

Earnings and Sales Growth: Taken as a global whole, current year earnings growth numbers look about 3-4% lower than where they were at the beginning of the year, at the median, while corresponding sales numbers, perhaps due to inflation, are riding about +6% higher in the Developed World, and a bit above +1% higher in the Emerging World. The three Developed regions are posting mostly comparable figures, where as there is more variation for the Emerging regions, as earnings forecasts in EMEA² remain elevated, with the current higher prices of commodities bolstering metals and mining companies in South Africa as well as tightened oil supply benefitting Saudi Arabia.

Earnings Expectation Trends: Despite growth in many regions, aggregate EPS forecasts lightened modestly. Current year estimates were weighed down due to the influence of China and the U.S. this past quarter. However, other standout countries include South Korea (+2.5% Q/Q), whose median 2021 earnings forecast increase may possibly be due to an expectation that its new presidency may be perceived as being better for business development. At the median, Mexico (+9.4% Q/Q), where food price inflation has been successfully passed on to consumers, has also improved in sentiment. In addition, the Mexican peso is one of the few notable currencies that has actually strengthened against the dollar during the recent foreign exchange volatility the market has been experiencing.

Economic Comments: In a continuation of last quarter's economic backdrop, nations carry on doing battle against inflation, with their central banks nudging, and sometimes even shoving, interest rates ever higher. Sentiment around economic slowdown remains a key focus, yet the global job market appears to remain tight. Still, expenses are rising, and corporate cost-cutting in the future could alter the labor environment. For various industries, supply-and-demand dynamics remain in a funk, as the domino effect of geopolitical turmoil, as well as the lasting effects of COVID-related monetary and fiscal stimulus, are ongoing within wide swaths of the global economy. Despite what may be a slowing pace of economic growth, it would seem that the earnings and sales across the world are still firmly growing.

Region / Select Countries	Current FY Expected Earnings Growth	Q/Q Change ¹	Next FY Expected Earnings Growth	Q/Q Change ¹	Current FY Expected Sales Growth	Q/Q Change ¹	Next FY Expected Sales Growth	Q/Q Change ¹	YTD Local Market Total Return
Developed	7.8%	-0.8%	9.5%	-1.0%	9.8%	+0.7%	5.0%	-0.4%	-21.9%
Americas	6.9%	-2.3%	10.5%	-0.7%	9.2%	-0.3%	5.6%	-0.6%	-24.5%
U.S.	6.9%	-2.3%	10.9%	-0.6%	9.1%	-0.5%	5.8%	-0.5%	-25.1%
Canada	7.7%	-1.8%	7.8%	-1.0%	9.9%	+0.7%	4.5%	+0.1%	-11.8%
Europe	8.5%	+0.3%	8.4%	-1.5%	11.0%	+1.8%	4.7%	-0.3%	-17.2%
Germany	8.9%	-1.8%	10.2%	-1.2%	11.8%	+1.8%	4.7%	-0.6%	-27.7%
U.K.	6.0%	+0.6%	7.7%	-0.3%	7.2%	+1.1%	5.5%	+0.0%	-1.3%
Pacific	8.2%	+0.4%	8.9%	-0.4%	9.4%	+2.0%	4.2%	+0.3%	-9.0%
Japan (Mar)	8.5%	+1.6%	8.4%	-0.3%	10.6%	+1.8%	3.7%	+0.2%	-7.5%
Australia (Jun)	8.9%	-0.6%	9.9%	+2.5%	8.6%	+2.3%	4.6%	+0.7%	-7.4%
Emerging	11.5%	-1.1%	14.7%	-0.4%	11.8%	+0.4%	8.5%	+0.0%	-20.8%
Americas	8.4%	+3.9%	9.8%	-0.1%	13.7%	+3.1%	4.9%	-0.2%	-1.7%
Brazil	2.2%	-2.0%	12.5%	+0.9%	13.7%	-0.7%	7.7%	+2.0%	8.3%
Mexico	10.9%	+9.4%	10.2%	-0.6%	11.3%	+2.0%	4.9%	-1.0%	-14.4%
EMEA ²	18.7%	+2.4%	10.6%	-2.5%	11.2%	+0.9%	6.1%	-0.8%	-27.5%
South Africa	17.2%	+2.0%	10.8%	-3.0%	8.5%	-0.3%	7.6%	-0.2%	-8.5%
Saudi Arabia	14.2%	-0.5%	16.0%	+2.8%	11.5%	+0.5%	8.4%	+1.1%	2.6%
Asia	10.3%	-2.0%	16.2%	+0.4%	11.8%	-0.1%	9.6%	+0.1%	-22.3%
China	4.9%	-1.7%	22.1%	+4.0%	8.2%	-2.6%	12.2%	-0.1%	-29.5%
S. Korea	18.6%	+2.5%	10.5%	-1.9%	13.8%	+0.0%	6.9%	+0.6%	-28.0%

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

¹: Change in the median growth rate of each region/country compared to the median of last quarter. ²: EMEA: Europe, Middle East and Africa; Source: Refinitiv Financial; MSCI; Smith Asset Management Group; Data as of September 30, 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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