

A Snapshot Of Major Emerging Market Stock Indices

Y-T-D Total Returns, Earnings Growth Rates & Price-to-Earnings (P/E) Ratios For Major Emerging Market Equity Indices

Index	Y-T-D Total Returns (USD)	2016 EPS Growth Est.	2016 P/E Est.	3-Year Avg. P/E
MSCI Emerging Markets	7.00%	13.78%	12.40	12.79
MSCI Emerging Markets Small Cap	2.53%	151.29%	13.67	22.88
Ibovespa/Brazil	40.10%	N/A*	15.50	60.52
Russian Trading System	22.68%	-5.09%	7.14	6.24
S&P BSE 500/India	0.24%	47.76%	15.51	19.77
Shanghai Composite/China	-17.30%	19.89%	13.19	13.82

Source: Bloomberg. EPS growth and P/Es are consensus estimates. Data as of 4/27/16. * Earnings growth rate not applicable due to negative earnings posted in 2015.

View from the Observation Deck

1. Emerging markets continue to be a mixed bag. As indicated in the chart, economies steeped in natural resources, such as Russia and Brazil, have performed quite well due in part to the rebound in the price of crude oil.
2. Year-to-date through the close on 4/27, the price of a barrel of crude rose by 22.38% to \$45.33, according to Bloomberg. The price of crude oil was up 72.95% from this year's closing low of \$26.21 per barrel on 2/11.
3. Y-T-D, the U.S. Dollar Index (DXY) was down 4.30%, according to Bloomberg. The weakness in the U.S. dollar helped push crude oil and other commodity prices higher, in our opinion.
4. In Q1'16, investors funneled a net \$3.14 billion into Diversified Emerging Markets equity mutual funds and exchange-traded funds, according to Morningstar. These same funds reported net outflows totaling \$2.25 billion in Q4'15.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Small Cap Index includes small-cap representation across 23 emerging market nations. The Ibovespa Index is weighted by traded volume and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange. The Russian Trading System Index is a cap-weighted composite index calculated based on prices of the 50 most liquid Russian stocks on the Moscow Exchange. The S&P BSE 500 Index is a free-float weighted index that represents nearly 93% of the total market capitalization on the BSE India exchange. The Shanghai Stock Exchange Composite Index is cap-weighted and it tracks the daily price performance of all A-shares and B-shares listed on the exchange. The U.S. Dollar Index (Symbol: DXY) indicates the general value of the U.S. dollar relative to other major world currencies.