

Why Non-U.S. Equities Now?

In today's globalized world, savvy investors are looking beyond the United States to diversify their portfolios and tap into new opportunities. Below we delve into the factors that make non-U.S. equities an attractive proposition.

1

Diverse Opportunities

Non-U.S. equities offer a broad range of investment opportunities, especially among small- and mid-cap companies and emerging companies, in sectors ranging from luxury goods to pharmaceuticals to technology.

2

Quality Amid Geopolitical Volatility

A quality-driven investment approach can offer resilience and help safeguard returns during global challenges, and nearly 72% of companies in the top quintile of what we call "sustainable value creation" (or strong corporate performance) are based outside the United States.¹

3

Leaders in Health and Technology

Companies producing GLP-1 drugs such as Ozempic are based outside the United States, as are significant players in the artificial intelligence, cloud, and semiconductor fields.

4

Japan Rising

Japan presents significant investment opportunities, fueled by government initiatives that incentivize companies to enhance capital efficiency and introduce investment programs for retail investors.

5

Global Structural Advancements

Structural shifts such as nearshoring and supply-chain diversification are particularly beneficial to Latin American countries, enhancing the attractiveness of their warehousing and real estate sectors.

6

Compelling Valuations

In our opinion, we're closer to the end of the rate-increase cycle than to the beginning, and U.S./non-U.S. interest-rate differentials might support a softening U.S. dollar. And with a softening U.S. dollar, non-U.S. equities would be more attractive.

¹ Source: William Blair, as of 12/31/24. Universe is the MSCI ACWI IMI. Sustainable value creation is a factor within the William Blair quality model, which attempts to put into quantitative terms one of the cornerstones of the firm's investment philosophy; identifying high quality companies. The score combines measurements of sustainable value creation, earnings quality, and financial strength.

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