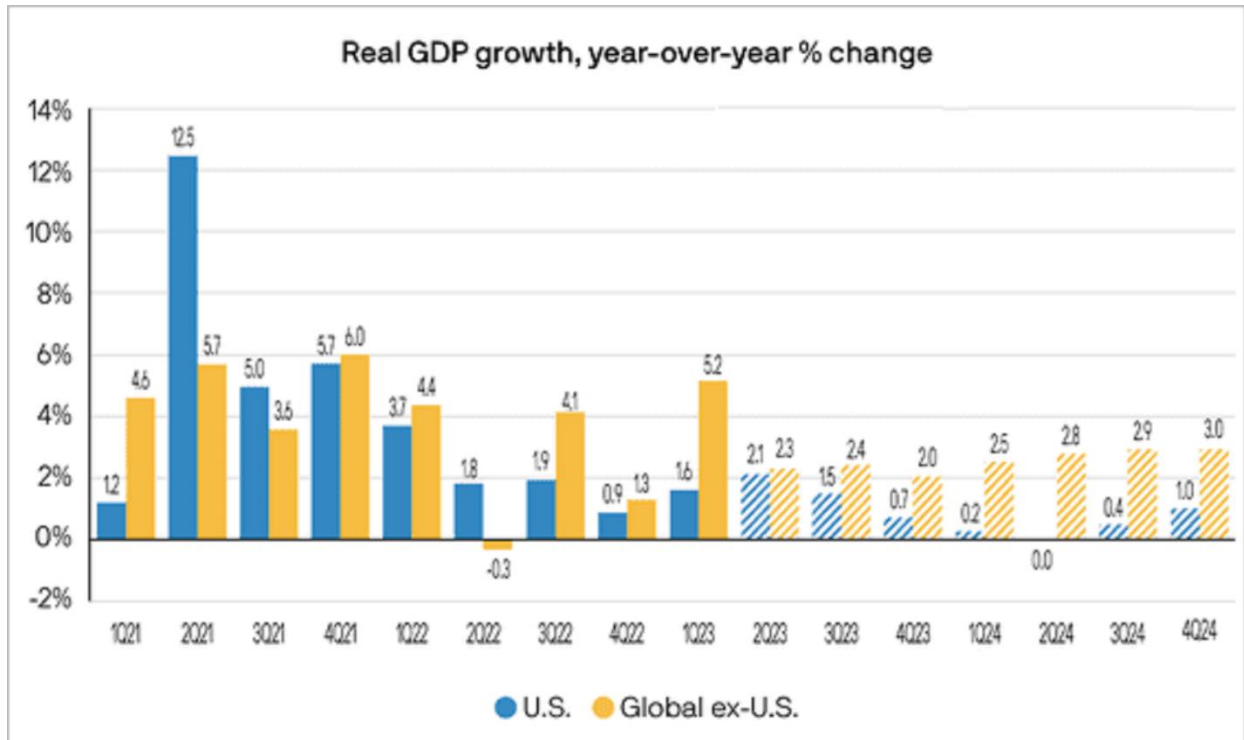


"The Pivot" Was in Real Growth Rates



Source: Daily Shot 6-29-23, JP Morgan

- **Economic growth rates pivoted 3 quarters ago to consistently favor International Real GDP Growth (yellow bar above) over US Growth (blue bar above)** through the end of 2024 according to consensus estimates.
- **Many international markets are surging because of this** as Germany and France are near new all-time highs and Japan is at a 30+ year high. MSCI Europe has outperformed the S&P 500 since the beginning of 2022.
- We believe **China's re-opening coupled with a new global capital investment cycle underpins better growth overseas and should result in better performance for international markets** over time.
- International markets should benefit if US investors tire of focusing on the top 7 large (and expensive) stocks. **Valuation differences are at generational highs** favoring international markets. Our International Strategy is **overweight European and Japanese** stocks to take advantage of this.

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