CROSSMARK GLOBAL INVESTMENTS

GOING GLOBAL

Why invest internationally?

Challenging Home Country Bias

Home country bias is defined as the tendency of investors to invest in companies from their own country over companies from other countries or regions. This bias may be the result of investor familiarity, confidence in, and comfort level with companies from their own country. But investors with domestic-only portfolios may be missing opportunities that can only be provided by investing internationally.

Missing Opportunities

Investors with domestic-only portfolios could be missing out on investment opportunities as non-U.S. countries provide:

96% of the WORLD'S POPULATION[1]

84% of the WORLD'S GROSS DOMESTIC PRODUCT[2]

44% of the WORLD'S MARKET CAPITALIZATION[3]

THE CASE FOR GLOBAL INVESTING

1 New Investment Opportunities

Expanding the investible universe

- International equity markets comprise a large percentage of global market capitalization and are positioned for continued growth as economies mature and business profitability increases
- Limiting investment options to only domestic companies can mean missed opportunities provided by the advanced economies of developed markets and the rapidly growing economies of emerging markets

2 Increased Portfolio Diversification

Filling in the gaps

- International investments offer exposure to regions driven by different growth factors and influenced by local consumers
- International equity market downturns and upturns have historically occurred at different times and magnitudes compared to U.S. equity markets
- Investing international can provide exposure to industries, companies, and sectors not represented domestically

3 Increased Market Participation

Capturing both sides of cyclical outperformance

- Investing in both domestic and international equities provides the opportunity to capture both U.S. and international equity market outperformance
- Outperformance and underperformance of U.S. equity markets versus international equity markets has historically been cyclical and lasts for extended periods of time

Domestic vs. International Market Outperformance by Calendar Year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Years of outperformance
U.S. Equity Market (represented by the S&P 500 Index)	-9.10	-11.89	-22.10	28.68	10.88	4.91	15.79	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.68	13
International Equity Market (represented by the MSCI ACWI ex-U.S. Index)	-15.09	-19.50	-14.67	41.41	21.36	17.11	27.16	17.12	-45.24	42.14	11.60	-13.33	17.39	15.78	-3.44	-5.25	5.01	27.77	-13.78	22.13	11.13	8.32	9

Source: Bloomberg, as of 7/13/22

Bye Bye Bias!

Portfolios with a home country bias could potentially miss out on beneficial investment opportunities. A strategic combination of domestic and international investments in a portfolio may provide additional sources of return versus a domestic only portfolio. Let us help you find global solutions for your clients' portfolios.

[1] Worldometers.info, July 2021
[2] Aaron O'Neill, Statista.com, June 2021, United States share of global gross domestic product (GDP) 2026
[3] Statista Research Department, Statista.com, March 2021, Countries with largest stock markets globally 2021

Crossmark Global Investments, Inc. (Crossmark) is an investment adviser registered with the Securities and Exchange Commission that provides discretionary investment management services to mutual funds, institutions, and individual clients. Information and recommendations contained in market commentaries and writings are of a general nature and are not intended to be construed as investment, tax or legal advice. Investment advice can be provided only after the delivery of Crossmark's firm Brochure and Brochure Supplement (Form ADV Parts 2A and 2B) and Form CRS, and once a properly executed investment advisory agreement has been entered into by the client. All Investments are subject to risks, including the possible loss of principal.

Past performance does not guarantee future results. Equity investments generally involve two principal risks—market risk and selection risk. The value of equity securities will rise and fall in response to general market and/or economic conditions (equity market risk). The value of any individual equity security will rise and fall in response to the market's perception of the issuer's revenues, earnings, balance sheet, credit worthiness, business plan, and overall perception of the viability of the issuer's business (selection risk). Investments in securities of issuers in foreign countries involves additional risks not associated with domestic investments. These risks include, but are not limited to: (1) political and financial instability; (2) currency exchange rate fluctuations; (3) greater price volatility and less liquidity in particular securities and in certain foreign markets; (4) lack of uniform accounting, auditing, and financial reporting standards; (5) less government regulation and supervision of some foreign stock exchanges, brokers and listed companies; (6) delays in transaction settlement in certain foreign markets; (7) less availability of information; and (8) imposition of foreign withholding or other taxes.

The S&P 500 Index is a large capitalization weighted index of 500 U.S. companies generally considered to be representative of broad stock market activity. The MSCI All-Country World Index (ACWI) ex-U.S. is a market-capitalization weighted index designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The MSCI ACWI ex-U.S. includes both developed and emerging markets.

Crossmark Global Investments, Inc.
15375 Memorial Drive, Suite 200, Houston, TX 77079
888.845.6910 advisorsolutions@crossmarkglobal.com
crossmarkglobal.com

Not FDIC Insured - No Bank Guarantee - May Lose Value

CLED-GGBL-FLY 07/22