

Country Indices Flash Report

December 2021

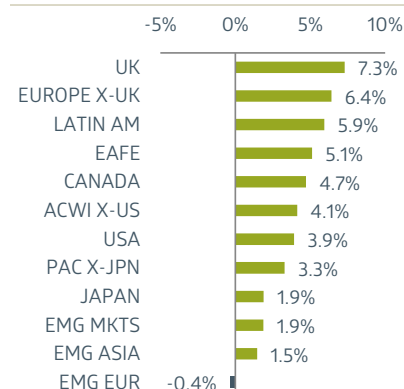
Commentary*

- December marked a strong finish to a bullish quarter and year for developed market equities. Despite a rocky start to the month on news of highly-transmissible Omicron, investor concerns abated as evidence showed relatively mild effects in those vaccinated.
- It was a busy month for world central bankers. Responding to inflation at a near 40-year high, the Fed signaled an earlier taper and steeper 2022 rate trajectory. While the Bank of England raised rates, tamer inflation had the European Central Bank and the Bank of Japan hold key interest rates. The question for 2022: will monetary authorities overreact to inflation readings and hobble the global economic recovery?
- Emerging markets underperformed for another month while missing out entirely on 2021's stock rally, pushing the year's EAFE-EM return gap to nearly 14%. China's huge index weight and investor-unfriendly policies made it the prime culprit; Brazil's attempted pivot toward authoritarianism made it an accessory.

For more information, please visit our [International Equity Strategy](#) webpage.

COUNTRY/REGIONAL SNAPSHOT

December 2021 total return (MSCI indices)*
US\$ terms with net dividends



TOTAL RETURN FOR SELECTED MSCI INDICES, US\$ TERMS WITH NET DIVIDENDS*

(for periods ended 12/31/21)

COUNTRY/REGION	1 MO.	3 MOS.	2021 YTD	12 MOS.	CAL 2020
USA	3.9%	10.0%	26.5%	26.5%	20.7%
ALL COUNTRY WORLD EX-USA (ACWI X-US)	4.1%	1.8%	7.8%	7.8%	10.7%
Canada	4.7%	7.2%	26.0%	26.0%	5.3%
EAFE (Europe, Aus, Far East)	5.1%	2.7%	11.3%	11.3%	7.8%
Japan	1.9%	-4.0%	1.7%	1.7%	14.5%
UK	7.3%	5.6%	18.5%	18.5%	-10.5%
PACIFIC EX-JAPAN	3.3%	-0.1%	4.7%	4.7%	6.6%
Australia	5.1%	2.1%	9.4%	9.4%	8.7%
Hong Kong	0.5%	-3.5%	-3.9%	-3.9%	5.8%
Singapore	0.3%	-3.4%	5.7%	5.7%	-7.5%
EUROPE EX-UK	6.4%	5.7%	15.7%	15.7%	10.9%
France	7.1%	7.1%	19.5%	19.5%	4.1%
Germany	5.6%	0.8%	5.3%	5.3%	11.5%
Netherlands	3.0%	3.5%	27.6%	27.6%	24.1%
Spain	6.3%	-1.4%	1.4%	1.4%	-4.8%
Italy	7.3%	5.6%	15.0%	15.0%	1.8%
Finland	7.2%	3.0%	9.0%	9.0%	20.4%
Belgium	6.3%	1.7%	2.2%	2.2%	-8.1%
Ireland	9.3%	0.6%	8.5%	8.5%	15.1%
Austria	7.1%	5.2%	41.5%	41.5%	-3.3%
Denmark	5.5%	5.8%	19.0%	19.0%	43.7%
Norway	5.5%	-0.3%	22.0%	22.0%	-1.8%
Sweden	7.0%	6.1%	21.9%	21.9%	23.9%
Switzerland	7.8%	12.8%	19.3%	19.3%	11.6%
Israel	4.4%	7.0%	15.2%	15.2%	15.0%
EMERGING MARKETS	1.9%	-1.3%	-2.5%	-2.5%	18.3%
South Africa	4.3%	-0.5%	3.6%	3.6%	-4.0%
Saudi Arabia	5.1%	-0.7%	37.7%	37.7%	0.7%
EMERGING EUROPE	-0.4%	-7.7%	13.8%	13.8%	-12.5%
Greece	4.0%	-3.6%	8.0%	8.0%	-26.9%
Poland	6.0%	-2.4%	8.5%	8.5%	-11.4%
Russia	-2.3%	-9.2%	19.0%	19.0%	-12.5%
Turkey	2.8%	-11.2%	-28.4%	-28.4%	-8.8%
LATIN AMERICA	5.9%	-2.7%	-8.1%	-8.1%	-13.8%
Brazil	4.3%	-6.5%	-17.4%	-17.4%	-19.0%
Chile	-8.8%	-10.5%	-17.3%	-17.3%	-5.6%
Colombia	3.0%	-2.7%	-13.8%	-13.8%	-19.0%
Mexico	13.1%	6.2%	22.5%	22.5%	-1.9%
EMERGING ASIA	1.5%	-1.0%	-5.1%	-5.1%	28.4%
China	-3.2%	-6.1%	-21.7%	-21.7%	29.5%
India	3.7%	-0.2%	26.2%	26.2%	15.6%
Indonesia	1.1%	6.4%	2.1%	2.1%	-8.1%
Korea	6.3%	-0.9%	-8.4%	-8.4%	44.6%
Malaysia	4.2%	1.8%	-6.2%	-6.2%	3.7%
Taiwan	5.4%	8.4%	26.1%	26.1%	41.0%
Thailand	6.4%	3.0%	-1.4%	-1.4%	-11.7%

CURRENCY RETURN VS. USD* (for periods ended 12/31/21)

	1 MO.	3 MOS.	2021 YTD	12 MOS.	CAL 2020
Australian Dollar	2.5%	0.7%	-5.8%	-5.8%	9.8%
Canadian Dollar	1.6%	0.3%	0.9%	0.9%	1.8%
Euro	1.0%	-1.9%	-7.1%	-7.1%	9.0%
Yen	-1.4%	-3.1%	-10.3%	-10.3%	5.3%
Swiss Franc	1.6%	2.4%	-3.0%	-3.0%	9.5%
British Pound	2.4%	0.5%	-0.9%	-0.9%	3.2%

Sources: Bailard, MSCI/Bloomberg.

* Past performance is no indication of future results. All investments involve the risk of loss. Please see reverse for important disclosures.

DISCLOSURES

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Published December 31, 2021

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