



March 20, 2017

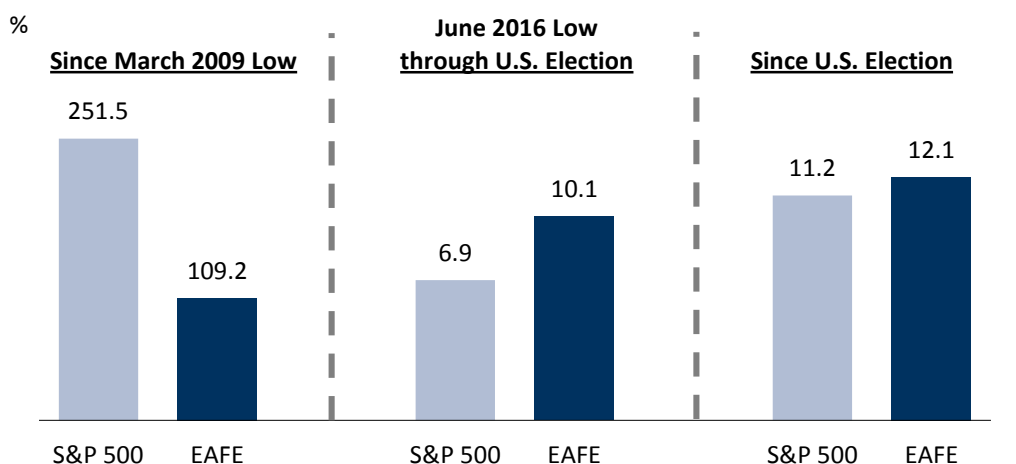
EAFE Wins in Trump Rally

Stronger Global Economy and Operating Leverage Driving Success

Over the last several months, we've made the case that reflation and better economics were the primary forces behind the S&P 500's advance, rather than President Trump's proposed pro-growth policies. Strong stock returns in the months prior to Election Day and on November 8, when Hillary Clinton was expected to win, support this point of view.

While U.S. equities have trounced their global peers throughout the recovery, this hasn't been the case since the U.S. election or in the months leading up to it. This further challenges the popular narrative that domestically focused policies, designed to put "America First", are the catalyst behind the market's recent advance.

Exhibit 1: Performance – S&P 500 vs. EAFE (cumulative, not annualized)



Source: S&P, MSCI, FactSet, and RBC Capital Markets

Note: Price Returns; EAFE in Local Terms; March low 3/9/2009, June 2016 low 6/27/2016

In the pages that follow, we highlight the recent uptick in the global economy and the fact that this improvement is extremely broad-based across countries. We go on to explain how the EAFE index is much more economically sensitive than the S&P 500. Brought together, it would be quite logical to expect EAFE to continue outperforming as long as the recent reflationary trends continue.

The arguments made throughout this note are not meant to undermine the case for U.S. equities, but rather to highlight the broad-based strength of the current investment environment. The idea of investing in stocks with superior operating leverage also applies to those companies within the U.S., such as Small Caps, Financials, and other more pro-cyclical groups.

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All values in USD unless otherwise noted.

Priced as of market close March 17, 2017 (unless otherwise stated).

For Required Conflicts Disclosures, please see page 12.

Global Economic Backdrop Improving

Global GDP has been lackluster throughout the current recovery. That said, conditions have begun to renormalize, with growth picking up meaningfully over the past six months. This is most visible in global PMIs. As the chart below shows, readings in many countries were in contractionary territory just six months ago, whereas all developed markets are now in full expansionary mode.

Exhibit 2: Global PMIs

PMIs have improved across all developed markets from six and 12 months ago

	Feb-17	Jan-17	Aug-16	Feb-16
Global	52.9	52.7	50.7	50.0
U.S.	57.7	56.0	49.4	49.7
Canada	54.7	53.5	51.1	49.4
Japan	53.3	52.7	49.5	50.1
U.K.	54.6	55.7	53.4	50.9
Euro Area	55.4	55.2	51.7	51.2
France	52.2	53.6	48.3	50.2
Germany	56.8	56.4	53.6	50.5
Italy	55.0	53.0	49.8	52.2
Spain	54.8	55.6	51.0	54.1

Expanding ≥ 52 52 > Neutral ≥ 50 Contracting < 50

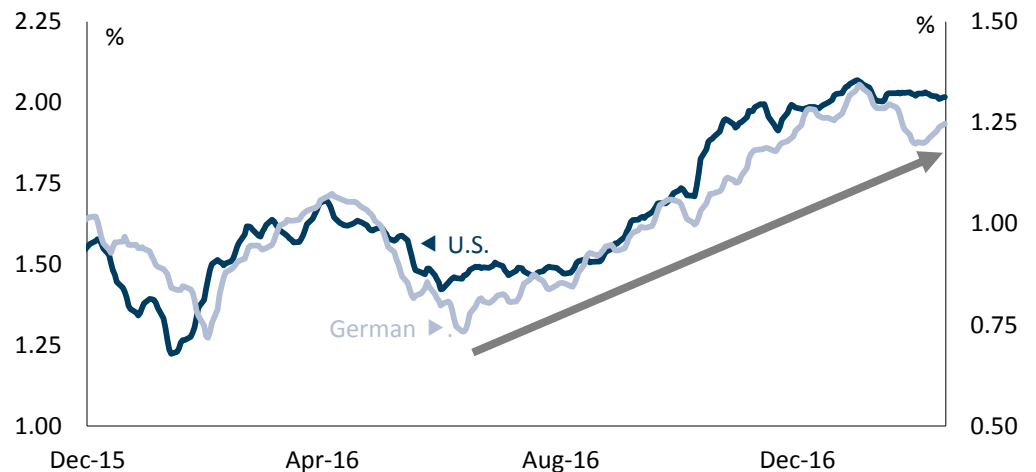
Source: Markit, ISM, Haver, and RBC Capital Markets

Note: U.S. ISM PMI, Markit PMI for all others

The weak economic environment since 2009 was also accompanied by extremely low interest rates and inflation. As the global backdrop regains its vibrancy, so, too, are expectations for yields and measures of inflation, a huge benefit to Bank profitability. While the chart below highlights German and U.S. inflation expectations, these trends are visible around the world.

Exhibit 3: Inflation Expectations

Inflation expectations are on the rise around the world



Source: Bloomberg and RBC Capital Markets

Note: 10-year breakevens; 5-day MA



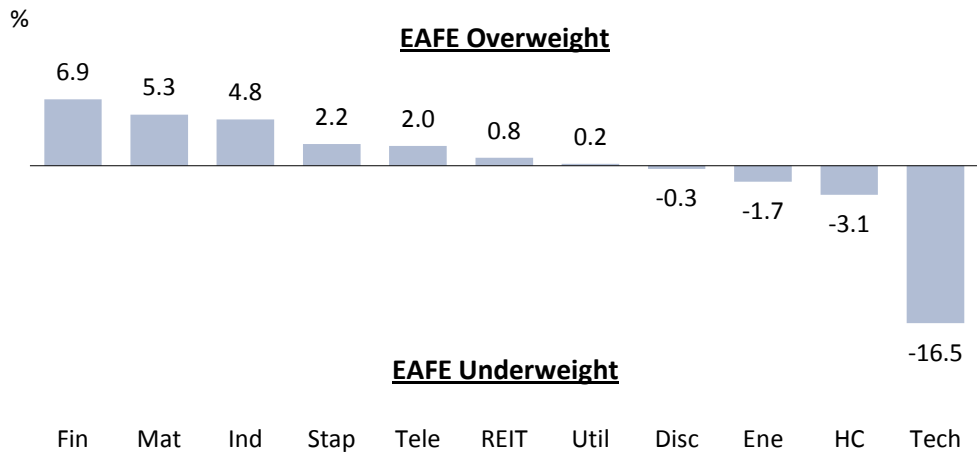
EAFE's Superior Operating Leverage

Operating leverage is the change in earnings for each additional unit of revenues. Put differently, operating leverage captures the sensitivity of a company's profits to an improving economy.

For a host of reasons, including weaker economies of scale, stage in the economic cycle, and higher fixed cost structures, EAFE companies tend to have higher operating leverage. However, it is the non-U.S. benchmark's sector exposure that has the greatest impact on its economic sensitivity. EAFE's underweight in Health Care and Technology and overweight in more cyclical sectors such as Financials, Industrials, and Materials highlights this point (see Exhibit 4).

Exhibit 4: Sector Weight Differences – EAFE vs. U.S.

International benchmarks are overweight higher operating leverage sectors such as Financials and pro-cyclical groups



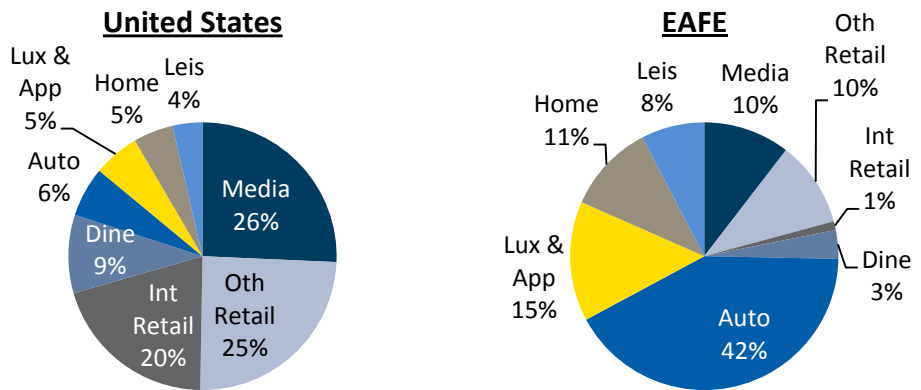
Source: MSCI, FactSet, and RBC Capital Markets

At the sub-sector level, EAFE has much greater exposure to old economy stocks. This is most visible in the consumer space, where the non-U.S. benchmark is heavily weighted in Autos and the S&P 500 has a greater exposure to Media and Internet Retailing.

Exhibit 5: Discretionary Sector Weights

Within sectors, EAFE is more exposed to old economy groups such as Autos

Old economy stocks have higher operating leverage



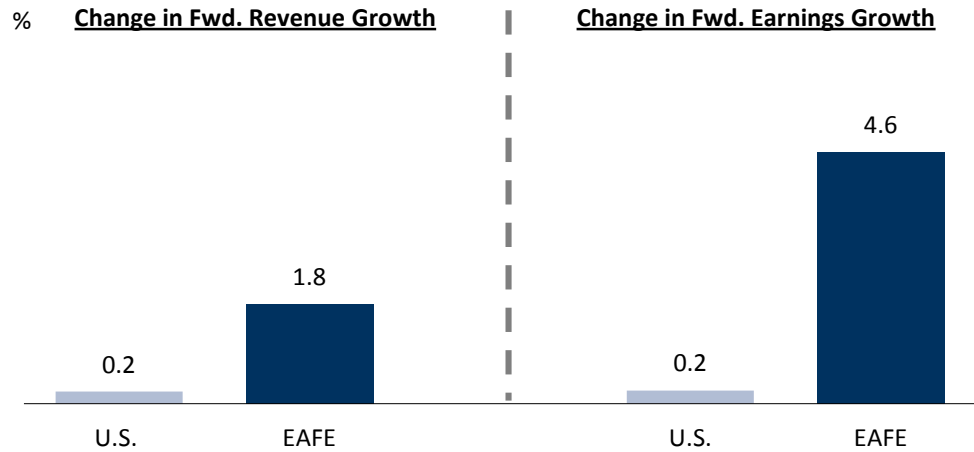
Source: S&P, MSCI, FactSet, and RBC Capital Markets



As the result of greater operating leverage, small changes in the global economy result in a far greater impact on non-U.S. profits. As Exhibit 6 below highlights, the recent improvement in EAFE’s top-line growth resulted in a significantly greater benefit to earnings for the international index.

Exhibit 6: Change in Forward Growth Expectations over Past Three Months

Given greater operating leverage within EAFE, a modest economic acceleration has an outsized benefit to the bottom line

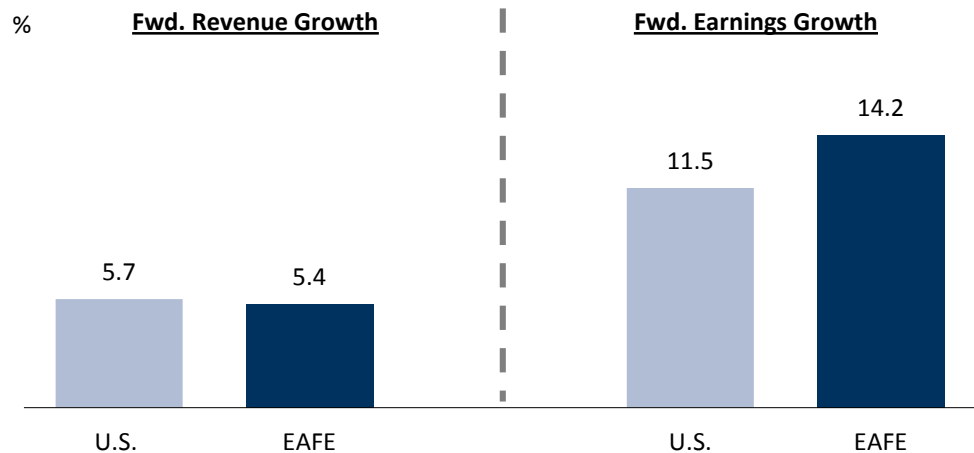


Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.; change in forward growth rates; forward growth defined as next 12-month growth
Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets

The same relationship is visible for overall growth as it is for earnings revisions (see Exhibit 7).

Exhibit 7: Forward Growth Expectations

Despite similar top-line trends, EAFE is expected to out-earn the U.S. index due to superior operating leverage



Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.; forward growth defined as next 12-month growth
Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets

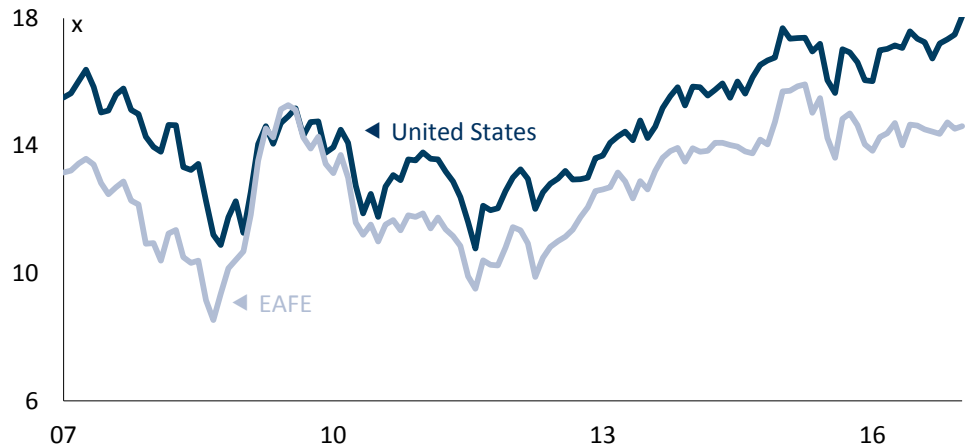


EAFE Undervalued Despite Superior Growth

Investors have historically rewarded the S&P 500 with a higher P/E relative to EAFE. This is the result of greater economies of scale, lower volatility, and more favorable historical growth trends for the U.S. benchmark.

Exhibit 8: Forward P/E – U.S. vs. EAFE

The U.S. has historically traded at a premium relative to EAFE



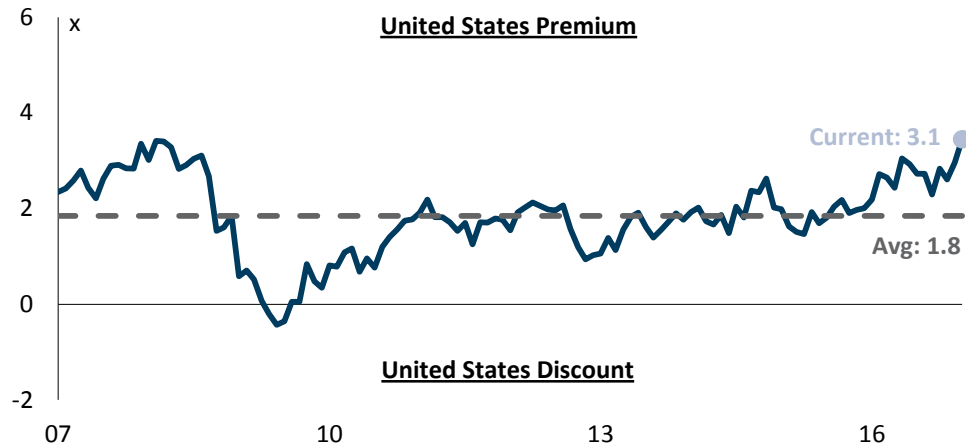
Source: MSCI, FactSet, and RBC Capital Markets

Note: U.S. MSCI USA; 3-month moving average

The question is whether the size of this premium makes sense given the current outlook. While over the past 10 years U.S. stocks have traded at a 1.8x multiple point premium on average, the current spread is well above this level. Given the superior operating leverage and stronger growth outlook for EAFE, it is hard to justify this premium.

Exhibit 9: Forward P/E Spread – U.S. vs. EAFE

The U.S. currently trades a 3.1x premium to EAFE despite a more favorable growth outlook



Source: MSCI, FactSet, and RBC Capital Markets

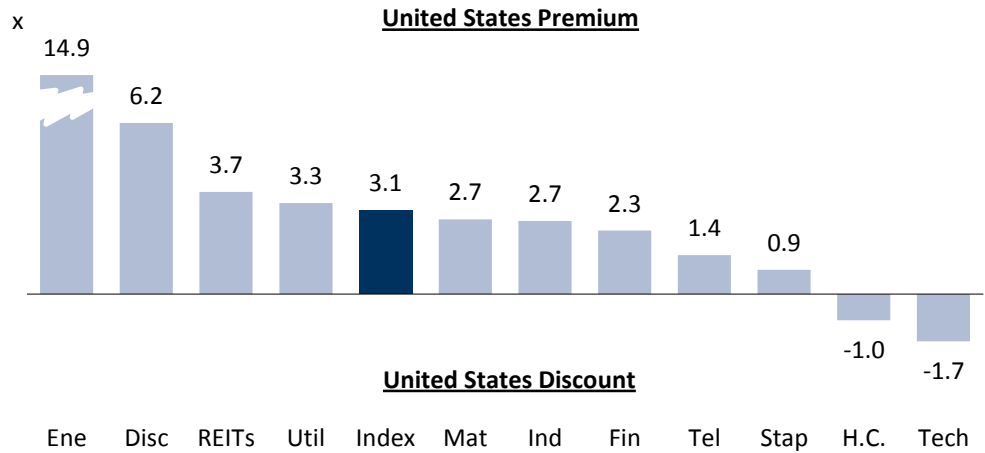
Note: U.S. MSCI USA; 3-month moving average



The premium valuation of U.S. equities is quite broad-based, with nine of 11 S&P sectors trading above their EAFE peers. Only Health Care and Technology are at a discount.

Exhibit 10: Relative P/E – U.S. vs. EAFE

The valuation premium for U.S. stocks is quite broad-based



Source: MSCI, FactSet, and RBC Capital Markets

Note: U.S. MSCI USA; 3-month moving average



Global Grids Appendix: Growth Expectations

This report is based on RBC's "global grids", which compare portfolio characteristics across countries, regions, and sectors. Many of these are published each month in our Global Investment Strategy Playbook.

Exhibit 11: Forward 12-Month Revenue Growth Expectations

Revenue trends between EAFE and the S&P 500 are relatively similar

%	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	21.6	6.8	3.3	5.0	4.0	4.7	3.1	5.5	1.8	2.6	3.9	5.5
Belgium	-	5.0	-	3.1	17.7	4.5	-0.5	-	-0.1	-	-	10.1
Canada	21.7	6.1	4.1	3.2	7.5	-8.6	-5.0	3.5	3.0	17.0	4.6	3.9
France	18.3	9.4	3.5	7.4	2.8	5.3	2.4	5.8	1.2	-0.3	-0.8	5.1
Germany	-	6.3	4.5	3.2	3.9	7.6	1.8	7.3	3.7	0.4	5.2	3.8
Italy	12.1	-	1.1	4.2	-	-	4.6	-	1.6	1.9	-	4.8
Japan	14.4	6.0	3.6	4.2	4.2	2.7	1.1	3.0	2.6	3.3	2.9	3.9
Netherlands	1.2	4.8	4.8	8.4	17.9	-	21.0	4.9	-1.6	-	-	12.1
Sweden	49.7	18.5	4.1	7.6	5.5	2.3	1.4	-2.5	-0.3	-	-	3.9
Switzerland	-	2.1	2.8	4.4	3.3	3.1	1.2	-	-0.4	-	1.9	2.4
United Kingdom	22.6	11.2	5.0	5.3	5.8	7.2	11.4	10.3	0.8	2.5	2.9	10.9
G10 ex-U.S.	19.6	7.6	3.8	4.5	6.2	4.5	2.6	3.4	2.1	1.9	2.9	5.3
United States	23.8	4.5	2.4	5.6	2.5	4.7	4.0	6.3	1.3	4.0	5.2	5.7
EAFE	19.0	7.1	3.8	4.7	5.7	4.9	4.0	3.3	2.1	2.0	3.5	5.4

Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.
Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets

Exhibit 12: Forward 12-Month Earnings Growth Expectations

Despite similar revenues, earnings growth is faster in nine of 11 sectors

%	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	n.m.	23.2	8.2	12.6	8.9	5.8	13.9	10.4	8.9	-1.0	10.1	13.3
Belgium	-	13.2	-	98.9	30.1	19.4	-2.2	-	6.4	-	-	18.2
Canada	n.m.	34.7	17.1	9.6	11.8	-20.5	10.8	13.0	4.2	3.3	0.5	21.6
France	20.2	17.9	9.5	13.1	10.7	3.9	2.2	19.2	32.6	-24.4	3.5	8.2
Germany	-	17.0	5.5	9.0	9.0	8.1	3.7	9.5	11.6	13.7	12.3	8.8
Italy	n.m.	-	11.6	19.4	-	-	n.m.	-	10.9	9.5	-	n.m.
Japan	23.1	24.8	14.7	22.6	13.3	5.8	1.6	12.3	14.6	-9.8	32.8	13.7
Netherlands	-0.3	6.9	4.4	n.m.	11.5	-	0.4	13.6	20.3	-	-	8.6
Sweden	n.m.	45.6	8.0	12.0	7.7	19.0	-5.5	7.0	2.8	-	-	5.3
Switzerland	-	12.7	9.7	24.7	5.4	4.0	13.6	-	-4.5	-	1.9	8.0
United Kingdom	91.0	64.5	6.8	6.4	11.0	4.1	22.2	11.7	5.9	1.0	3.0	20.6
G10 ex-U.S.	83.0	30.3	11.0	16.2	12.2	4.4	15.8	12.3	12.4	-4.6	19.8	15.8
United States	n.m.	11.9	5.5	9.0	6.5	6.4	12.0	10.1	4.5	1.8	5.6	11.5
EAFE	61.1	25.7	10.6	16.1	12.1	4.7	15.6	12.0	12.2	-2.4	9.0	14.2

Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.
Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets



Global Grids Appendix: Revisions

Revenues are improving more for EAFE than the S&P 500

However, earnings revisions are even more pronounced

Exhibit 13: Revisions to Forward 12-Month Revenue Growth over Past Three Months

%	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	1.9	2.8	1.4	1.0	-0.1	-0.3	1.1	0.9	-0.6	2.2	-0.4	1.0
Belgium	-	0.1	-	-3.0	-4.9	-2.4	-2.2	-	-0.3	-	-	-3.0
Canada	2.5	-1.0	1.4	-2.3	1.4	-5.1	-10.1	1.8	0.3	-0.8	2.0	-3.7
France	-0.9	2.6	0.9	1.2	-2.1	2.9	-0.2	1.2	-0.1	-0.7	-2.4	0.4
Germany	-	0.9	0.9	0.4	-0.3	0.1	1.5	0.5	0.4	7.9	1.1	1.0
Italy	3.2	-	0.0	1.6	-	-	3.2	-	1.4	1.3	-	2.4
Japan	11.7	5.4	2.5	3.5	0.8	1.5	2.6	2.9	0.8	5.9	-1.1	3.1
Netherlands	0.0	1.5	1.8	0.2	9.7	-	20.1	-4.3	-0.4	-	-	7.1
Sweden	-16.8	3.3	0.8	-0.8	2.1	0.0	0.1	0.0	0.1	-	-	0.5
Switzerland	-	0.8	1.0	2.4	-0.4	-0.3	-0.9	-	-0.3	-	-0.3	0.0
United Kingdom	0.6	4.9	-1.5	-0.5	-0.2	-1.9	8.3	-0.9	-5.2	1.1	0.6	1.7
G10 ex-U.S.	2.7	3.4	1.6	1.8	0.4	0.3	1.1	2.1	-0.3	2.8	-1.0	1.6
United States	1.0	1.0	1.2	-0.2	-0.5	-0.5	1.1	0.3	-1.1	0.9	0.2	0.2
EAFE	2.9	3.2	1.6	1.9	0.2	0.1	2.7	1.8	-0.3	2.8	-1.3	1.8

Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.; change in forward growth rates

Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets

Exhibit 14: Revisions to Forward 12-Month Earnings Growth over Past Three Months

%	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	3.6	4.1	1.7	2.5	-0.4	-1.9	6.8	-0.4	0.3	0.1	0.0	2.2
Belgium	-	2.9	-	44.3	2.6	-4.3	-9.6	-	3.8	-	-	-0.3
Canada	-53.4	-15.7	4.2	-3.6	0.5	-10.1	2.8	-0.9	-1.0	-3.6	-1.0	1.4
France	1.8	-20.9	-1.3	1.4	1.3	3.9	1.0	1.6	19.8	-13.0	0.4	0.2
Germany	-	3.6	0.3	1.5	-0.9	-1.2	0.9	-1.1	5.8	10.3	3.2	1.4
Italy	-42.4	-	0.6	6.0	-	-	n.m.	-	5.4	1.8	-	n.m.
Japan	-1.5	9.3	4.4	11.5	0.9	4.3	2.1	5.7	2.8	10.1	-0.8	5.5
Netherlands	-5.8	-0.9	-0.7	n.m.	1.0	-	-2.8	-7.5	-1.9	-	-	-2.3
Sweden	n.m.	1.4	-1.2	-3.5	1.7	-1.3	-7.9	8.6	-6.0	-	-	-2.1
Switzerland	-	-1.2	1.0	18.3	-1.4	-0.8	3.8	-	-6.0	-	1.1	0.7
United Kingdom	9.6	28.9	-1.6	-0.2	-2.2	-3.8	12.3	-3.7	-1.1	-1.4	-0.2	5.3
G10 ex-U.S.	3.2	6.7	1.7	5.6	-0.1	-0.4	10.5	2.6	2.9	0.3	-0.1	4.9
United States	-4.3	-0.6	1.6	-0.7	-0.7	-2.5	2.9	-0.9	-2.9	0.2	-0.1	0.2
EAFE	8.0	4.9	1.8	5.6	-0.4	-0.9	9.4	1.8	2.3	0.2	7.4	4.6

Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.; change in forward growth rates

Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets



Global Grids Appendix: Valuations

Valuations are more attractive outside the U.S. for nine of 11 sectors

Exhibit 15: Forward P/E

^x	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	23.4	16.4	17.1	16.1	20.0	16.4	13.0	18.0	15.6	16.2	16.7	16.5
Belgium	-	14.8	-	25.3	22.6	17.0	13.0	-	15.3	-	-	19.1
Canada	23.3	22.0	19.1	13.5	16.5	3.4	12.9	18.6	16.4	17.0	14.9	15.8
France	11.7	14.6	17.6	15.7	20.2	15.9	9.8	18.3	14.8	13.2	16.9	14.7
Germany	-	16.7	15.6	9.4	18.7	15.7	11.5	20.1	20.0	13.5	21.4	13.8
Italy	22.9	-	16.3	12.4	-	-	9.8	-	11.1	11.7	-	13.0
Japan	11.7	15.1	14.2	12.4	20.1	23.9	11.3	19.0	13.2	13.3	12.7	14.2
Netherlands	15.3	15.8	13.8	26.9	16.9	-	10.0	20.3	22.7	-	-	14.8
Sweden	24.0	11.2	18.7	17.4	18.2	13.4	14.6	21.4	15.2	-	-	16.7
Switzerland	-	21.6	20.0	22.0	20.9	17.0	12.7	-	15.5	-	23.0	17.4
United Kingdom	14.6	12.3	16.3	13.7	18.7	14.4	12.1	20.4	18.9	15.0	19.7	14.5
G10 ex-U.S.	16.9	15.7	15.8	12.8	19.6	17.0	11.7	19.4	15.1	13.8	14.9	14.8
United States	29.4	17.7	18.5	19.7	20.3	16.1	14.2	17.8	16.2	18.0	17.7	17.8
EAFE	14.5	15.0	15.8	13.5	19.4	17.1	11.9	19.5	14.8	14.7	14.0	14.8

Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.
Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets

Exhibit 16: Forward PEG (P/E-to-Growth)

	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	0.2	0.7	2.1	1.3	2.3	2.8	0.9	1.7	1.8	n.m.	1.7	1.2
Belgium	-	1.1	-	0.3	0.7	0.9	n.m.	-	2.4	-	-	1.0
Canada	0.1	0.6	1.1	1.4	1.4	n.m.	1.2	1.4	3.9	5.1	30.4	0.7
France	0.6	0.8	1.9	1.2	1.9	4.1	4.4	1.0	0.5	n.m.	4.9	1.8
Germany	-	1.0	2.8	1.0	2.1	1.9	3.2	2.1	1.7	1.0	1.7	1.6
Italy	0.1	-	1.4	0.6	-	-	0.0	-	1.0	1.2	-	0.1
Japan	0.5	0.6	1.0	0.5	1.5	4.2	7.2	1.5	0.9	n.m.	0.4	1.0
Netherlands	n.m.	2.3	3.2	0.0	1.5	-	23.4	1.5	1.1	-	-	1.7
Sweden	0.1	0.2	2.3	1.5	2.4	0.7	n.m.	3.0	5.4	-	-	3.2
Switzerland	-	1.7	2.1	0.9	3.8	4.3	0.9	-	n.m.	-	12.1	2.2
United Kingdom	0.2	0.2	2.4	2.1	1.7	3.5	0.5	1.7	3.2	14.5	6.7	0.7
G10 ex-U.S.	0.2	0.5	1.4	0.8	1.6	3.8	0.7	1.6	1.2	n.m.	0.8	0.9
United States	0.1	1.5	3.4	2.2	3.1	2.5	1.2	1.8	3.6	10.1	3.2	1.6
EAFE	0.2	0.6	1.5	0.8	1.6	3.7	0.8	1.6	1.2	n.m.	1.6	1.0

Note: MSCI Country Indices (including U.S.); FactSet consensus estimates for Non-U.S. and Thomson Financial estimates for U.S.
Source: MSCI, Thomson Financial, FactSet, and RBC Capital Markets



Global Grids Appendix: Weights

EAFE has greater exposure to Financial and other cyclical sectors, while the S&P 500 has a greater weight in Technology and Health Care

Exhibit 17: Percentage of Total by Country/Region

%	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	6.2	4.7	11.5	13.6	10.8	12.1	16.7	14.8	3.8	2.9	2.7	100.0
Belgium	0.0	6.3	0.0	2.3	66.7	4.8	16.5	0.0	3.4	0.0	0.0	100.0
Canada	20.5	9.8	6.4	4.5	5.2	0.3	41.7	2.4	5.2	2.7	1.3	100.0
France	7.0	4.7	18.5	21.9	11.6	8.1	13.9	3.8	3.7	3.8	3.0	100.0
Germany	0.0	13.9	14.7	21.1	4.2	12.5	12.2	9.9	6.5	3.0	1.9	100.0
Italy	24.9	0.0	12.0	13.8	0.0	0.0	32.3	0.0	2.9	14.0	0.0	100.0
Japan	1.0	5.8	18.4	20.6	7.8	7.3	14.6	10.8	8.3	1.7	3.8	100.0
Netherlands	1.3	7.0	15.8	4.2	22.3	0.0	23.6	22.8	2.9	0.0	0.0	100.0
Sweden	1.7	2.0	27.7	12.0	7.6	0.9	33.6	8.1	6.5	0.0	0.0	100.0
Switzerland	0.0	9.6	10.2	4.6	20.4	35.4	17.3	0.0	1.9	0.0	0.5	100.0
United Kingdom	9.1	9.7	8.0	9.3	18.6	11.0	22.9	0.9	4.8	4.1	1.5	100.0
G10 ex-U.S.	5.6	7.7	14.0	14.5	12.0	9.6	20.1	6.1	5.6	2.7	2.1	100.0
United States	6.6	2.9	10.0	13.0	10.1	13.7	14.6	20.3	2.7	3.0	3.0	100.0
EAFE	4.1	7.4	14.3	14.1	11.0	9.8	20.2	5.6	5.7	3.8	4.1	100.0

Source: MSCI, FactSet, and RBC Capital Markets

Notes: MSCI Country Indices (including U.S.)

Exhibit 18: Percentage of Total by Sector

%	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Belgium	0.0	1.1	0.0	0.1	4.9	0.3	0.8	0.0	0.7	0.0	0.0	0.8
Canada	13.2	8.3	2.2	1.3	1.9	0.1	9.9	0.6	5.4	3.7	1.9	4.0
France	5.6	4.8	7.9	7.9	5.3	3.3	4.1	1.3	4.8	6.4	5.6	4.9
Germany	0.0	11.8	5.1	6.2	1.6	4.1	2.9	2.7	6.8	4.2	2.9	4.0
Italy	4.2	0.0	1.1	1.1	0.0	0.0	2.0	0.0	0.8	5.1	0.0	1.0
Japan	1.8	14.1	18.2	17.3	8.2	6.9	10.0	8.3	24.9	6.8	16.2	11.4
Netherlands	0.2	1.7	1.6	0.4	2.3	0.0	1.6	1.8	0.9	0.0	0.0	1.1
Sweden	0.3	0.5	2.8	1.0	0.8	0.1	2.3	0.6	2.0	0.0	0.0	1.2
Switzerland	0.0	6.8	3.0	1.2	6.4	9.9	3.5	0.0	1.7	0.0	0.6	3.4
United Kingdom	9.4	13.1	4.5	4.4	11.0	5.8	8.8	0.4	8.1	9.1	3.6	6.4
G10 ex-U.S.	34.7	62.1	46.4	41.0	42.5	30.5	46.0	15.7	56.0	35.3	30.9	38.3
United States	65.3	37.9	53.6	59.0	57.5	69.5	54.0	84.3	44.0	64.7	69.1	61.7
EAFE	29.0	69.5	54.9	45.8	44.7	35.6	53.5	16.7	66.0	57.7	67.9	44.2

Source: MSCI, FactSet, and RBC Capital Markets

Notes: MSCI Country Indices (including U.S.)



Global Grids Appendix: Dividend Yield

Exhibit 19: Dividend Yield

S&P 500 firms prefer to repurchase shares relative to non-U.S. companies

%	Ene	Mat	Ind	Disc	Stap	H.C.	Fin	Tech	Tel	Util	REIT	All
G10	3.3	2.1	2.1	1.9	2.5	2.0	2.7	1.5	3.6	3.8	3.3	2.3
Belgium	-	2.1	-	-	2.5	1.2	3.2	-	3.8	-	-	2.5
Canada	3.0	1.1	1.6	1.9	1.3	-	3.4	0.6	4.5	3.8	5.2	2.8
France	5.3	2.3	2.4	2.2	2.3	3.1	5.1	1.3	2.8	8.4	5.0	3.3
Germany	-	2.6	2.7	2.8	1.6	1.8	3.6	1.3	3.7	2.4	2.4	2.6
Italy	4.8	-	2.4	1.1	-	-	6.8	-	-	4.3	-	4.4
Japan	2.0	1.5	1.7	2.2	2.0	1.8	2.8	1.8	2.2	1.7	2.1	2.0
Netherlands	2.6	2.7	2.5	-	2.1	-	4.8	0.6	3.8	-	-	2.5
Sweden	-	1.9	2.5	3.8	3.1	1.3	5.1	1.5	5.3	-	-	3.6
Switzerland	-	2.8	3.0	1.9	2.9	3.1	4.4	-	5.0	-	4.2	3.2
United Kingdom	7.1	2.4	2.6	3.8	2.8	3.6	3.9	1.3	5.5	4.8	4.1	3.8
G10 ex-U.S.	4.6	2.1	2.2	2.4	2.4	2.7	3.9	1.5	3.3	4.4	3.1	2.9
United States	2.7	2.0	2.1	1.5	2.6	1.7	1.7	1.5	3.8	3.5	3.4	2.0
EAFE	5.1	2.1	2.4	2.5	2.5	2.6	4.0	1.5	3.8	4.4	3.4	3.0

Source: MSCI, FactSet, and RBC Capital Markets

Note: MSCI Country Indices (including U.S.); Indicated Forward Dividend Yield



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