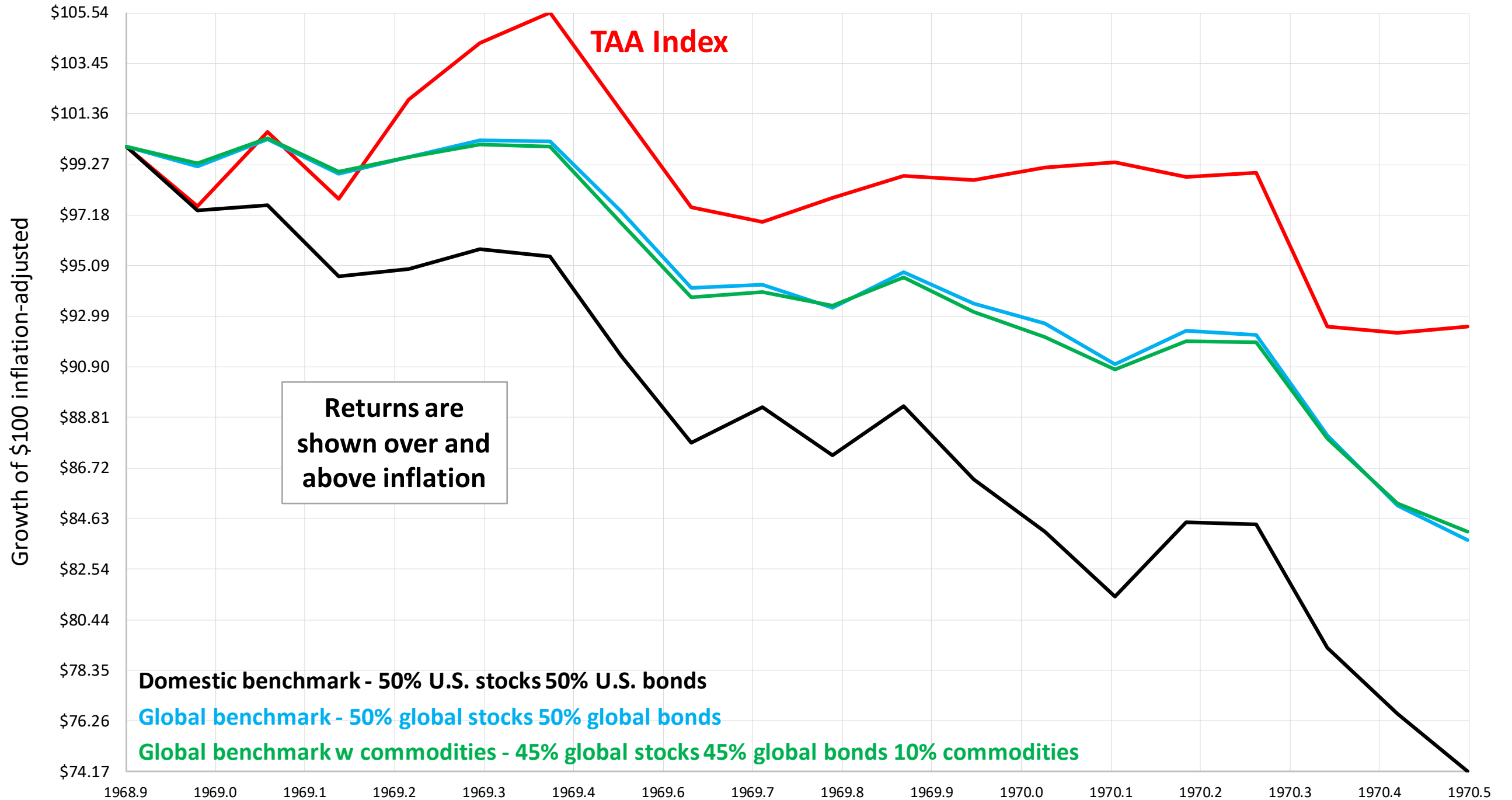


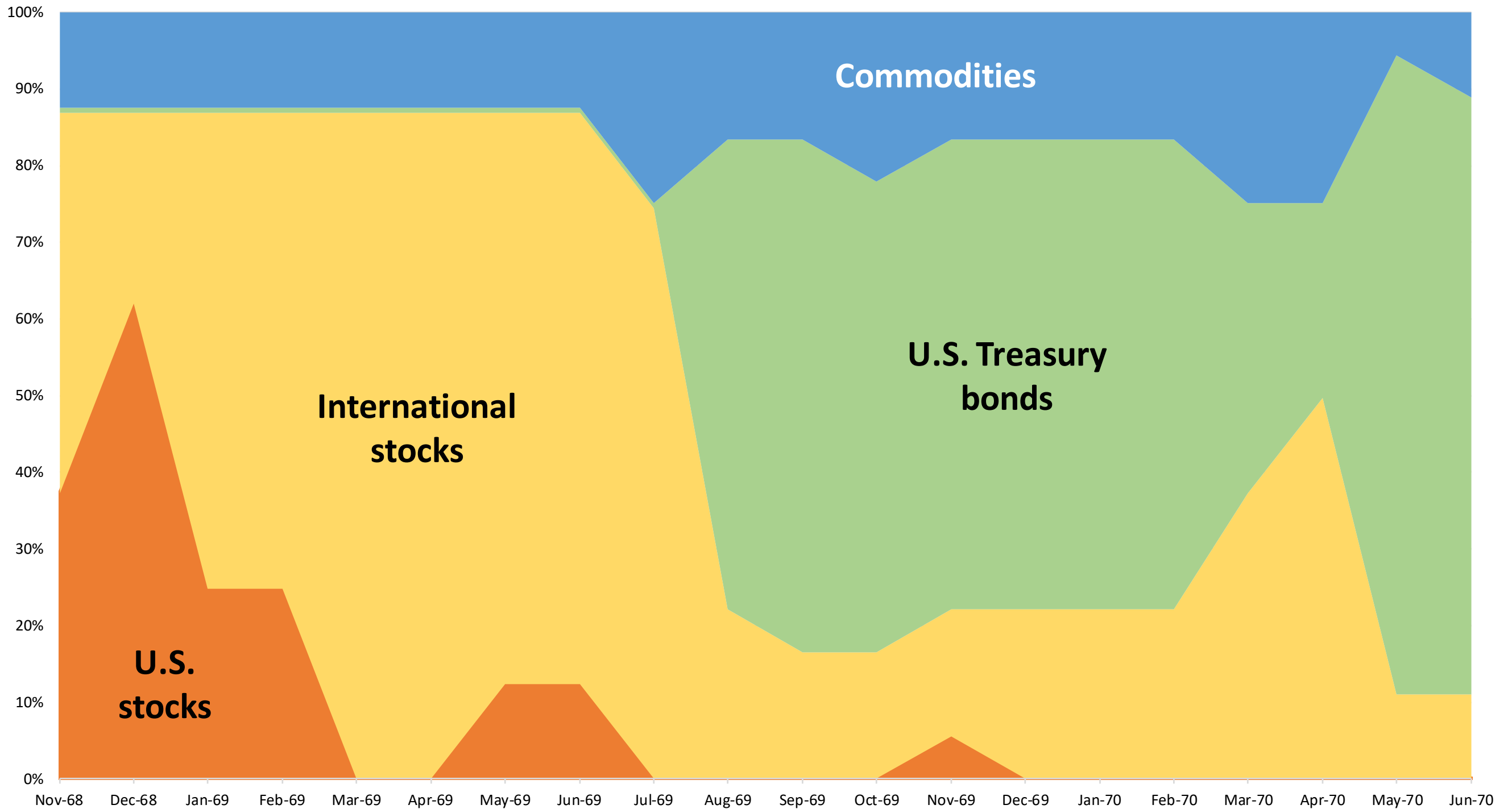


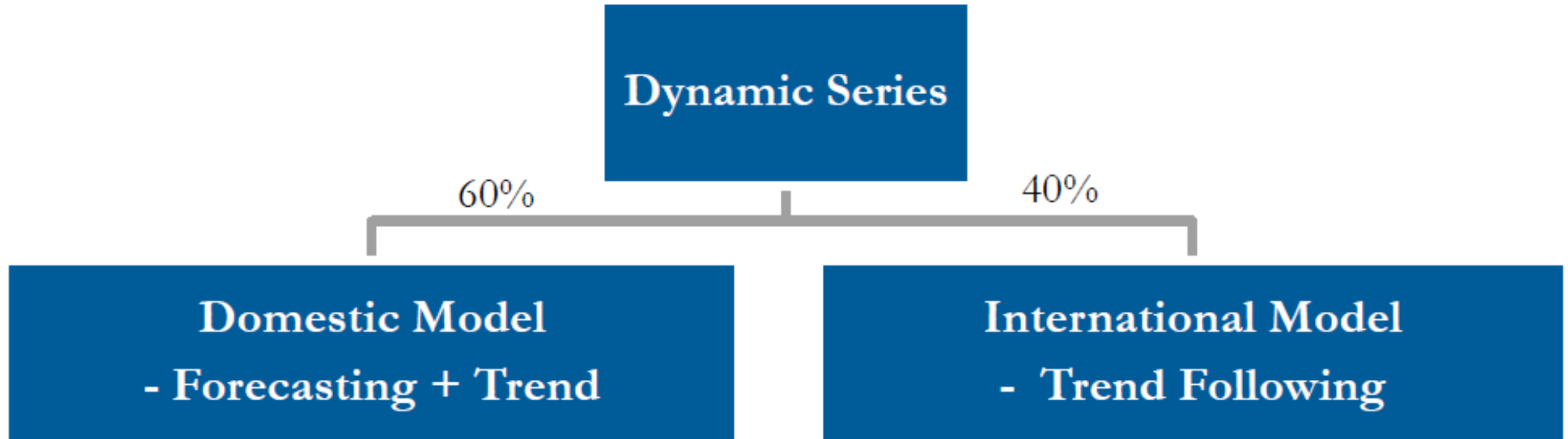








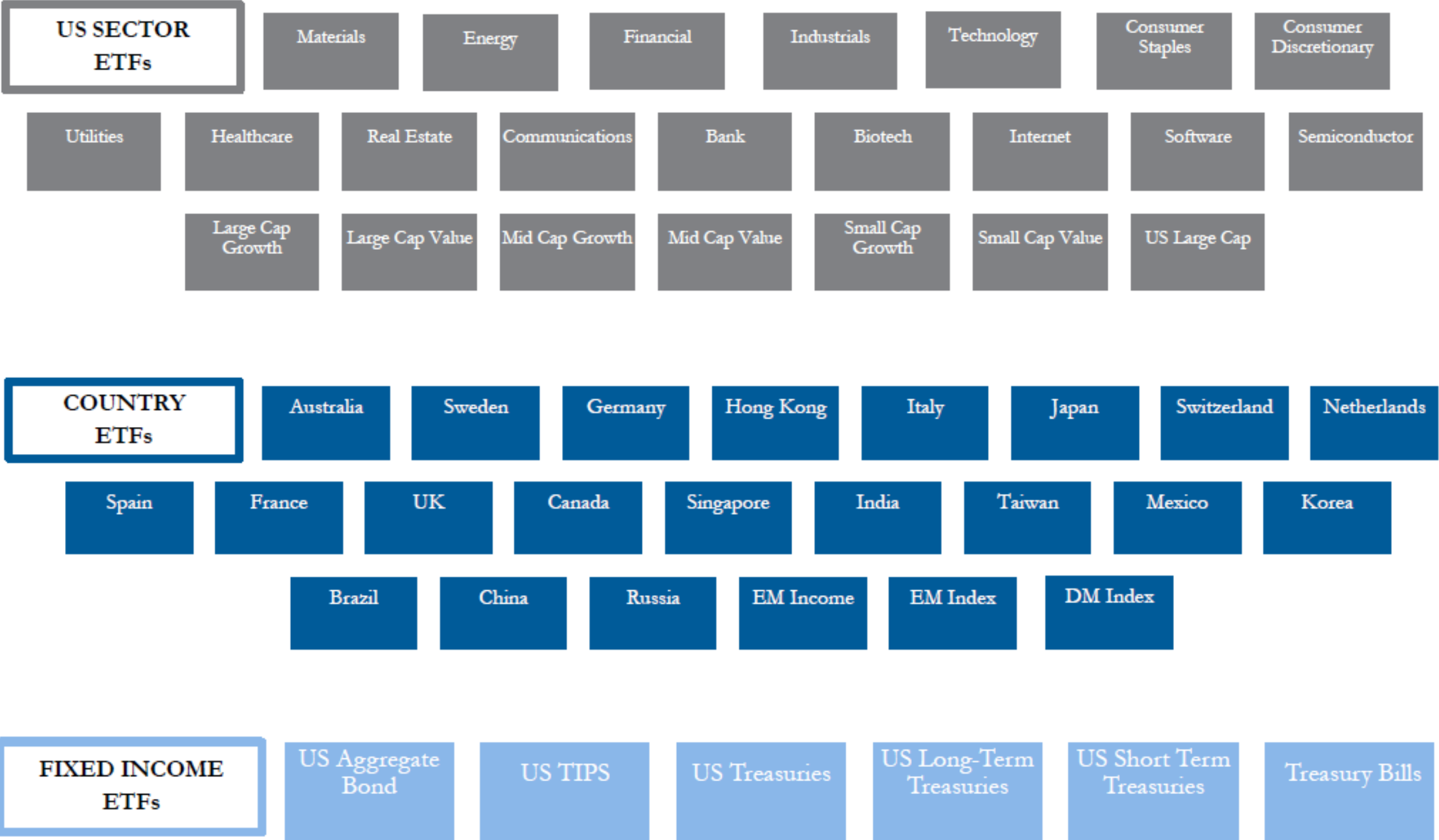




Benefits of a Multi Strategy Approach

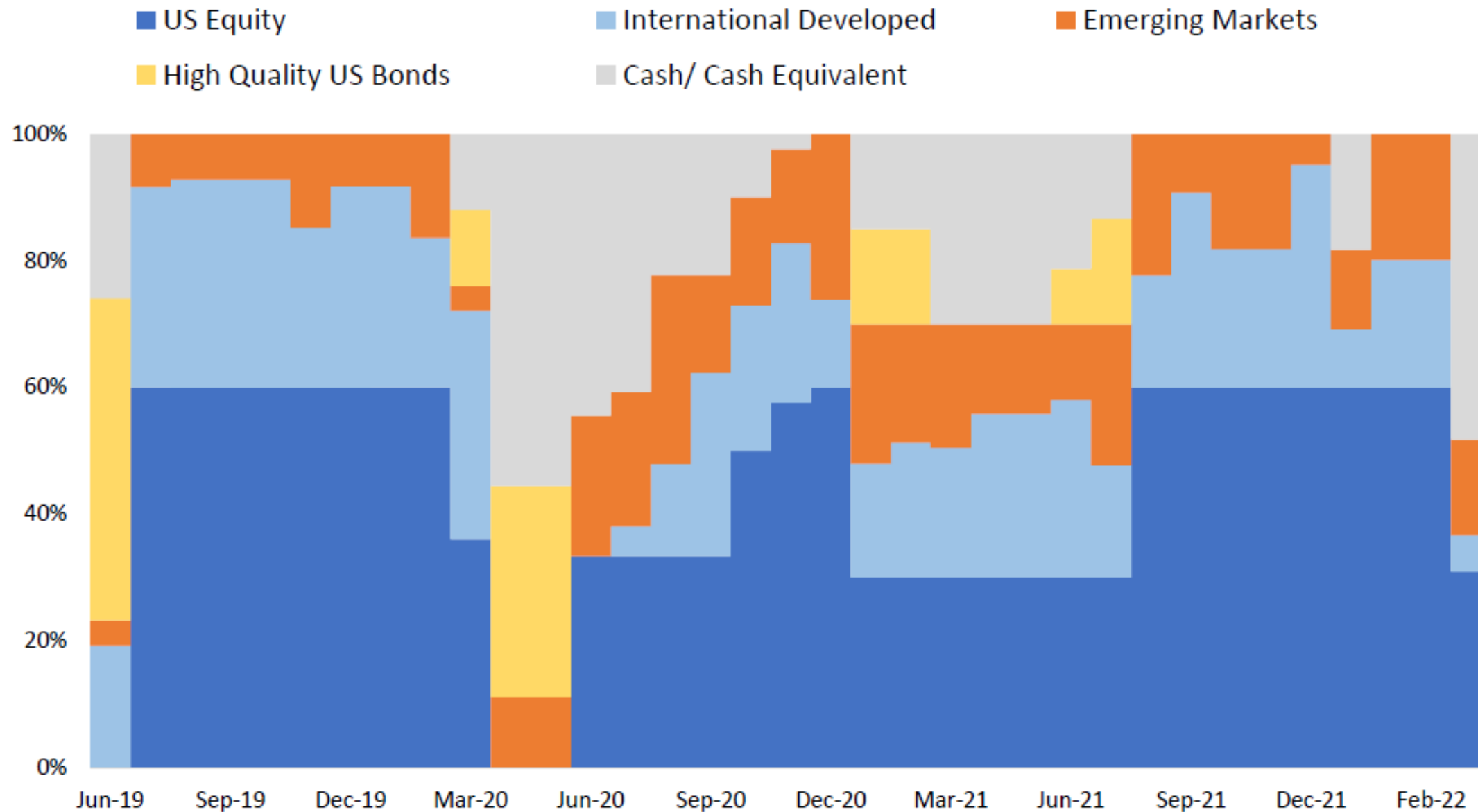
- Better risk-adjusted return
- Model risk mitigation

Investment playing field



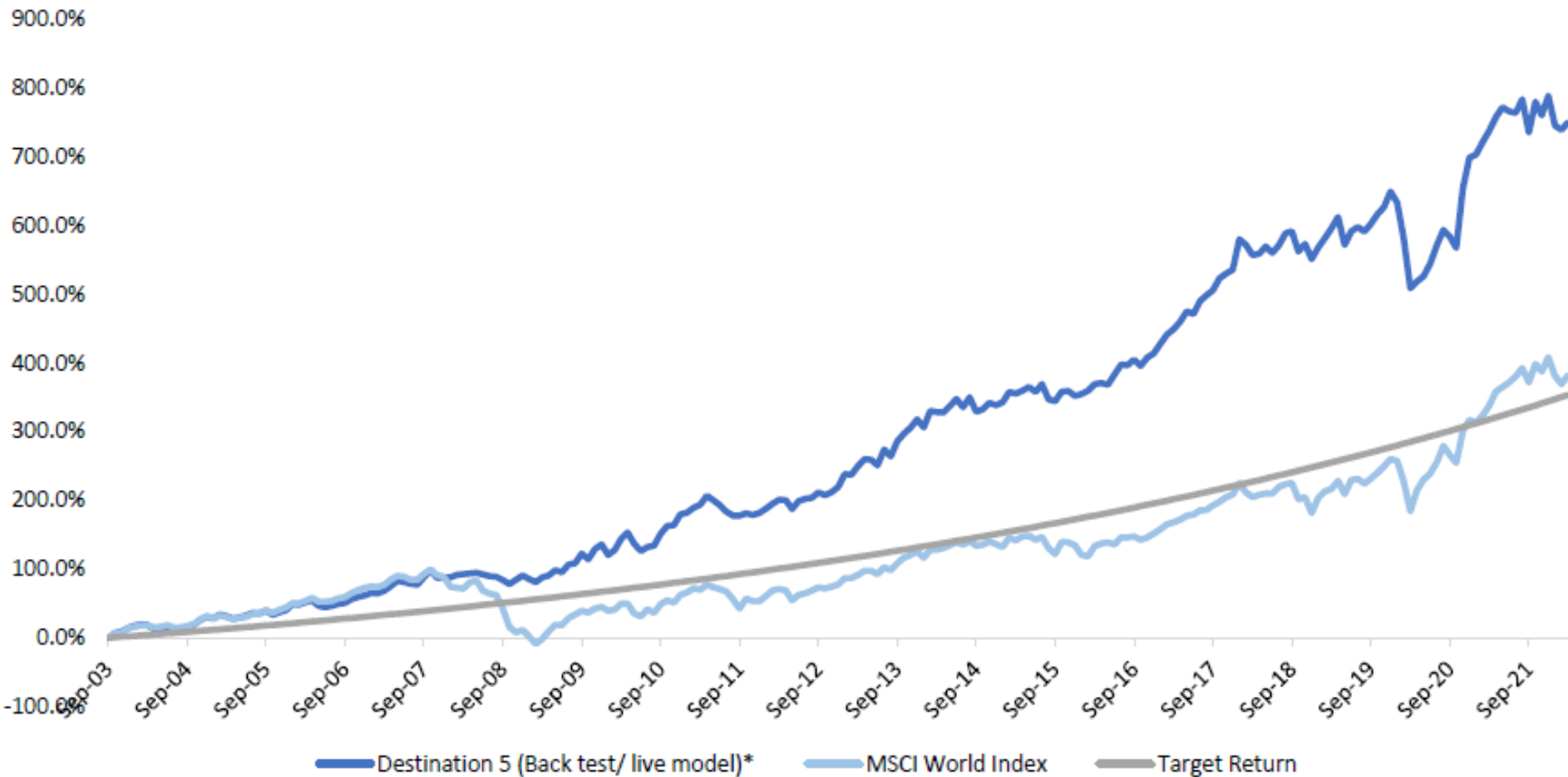


Example - Since 1999 Changing use of international



US equity exposure rebalances at beginning of month
Non-US equity exposure rebalances mid-month

Historical performance numbers for this portfolio



	Destination 5 (Back test/ live model)*	MSCI World Index	Target Return
Annualized Volatility	10.7%	14.9%	0.0%
Drawdown	-18.7%	-54.0%	0.0%

*Back tested Performance Sept. 03 – May 2019. Live model performance June 2019- Mar 2022

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Tactical Asset Allocation during past recessions

Friday

February 17th

11:00 a.m. EASTERN

Important Disclosures

All data and statistics were provided by Global Financial Data, Inc. and NDR, Inc. (unless otherwise indicated in the exhibit)

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One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the presentation of hypothetical performance results and all of which can adversely affect actual trading results.

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