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# GLOBAL EARNINGS UPDATE

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**Earnings and Sales Growth:** In 2025, strong double-digit earnings growth and mid-to-high single-digit sales growth is expected from the developed and emerging worlds, taken as a whole. Emerging market growth numbers still appear generally higher than in developed markets at the region level, which is typical. From a region perspective, Europe’s earnings growth is projected to be 11.0% next year, though the region is likely to face continued geopolitical uncertainties, particularly with the ongoing war in Ukraine and the potential trade shake up that could result from the incoming U.S. administration. Emerging Asia has the highest EPS growth expected for 2025 at 14.1%. However, poorly-implemented fiscal stimulus or possible political turmoil could play spoiler to these great expectations.

**Earnings Expectation Trends:** China’s earnings growth is expected to be 12.1% in 2025, though economic stimulus and foreign relations (esp. regarding trade and technology) could continue to impact this number. South Korea’s high 19.2% forecasted median EPS growth has tempered by -6.1% Q/Q. Business sentiment has declined over lagging exports and demand in the domestic market. In the Americas, Canada is expected to see 10.5% median earnings growth next year, slightly lower than the U.S., likely reflecting slower recovery in commodity prices and the impact of global trade disruptions. These estimates have been relatively stable along with many other large developed nations this period.

Region / Select Countries	FY24 Expected Earnings Growth	Q/Q Change <sup>1</sup>	FY25 Expected Earnings Growth	Q/Q Change <sup>1</sup>	FY24 Expected Sales Growth	Q/Q Change <sup>1</sup>	FY25 Expected Sales Growth	Q/Q Change <sup>1</sup>	YTD Local Market Total Return
<b>Developed</b>	<b>7.4%</b>	<b>+0.0%</b>	<b>11.0%</b>	<b>-0.3%</b>	<b>4.5%</b>	<b>+0.1%</b>	<b>5.1%</b>	<b>-0.1%</b>	<b>17.4%</b>
Americas	7.9%	+0.1%	11.2%	-0.5%	5.0%	+0.0%	5.7%	-0.1%	20.2%
U.S.	8.0%	+0.6%	11.3%	-0.5%	4.9%	+0.1%	5.8%	-0.1%	20.4%
Canada	6.9%	-2.1%	10.5%	-0.5%	6.4%	+0.5%	5.2%	+0.4%	14.7%
Europe	6.2%	+0.4%	11.0%	-0.3%	3.3%	-0.2%	4.9%	+0.0%	8.5%
Germany	9.8%	+1.1%	12.3%	-0.6%	1.0%	-0.9%	5.2%	-0.1%	13.1%
U.K.	3.8%	-0.9%	11.1%	-0.8%	2.7%	-0.4%	4.9%	-0.1%	6.1%
Pacific	7.7%	-0.6%	9.7%	+0.2%	4.7%	+0.2%	4.1%	-0.1%	11.2%
Japan (Mar)	8.1%	-0.2%	10.1%	-0.3%	5.1%	+0.6%	4.0%	-0.2%	12.0%
Australia (Jun)	3.1%	-3.1%	11.4%	+3.1%	2.8%	-1.7%	4.6%	+0.2%	8.8%
<b>Emerging</b>	<b>14.4%</b>	<b>-0.4%</b>	<b>13.4%</b>	<b>-1.3%</b>	<b>8.0%</b>	<b>+0.0%</b>	<b>8.2%</b>	<b>+0.0%</b>	<b>15.8%</b>
Americas	12.4%	-1.4%	11.3%	-0.6%	7.1%	+2.0%	6.0%	-0.3%	-5.9%
Brazil	14.4%	-1.3%	17.2%	+3.6%	7.8%	+3.1%	6.6%	-0.6%	-6.7%
Mexico	11.0%	+0.3%	9.7%	-3.3%	6.5%	-0.7%	6.3%	+0.2%	-7.6%
EMEA <sup>2</sup>	8.9%	+1.5%	11.0%	-2.1%	7.3%	+0.4%	6.9%	-0.1%	5.6%
South Africa	13.8%	+7.8%	12.9%	-0.4%	4.6%	-0.3%	7.2%	+0.1%	11.7%
Saudi Arabia	14.8%	-1.8%	15.5%	-2.0%	7.9%	+0.3%	10.3%	+0.8%	-0.9%
Asia	16.3%	-0.8%	14.1%	-1.3%	8.2%	-0.4%	9.0%	+0.0%	20.2%
China	13.4%	-1.6%	12.1%	-1.4%	5.6%	-2.3%	7.7%	-1.0%	25.3%
S. Korea	18.6%	-1.6%	19.2%	-6.1%	6.1%	+0.4%	6.5%	-0.3%	-4.9%

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 Jun. 30, 2024; 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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