

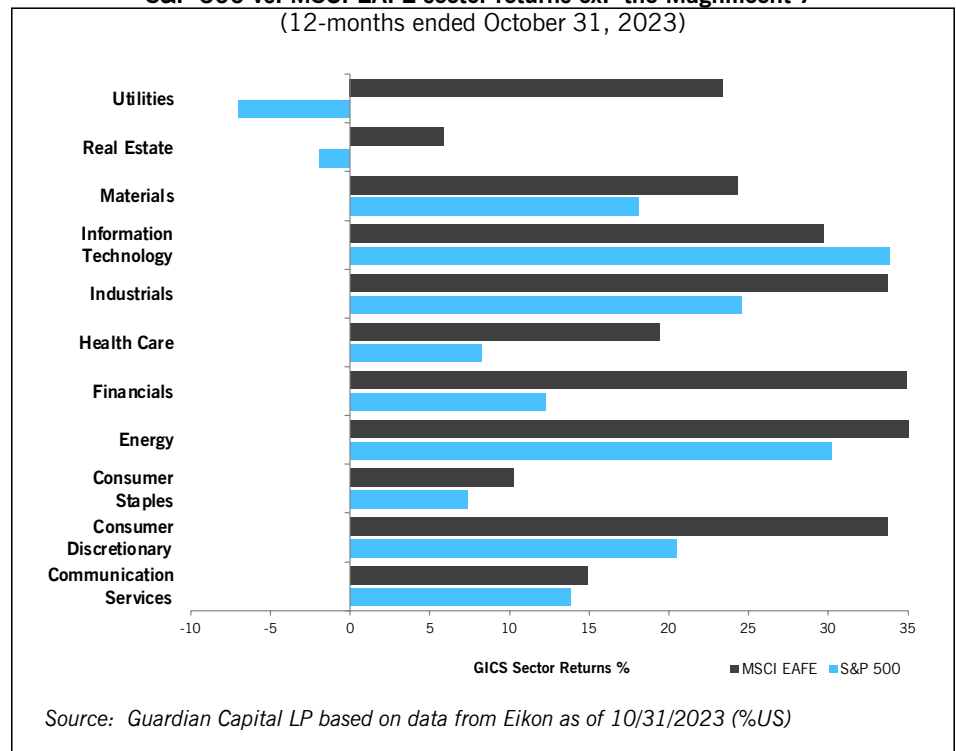
US vs. International equities

Take away the 'Magnificent 7' and where does it lead you?

The S&P 500's performance over the past twelve months has made headlines. But with the bulk of that performance being generated by just seven stocks, perhaps it is time to head in a different direction and look at international equities, which offer the potential for diversification, valuation and yield.

We know the stats – the S&P 500 Index has drastically outperformed the MSCI EAFE Index over the past ten years¹. However, over the past twelve months, the MSCI EAFE has outperformed the S&P 500 (17.12% to 12.14%) in CAD terms². Furthermore, when we zoom in and exclude the 'Magnificent 7' (Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, and Tesla), the MSCI EAFE beat the S&P 500 in 10 out of the 11 sectors during that same period.

S&P 500 vs. MSCI EAFE sector returns ex. 'the Magnificent 7'
(12-months ended October 31, 2023)



Given the concentration of these seven mega stocks in (and their vast contribution to the performance of) the S&P 500, the MSCI EAFE Index and international companies offer an intriguing contrast. International equities can provide diversification across differing economies and industries, offering investors the potential for more resilience against local volatility. In addition, MSCI EAFE's Price-to-Earnings ratio, despite recent outperformance, remains considerably lower than that of the S&P 500 (12.9x to 20.6x)³, suggesting attractive buying valuations are currently available.

► Guardian Capital LP's International Equity Select Fund is a concentrated portfolio that exposes investors to quality international companies diversified across economies and industries. Learn more at:

guardiancapital.com/investmentsolutions

Fund Codes: Series A **GCG567** | Series F **GCG767** | ETF **GIES**



¹ Source: eVestment. S&P 500: 14.01%, MSCI EAFE: 5.68% (CAD) for the 10-year period 10/2013-10/2023.

² Guardian Capital LP based on data from Eikon as of 10/31/2023 (%CAD)

³ Guardian Capital LP based on data from Bloomberg as of 10/31/2023

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