



International Research Performance Review

Variables Analyzed in Report

Percent to Target

Earnings Quality

EM MOJO

Management Quality

Buy/Sell (with Momentum)

Buy/Sell





	Buy Criteria	Sell Criteria
Valuation Rank Ranks how over/undervalued a company is relative to a specific universe	Top Half	Bottom Half
Earnings Quality Many companies are channel-stuffers, which is one form of accruals that often leads to negative earnings surprises.	Bottom Half	Top Half
EM Momentum Month over month change in the 1 year out Economic Margin. Identifies companies expected to improve economic performance, not just due to share buy backs or other non economic factors.	EM MOJO > 0	EM MOJO < 0
Management Quality Quantifies Management ability to follow a wealth creation strategy	MQS > -1	MQS = -1
Buy/Sell Identifies investment opportunities and potential torpedoes.	AFG Buy	AFG Sell
Buy/Sell (with Momentum) Identifies Investment opportunities and potential torpedoes with a momentum overlay.	AFG Buy & EM MOJO >= 0 & MQS >=0	AFG Sell & EM MOJO <= 0 & MQS < 0

Source: AFGView databases from 1/1999-12/2008



Valuation Across the Globe

Annualized Returns

Country: Variable	Returns					Count			Batting Avg.		Test Dates
	Uni	TH	BH	TH-BH	TH-Uni	Uni	TH	BH	TH	BH	
United States: Valuation Rank	5.8%	11.1%	0.4%	10.7%	5.3%	4224	2106	2120	65.0%	60.0%	1/1999 – 12/2008
United States: Earnings Quality	5.2%	9.9%	0.5%	9.4%	4.7%	3493	1761	1734	63.3%	55.8%	
United States: EM Momentum	5.7%	9.6%	0.7%	8.9%	3.8%	4186	1414	1668	67.5%	67.5%	
United States: Buy/Sell (w/Momentum)	6.0%	14.8%	-6.4%	21.2%	8.9%	4084	562	314	72.5%	65.8%	
United States: Buy/Sell	5.8%	12.7%	-2.4%	15.1%	6.9%	4228	632	863	65.8%	74.2%	
Belgium: Valuation Rank	-0.7%	0.4%	-1.9%	2.4%	1.1%	75	38	38	55.0%	52.5%	1/1999 – 12/2008
Belgium: Earnings Quality	-0.9%	1.2%	-2.5%	3.7%	2.1%	52	27	27	55.8%	49.2%	
Belgium: EM Momentum	-0.1%	6.0%	-5.1%	11.2%	6.1%	75	26	32	65.0%	56.7%	
Belgium: Buy/Sell (w/Momentum)	-0.2%	4.9%	-1.4%	6.3%	5.0%	71	9	7	55.8%	48.3%	
Belgium: Buy/Sell	-0.7%	3.0%	0.6%	2.4%	3.7%	75	14	28	56.7%	50.0%	
Spain: Valuation Rank	5.2%	8.6%	2.0%	6.6%	3.5%	100	50	51	61.7%	59.2%	1/1999 – 12/2008
Spain: Earnings Quality	4.8%	7.4%	1.8%	5.6%	2.6%	82	41	41	50.8%	51.7%	
Spain: EM Momentum	5.6%	8.4%	0.9%	7.5%	2.8%	102	41	42	65.0%	56.7%	
Spain: Buy/Sell (w/Momentum)	5.5%	9.4%	2.1%	7.3%	3.9%	97	11	7	59.2%	55.0%	
Spain: Buy/Sell	5.2%	9.5%	3.9%	5.7%	4.4%	100	21	34	63.3%	51.7%	
Sweden: Valuation Rank	4.5%	8.6%	0.3%	8.3%	4.1%	151	75	77	68.3%	65.8%	1/1999 – 12/2008
Sweden: Earnings Quality	4.4%	9.9%	-0.8%	10.7%	5.6%	127	65	63	58.3%	56.7%	
Sweden: EM Momentum	5.1%	11.9%	0.9%	11.0%	6.8%	153	58	72	70.0%	64.2%	
Sweden: Buy/Sell (w/Momentum)	4.6%	12.4%	-10.7%	23.1%	7.8%	146	18	9	54.2%	59.2%	
Sweden: Buy/Sell	4.5%	8.8%	2.7%	6.0%	4.2%	151	28	48	53.3%	48.3%	
Switzerland: Valuation Rank	5.5%	7.0%	3.8%	3.2%	1.5%	153	76	78	60.0%	55.8%	1/1999 – 12/2008
Switzerland: Earnings Quality	5.8%	6.5%	4.7%	1.8%	0.7%	123	63	61	50.8%	50.8%	
Switzerland: EM Momentum	5.1%	9.6%	0.7%	8.9%	4.5%	154	57	72	67.5%	62.5%	
Switzerland: Buy/Sell (w/Momentum)	5.5%	13.5%	0.0%	13.5%	8.1%	147	18	11	55.0%	55.0%	
Switzerland: Buy/Sell	5.5%	5.0%	3.6%	1.5%	-0.4%	153	30	49	47.5%	55.0%	

Source: AFGView Databases: United States, Belgium, Spain, Sweden, Switzerland: 1/1999 – 12/2008.
Equal Weighted, Monthly Re-balanced Total Returns.



Valuation Across the Globe

Annualized Returns

Country: Variable	Returns					Count			Batting Avg.		Test Dates
	Uni	TH	BH	TH-BH	TH-Uni	Uni	TH	BH	TH	BH	
Germany: Valuation Rank	3.4%	6.9%	-0.1%	7.0%	3.5%	337	167	170	59.6%	59.6%	1/1999 – 6/2008
Germany: Earnings Quality	4.7%	9.9%	-0.6%	10.5%	5.1%	276	140	137	60.5%	58.8%	
Germany: EM Momentum	2.1%	8.6%	-4.5%	13.1%	6.4%	344	102	135	73.7%	66.7%	
Germany: Buy/Sell (w/Momentum)	5.1%	12.7%	-4.2%	16.9%	7.6%	313	45	28	56.1%	61.4%	
Germany: Buy/Sell	3.4%	6.7%	1.4%	5.3%	3.3%	337	50	101	50.9%	50.9%	
France: Valuation Rank	7.5%	9.8%	5.2%	4.6%	2.3%	333	166	169	63.2%	57.0%	1/1999 – 6/2008
France: Earnings Quality	7.6%	9.9%	5.2%	4.7%	2.3%	293	148	146	59.6%	53.5%	
France: EM Momentum	7.7%	13.2%	1.5%	11.7%	5.6%	338	116	149	71.9%	64.9%	
France: Buy/Sell (w/Momentum)	7.9%	15.2%	3.9%	11.3%	7.3%	318	43	24	64.9%	56.1%	
France: Buy/Sell	7.5%	9.0%	3.1%	5.9%	1.5%	333	60	93	52.6%	65.8%	
Netherlands: Valuation Rank	7.9%	10.6%	5.0%	5.5%	2.7%	128	64	65	57.0%	57.0%	1/1999 – 6/2008
Netherlands: Earnings Quality	7.9%	10.6%	5.5%	5.1%	2.7%	111	57	55	56.1%	51.8%	
Netherlands: EM Momentum	7.6%	12.9%	2.5%	10.4%	5.3%	132	50	62	59.6%	60.5%	
Netherlands: Buy/Sell (w/Momentum)	8.2%	11.7%	7.1%	4.6%	3.5%	124	15	9	53.5%	51.8%	
Netherlands: Buy/Sell	7.9%	8.1%	4.7%	3.4%	0.2%	128	25	43	55.3%	60.5%	
United Kingdom: Valuation Rank	12.9%	16.6%	9.3%	7.3%	3.7%	895	444	452	69.7%	61.6%	1/1999 – 3/2007
United Kingdom: Earnings Quality	12.0%	15.8%	8.2%	7.5%	3.7%	758	383	376	65.7%	57.6%	
United Kingdom: EM Momentum	12.9%	18.3%	8.8%	9.4%	5.4%	881	272	329	72.7%	61.6%	
United Kingdom: Buy/Sell (w/Momentum)	13.0%	20.2%	5.4%	14.8%	7.1%	865	123	74	66.7%	61.6%	
United Kingdom: Buy/Sell	12.9%	17.7%	9.9%	7.8%	4.8%	895	140	238	58.6%	59.6%	
Japan: Valuation Rank	11.5%	16.9%	6.3%	10.6%	5.4%	2103	1043	1062	71.7%	65.7%	1/1999 – 3/2007
Japan: Earnings Quality	10.8%	11.9%	9.5%	2.4%	1.2%	1895	958	939	62.6%	55.6%	
Japan: EM Momentum	11.6%	16.9%	5.2%	11.7%	5.3%	2065	527	603	65.7%	67.7%	
Japan: Buy/Sell (w/Momentum)	11.3%	18.3%	5.3%	13.0%	7.0%	2024	251	187	73.7%	63.6%	
Japan: Buy/Sell	11.5%	16.0%	6.4%	9.7%	4.6%	2103	357	514	68.7%	64.6%	
Canada: Valuation Rank	-7.3%	-5.6%	-9.1%	3.6%	1.7%	447	223	225	61.5%	55.8%	8/2004 – 12/2008
Canada: Earnings Quality	-7.4%	-5.4%	-9.7%	4.3%	2.0%	395	201	196	57.7%	53.8%	
Canada: EM Momentum	-7.3%	2.8%	-13.0%	15.8%	10.0%	445	136	174	67.3%	73.1%	
Canada: Buy/Sell (w/Momentum)	-6.7%	2.7%	-11.1%	13.8%	9.5%	431	60	37	51.9%	50.0%	
Canada: Buy/Sell	-7.3%	-2.2%	-8.3%	6.1%	5.1%	447	78	112	67.3%	53.8%	

Source: AFGView Databases: Germany, France, Netherlands: 1/1999 – 6/2008, United Kingdom, Japan: 1/1999 – 3/2007. Equal Weighted, Monthly Re-balanced Total Returns.



Valuation Across the Globe

Annualized Returns

Country: Variable	Returns					Count			Batting Avg.		Test Dates
	Uni	TH	BH	TH-BH	TH-Uni	Uni	TH	BH	TH	BH	
South Africa: Valuation Rank	20.3%	23.5%	17.0%	6.5%	3.2%	151	75	77	56.7%	54.2%	1/1999 – 12/2008
South Africa: Earnings Quality	22.5%	31.2%	13.9%	17.3%	8.7%	102	52	51	72.5%	69.2%	
South Africa: EM Momentum	20.4%	26.0%	15.4%	10.6%	5.6%	149	51	61	62.5%	59.2%	
South Africa: Buy/Sell (w/Momentum)	21.1%	26.6%	12.1%	14.4%	5.4%	138	20	13	57.5%	60.0%	
South Africa: Buy/Sell	20.3%	21.2%	16.5%	4.7%	0.9%	151	30	50	53.3%	58.3%	
Singapore: Valuation Rank	6.3%	7.9%	4.7%	3.2%	1.5%	192	96	97	51.7%	48.3%	1/1999 – 12/2008
Singapore: Earnings Quality	6.2%	10.5%	1.9%	8.7%	4.3%	147	74	73	59.2%	55.0%	
Singapore: EM Momentum	6.3%	13.7%	-3.2%	16.9%	7.3%	187	53	63	68.3%	72.5%	
Singapore: Buy/Sell (w/Momentum)	6.6%	12.8%	-0.6%	13.3%	6.2%	171	26	12	55.0%	56.7%	
Singapore: Buy/Sell	6.3%	12.7%	3.8%	8.9%	6.4%	192	38	57	60.8%	51.7%	
Hong Kong: Valuation Rank	6.6%	8.5%	4.6%	4.0%	1.9%	258	128	131	51.7%	46.7%	1/1999 – 12/2008
Hong Kong: Earnings Quality	6.4%	12.4%	0.5%	11.9%	5.9%	185	94	92	68.3%	63.3%	
Hong Kong: EM Momentum	6.4%	14.7%	1.3%	13.5%	8.3%	252	80	98	70.8%	60.8%	
Hong Kong: Buy/Sell (w/Momentum)	6.8%	7.2%	-1.1%	8.4%	0.4%	234	37	17	45.0%	57.5%	
Hong Kong: Buy/Sell	6.6%	10.8%	4.7%	6.1%	4.1%	258	40	77	52.5%	48.3%	
Australia: Valuation Rank	3.6%	3.2%	3.8%	-0.6%	-0.4%	378	188	191	58.3%	48.3%	1/1999 – 12/2008
Australia: Earnings Quality	4.1%	8.6%	-0.6%	9.2%	4.5%	279	141	139	69.2%	65.8%	
Australia: EM Momentum	3.3%	11.7%	-2.2%	13.9%	8.4%	370	130	156	80.8%	67.5%	
Australia: Buy/Sell (w/Momentum)	4.0%	9.2%	-4.4%	13.6%	5.3%	339	48	26	55.8%	61.7%	
Australia: Buy/Sell	3.6%	1.6%	5.7%	-4.1%	-2.0%	378	63	103	46.7%	41.7%	
Taiwan: Valuation Rank	-3.7%	-0.5%	-7.0%	6.5%	3.2%	265	132	134	55.8%	54.2%	1/1999 – 12/2008
Taiwan: Earnings Quality	-4.6%	-2.1%	-7.4%	5.2%	2.4%	214	109	106	59.2%	57.5%	
Taiwan: EM Momentum	-4.1%	3.3%	-7.4%	10.7%	7.4%	260	67	90	65.0%	55.8%	
Taiwan: Buy/Sell (w/Momentum)	-3.8%	-3.2%	-10.8%	7.6%	0.6%	231	33	21	50.0%	57.5%	
Taiwan: Buy/Sell	-3.7%	-2.0%	-5.4%	3.4%	1.7%	265	65	78	52.5%	50.8%	
South Korea: Valuation Rank	9.6%	18.3%	1.4%	16.9%	8.7%	347	172	175	70.8%	65.8%	1/1999 – 12/2008
South Korea: Earnings Quality	9.7%	14.4%	4.9%	9.6%	4.8%	271	137	135	65.8%	63.3%	
South Korea: EM Momentum	9.0%	17.4%	3.2%	14.2%	8.4%	343	99	116	66.7%	60.0%	
South Korea: Buy/Sell (w/Momentum)	10.1%	19.4%	2.1%	17.3%	9.3%	293	34	30	58.3%	53.3%	
South Korea: Buy/Sell	9.6%	12.9%	6.5%	6.5%	3.3%	347	44	91	58.3%	50.0%	

Source: AFGView Databases: South Africa, Singapore, Hong Kong, Australia: 1/1999 – 12/2008; Canada: 8/2004 – 12/2008. Equal Weighted, Monthly Re-balanced Total Returns.



Valuation Across the Globe

Annualized Returns – Valuation Rank

Valuation Rank	Returns					Count			Batting Avg.	
	Uni	TH	BH	TH-BH	TH-Uni	Uni	TH	BH	TH	BH
United States	5.8%	11.1%	0.4%	10.7%	5.3%	4224	2106	2120	65.0%	60.0%
Canada	-7.3%	-5.6%	-9.1%	3.6%	1.7%	447	223	225	61.5%	55.8%
United Kingdom	12.9%	16.6%	9.3%	7.3%	3.7%	895	444	452	69.7%	61.6%
Japan	11.5%	16.9%	6.3%	10.6%	5.4%	2103	1043	1062	71.7%	65.7%
France	7.5%	9.8%	5.2%	4.6%	2.3%	333	166	169	63.2%	57.0%
Germany	3.4%	6.9%	-0.1%	7.0%	3.5%	337	167	170	59.6%	59.6%
Netherlands	7.9%	10.6%	5.0%	5.5%	2.7%	128	64	65	57.0%	57.0%
Belgium	-0.7%	0.4%	-1.9%	2.4%	1.1%	75	38	38	55.0%	52.5%
Spain	5.2%	8.6%	2.0%	6.6%	3.5%	100	50	51	61.7%	59.2%
Sweden	4.5%	8.6%	0.3%	8.3%	4.1%	151	75	77	68.3%	65.8%
Switzerland	5.5%	7.0%	3.8%	3.2%	1.5%	153	76	78	60.0%	55.8%
South Africa	20.3%	23.5%	17.0%	6.5%	3.2%	151	75	77	56.7%	54.2%
Australia	3.6%	3.2%	3.8%	-0.6%	-0.4%	378	188	191	58.3%	48.3%
Hong Kong	6.6%	8.5%	4.6%	4.0%	1.9%	258	128	131	51.7%	46.7%
Singapore	6.3%	7.9%	4.7%	3.2%	1.5%	192	96	97	51.7%	48.3%
Taiwan	-3.7%	-0.5%	-7.0%	6.5%	3.2%	265	132	134	55.8%	54.2%
South Korea	9.6%	18.3%	1.4%	16.9%	8.7%	347	172	175	70.8%	65.8%

Source: AFGView Databases:

United States, Belgium, Spain, Sweden, Switzerland, South Africa, Singapore, Hong Kong, Australia, Taiwan, South Korea: 1/1999 – 12/2008;
 Germany, France, Netherlands: 1/1999 – 6/2008;

United Kingdom, Japan: 1/1999 – 3/2007;

Canada: 8/2004 – 12/2008.

Equal Weighted, Monthly Re-balanced Total Returns.



Valuation Across the Globe

Annualized Returns – Earnings Quality

Earnings Quality	Returns					Count			Batting Avg.	
	Uni	TH	BH	TH-BH	TH-Uni	Uni	TH	BH	TH	BH
United States	5.2%	9.9%	0.5%	9.4%	4.7%	3493	1761	1734	63.3%	55.8%
Canada	-7.4%	-5.4%	-9.7%	4.3%	2.0%	395	201	196	57.7%	53.8%
United Kingdom	12.0%	15.8%	8.2%	7.5%	3.7%	758	383	376	65.7%	57.6%
Japan	10.8%	11.9%	9.5%	2.4%	1.2%	1895	958	939	62.6%	55.6%
France	7.6%	9.9%	5.2%	4.7%	2.3%	293	148	146	59.6%	53.5%
Germany	4.7%	9.9%	-0.6%	10.5%	5.1%	276	140	137	60.5%	58.8%
Netherlands	7.9%	10.6%	5.5%	5.1%	2.7%	111	57	55	56.1%	51.8%
Belgium	-0.9%	1.2%	-2.5%	3.7%	2.1%	52	27	27	55.8%	49.2%
Spain	4.8%	7.4%	1.8%	5.6%	2.6%	82	41	41	50.8%	51.7%
Sweden	4.4%	9.9%	-0.8%	10.7%	5.6%	127	65	63	58.3%	56.7%
Switzerland	5.8%	6.5%	4.7%	1.8%	0.7%	123	63	61	50.8%	50.8%
South Africa	22.5%	31.2%	13.9%	17.3%	8.7%	102	52	51	72.5%	69.2%
Australia	4.1%	8.6%	-0.6%	9.2%	4.5%	279	141	139	69.2%	65.8%
Hong Kong	6.4%	12.4%	0.5%	11.9%	5.9%	185	94	92	68.3%	63.3%
Singapore	6.2%	10.5%	1.9%	8.7%	4.3%	147	74	73	59.2%	55.0%
Taiwan	-4.6%	-2.1%	-7.4%	5.2%	2.4%	214	109	106	59.2%	57.5%
South Korea	9.7%	14.4%	4.9%	9.6%	4.8%	271	137	135	65.8%	63.3%

Source: AFGView Databases:

United States, Belgium, Spain, Sweden, Switzerland, South Africa, Singapore, Hong Kong, Australia, Taiwan, South Korea: 1/1999 – 12/2008;
Germany, France, Netherlands: 1/1999 – 6/2008;

United Kingdom, Japan: 1/1999 – 3/2007;

Canada: 8/2004 – 12/2008.

Equal Weighted, Monthly Re-balanced Total Returns.



Valuation Across the Globe

Annualized Returns – EM Momentum

EM Momentum	Returns					Count			Batting Avg.	
	Uni	TH	BH	TH-BH	TH-Uni	Uni	TH	BH	TH	BH
United States	5.7%	9.6%	0.7%	8.9%	3.8%	4186	1414	1668	67.5%	67.5%
Canada	-7.3%	2.8%	-13.0%	15.8%	10.0%	445	136	174	67.3%	73.1%
United Kingdom	12.9%	18.3%	8.8%	9.4%	5.4%	881	272	329	72.7%	61.6%
Japan	11.6%	16.9%	5.2%	11.7%	5.3%	2065	527	603	65.7%	67.7%
France	7.7%	13.2%	1.5%	11.7%	5.6%	338	116	149	71.9%	64.9%
Germany	2.1%	8.6%	-4.5%	13.1%	6.4%	344	102	135	73.7%	66.7%
Netherlands	7.6%	12.9%	2.5%	10.4%	5.3%	132	50	62	59.6%	60.5%
Belgium	-0.1%	6.0%	-5.1%	11.2%	6.1%	75	26	32	65.0%	56.7%
Spain	5.6%	8.4%	0.9%	7.5%	2.8%	102	41	42	65.0%	56.7%
Sweden	5.1%	11.9%	0.9%	11.0%	6.8%	153	58	72	70.0%	64.2%
Switzerland	5.1%	9.6%	0.7%	8.9%	4.5%	154	57	72	67.5%	62.5%
South Africa	20.4%	26.0%	15.4%	10.6%	5.6%	149	51	61	62.5%	59.2%
Australia	3.3%	11.7%	-2.2%	13.9%	8.4%	370	130	156	80.8%	67.5%
Hong Kong	6.4%	14.7%	1.3%	13.5%	8.3%	252	80	98	70.8%	60.8%
Singapore	6.3%	13.7%	-3.2%	16.9%	7.3%	187	53	63	68.3%	72.5%
Taiwan	-4.1%	3.3%	-7.4%	10.7%	7.4%	260	67	90	65.0%	55.8%
South Korea	9.0%	17.4%	3.2%	14.2%	8.4%	343	99	116	66.7%	60.0%

Source: AFGView Databases:

United States, Belgium, Spain, Sweden, Switzerland, South Africa, Singapore, Hong Kong, Australia, Taiwan, South Korea: 1/1999 – 12/2008;
Germany, France, Netherlands: 1/1999 – 6/2008;

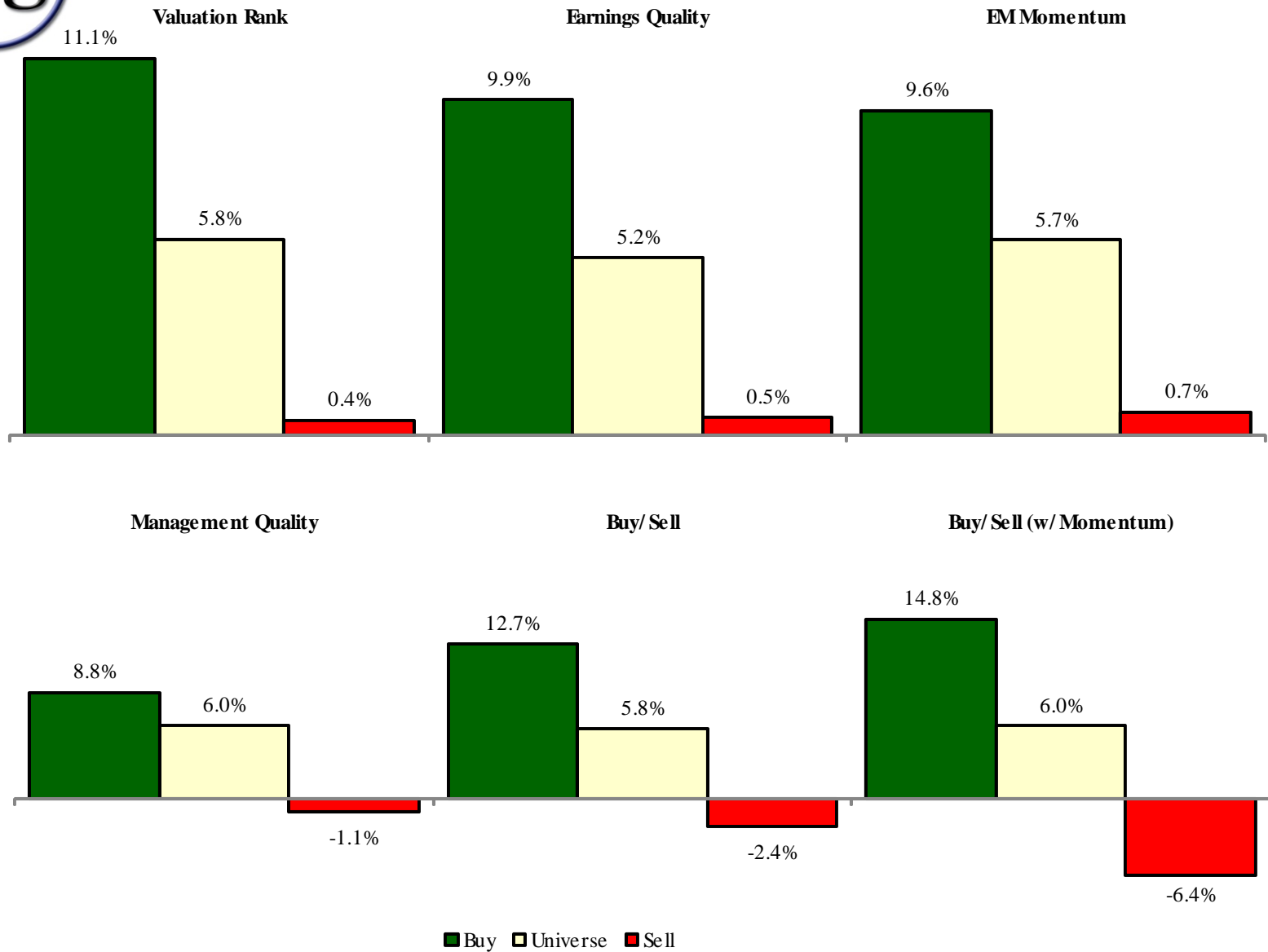
United Kingdom, Japan: 1/1999 – 3/2007;

Canada: 8/2004 – 12/2008.

Equal Weighted, Monthly Re-balanced Total Returns.



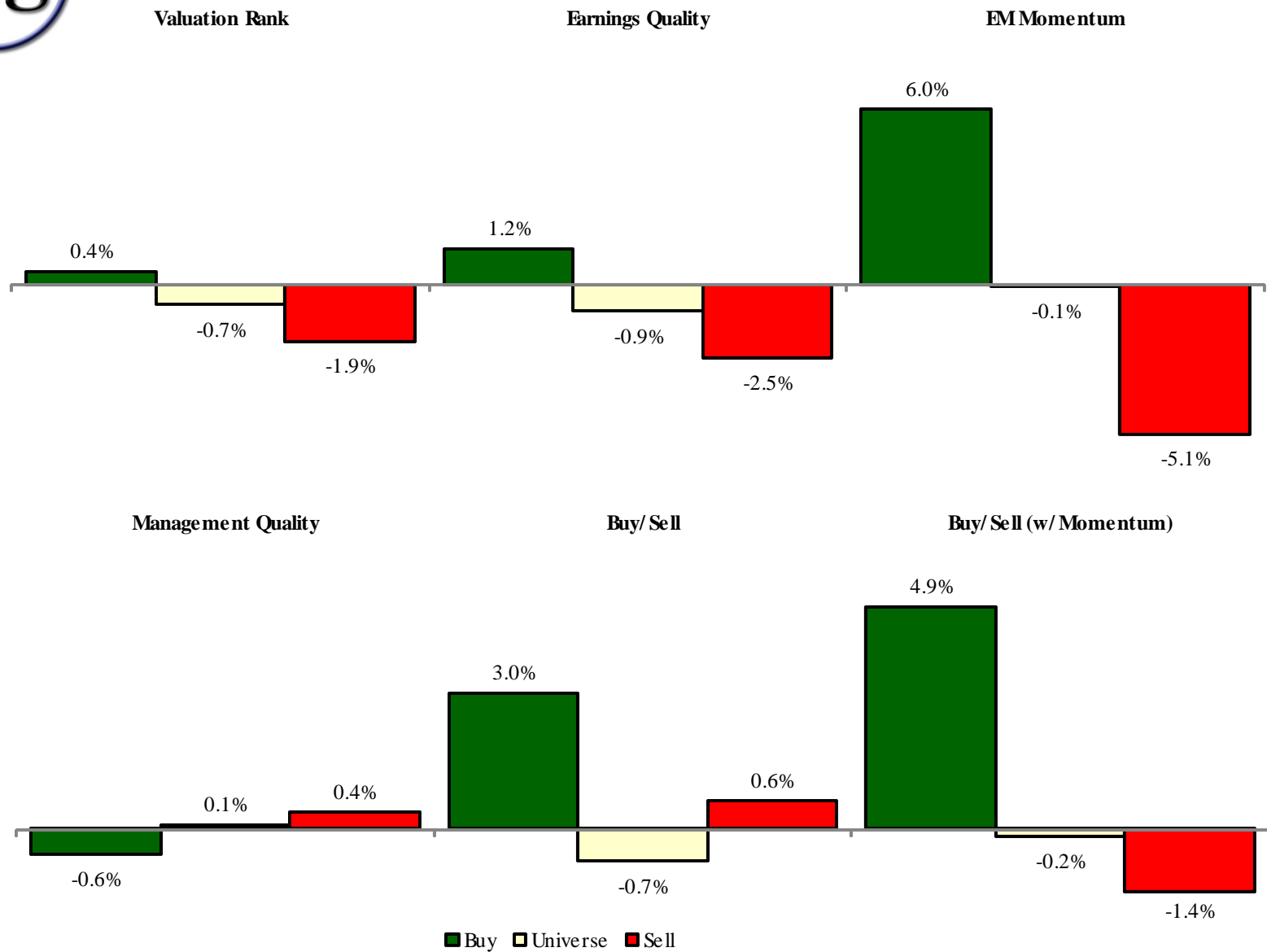
United States: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



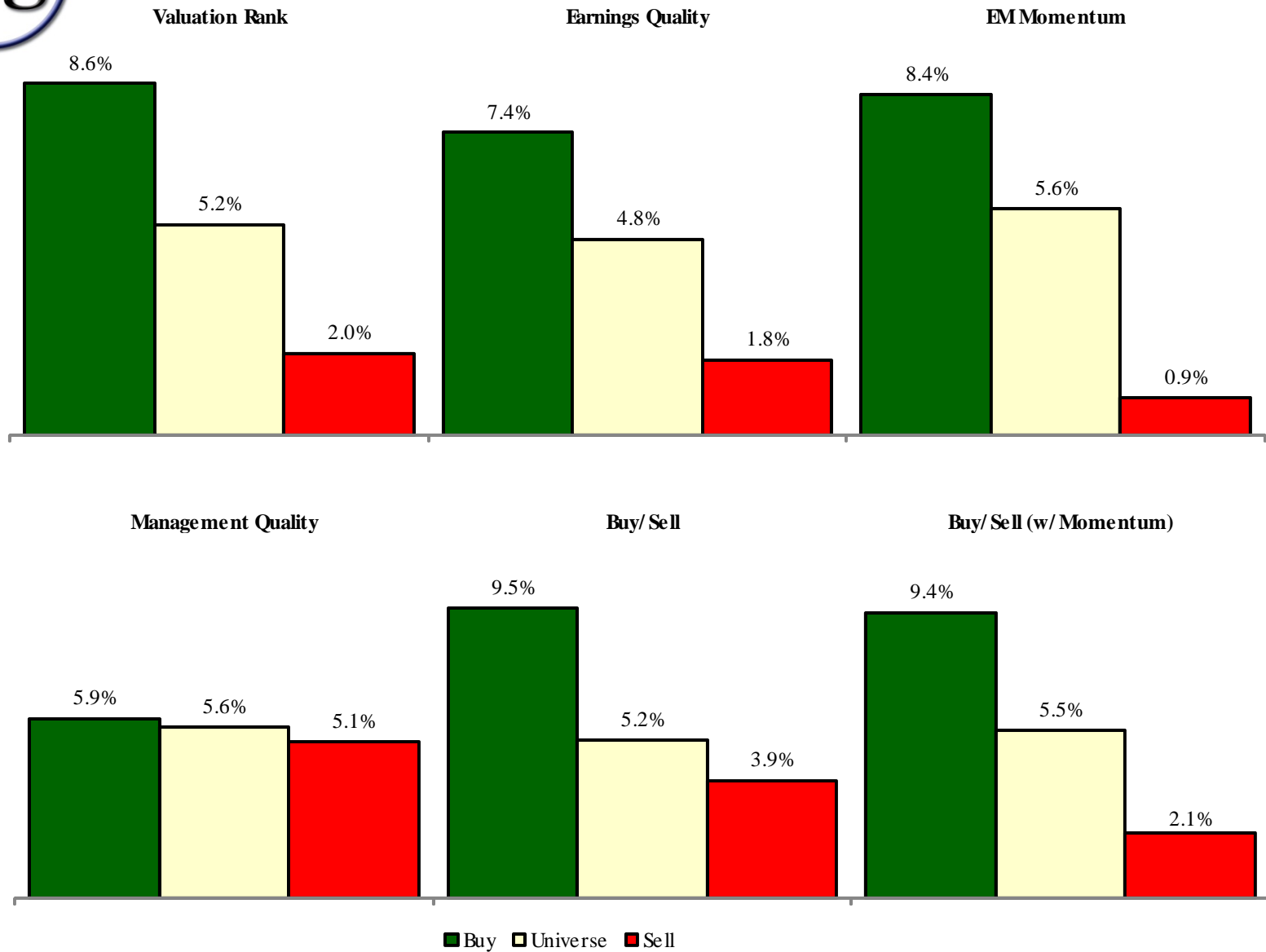
Belgium: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



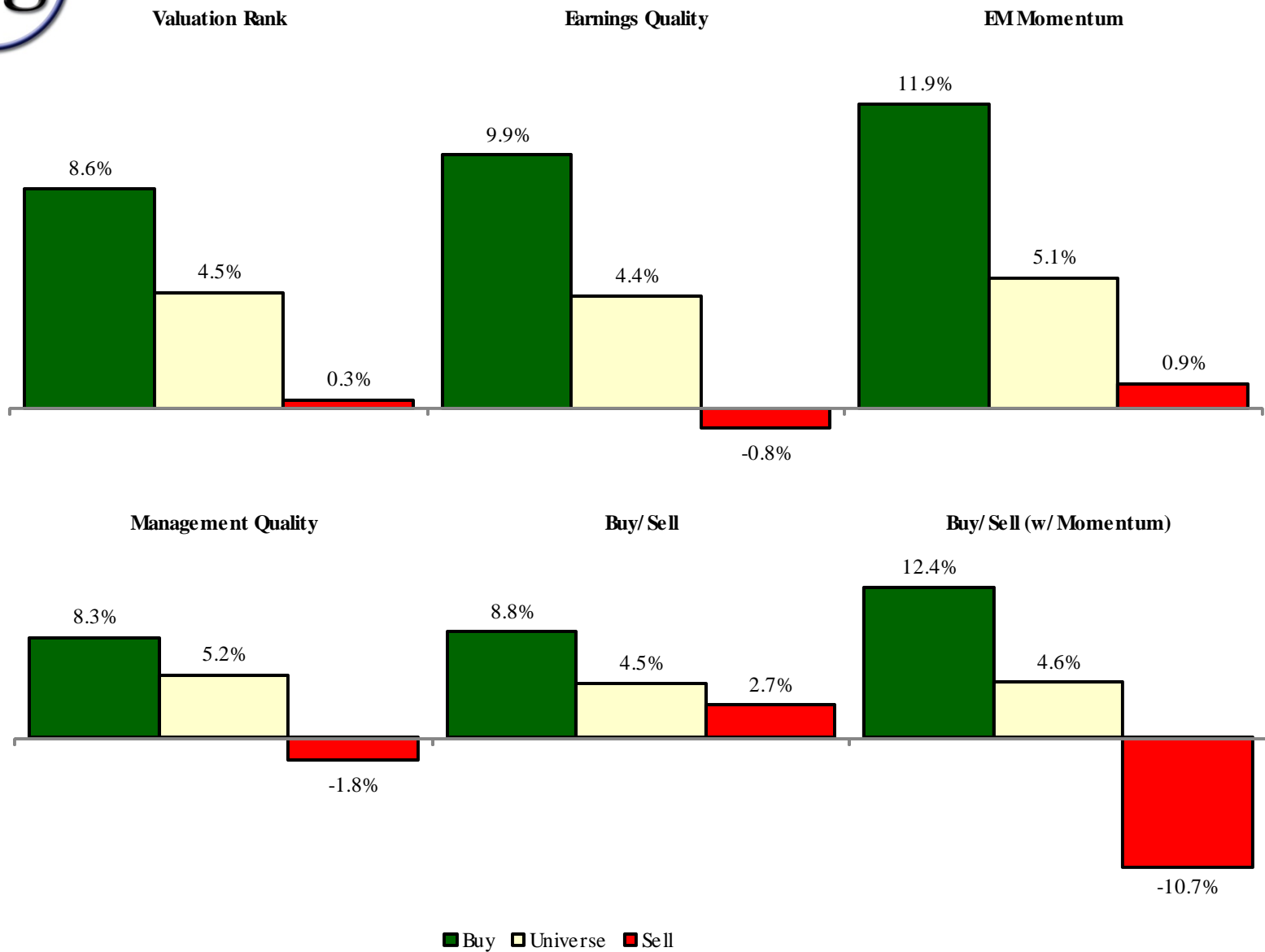
Spain: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



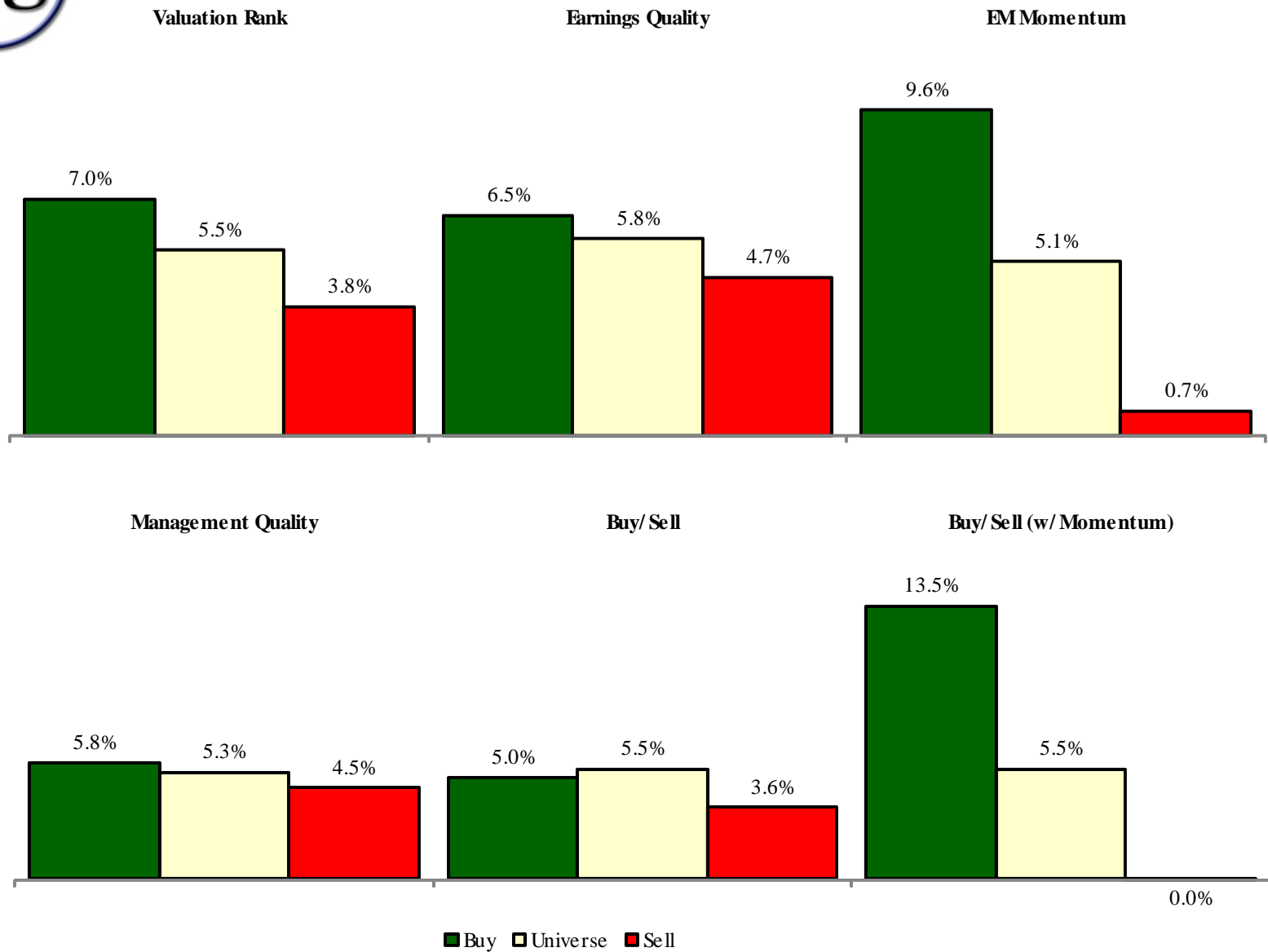
Sweden: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



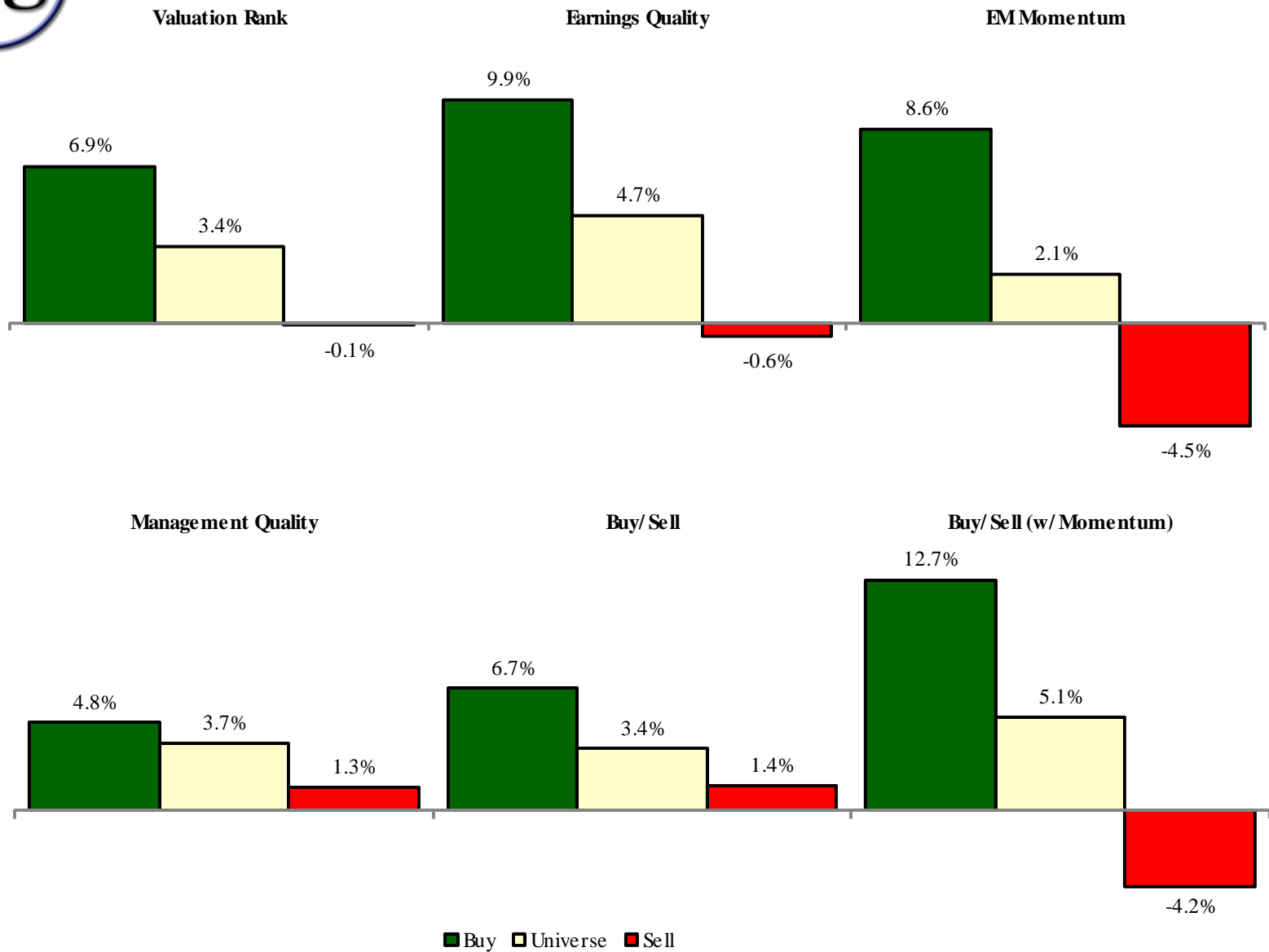
Switzerland: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



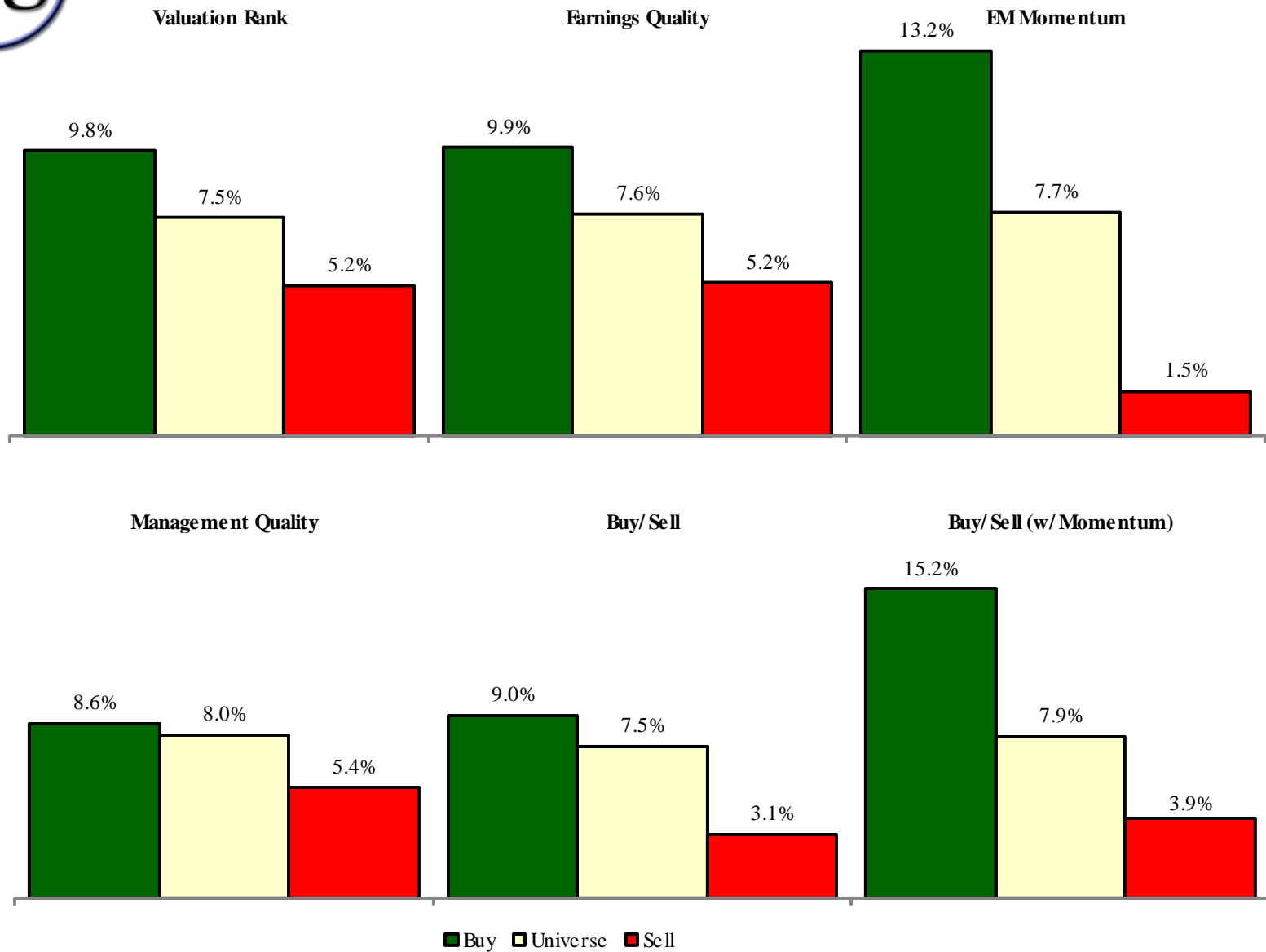
Germany: 1/1/1999 – 6/30/2008



Source: AFGView databases from 1/1999-6/2008



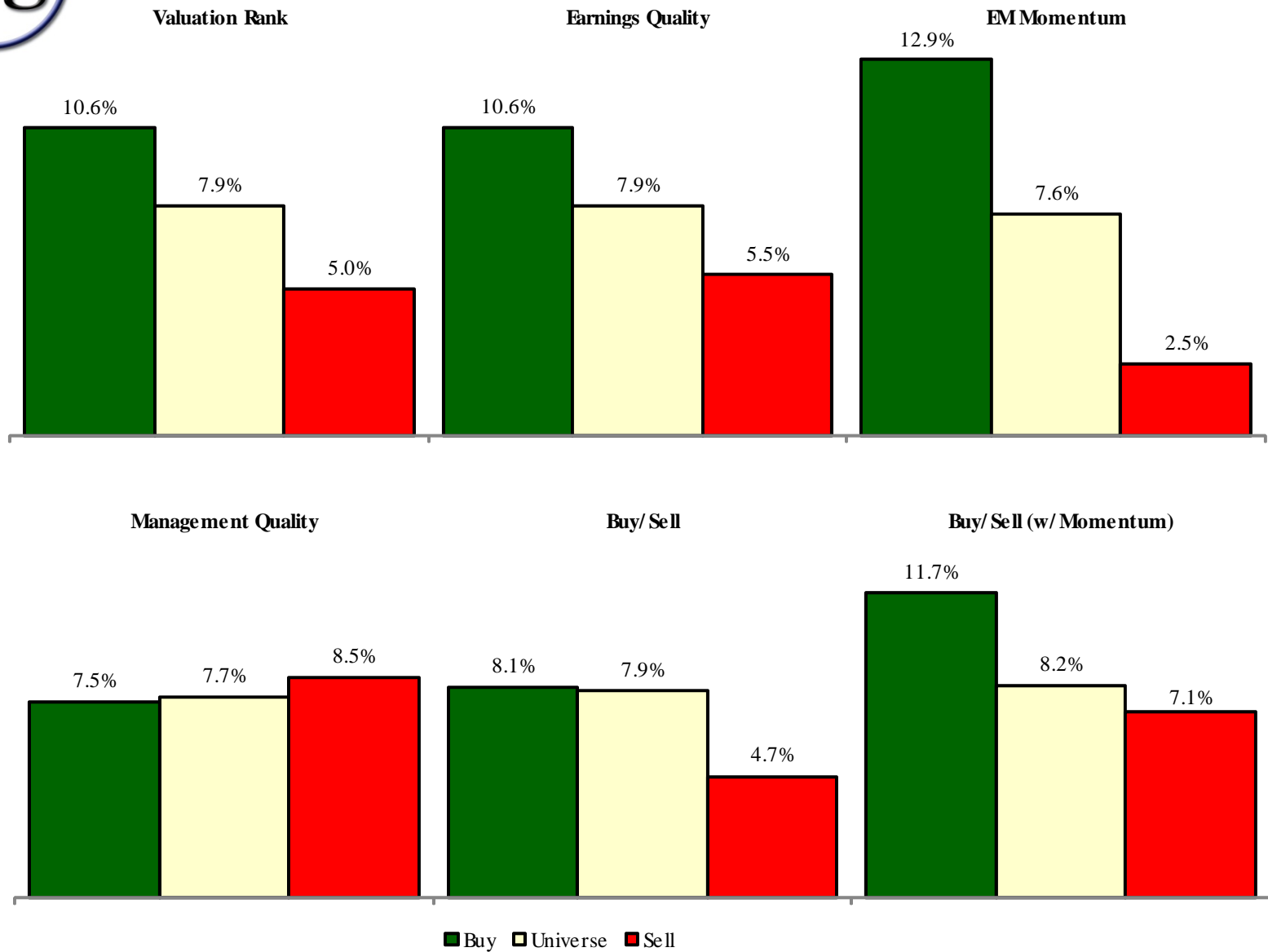
France: 1/1/1999 – 6/30/2008



Source: AFGView databases from 1/1999-6/2008



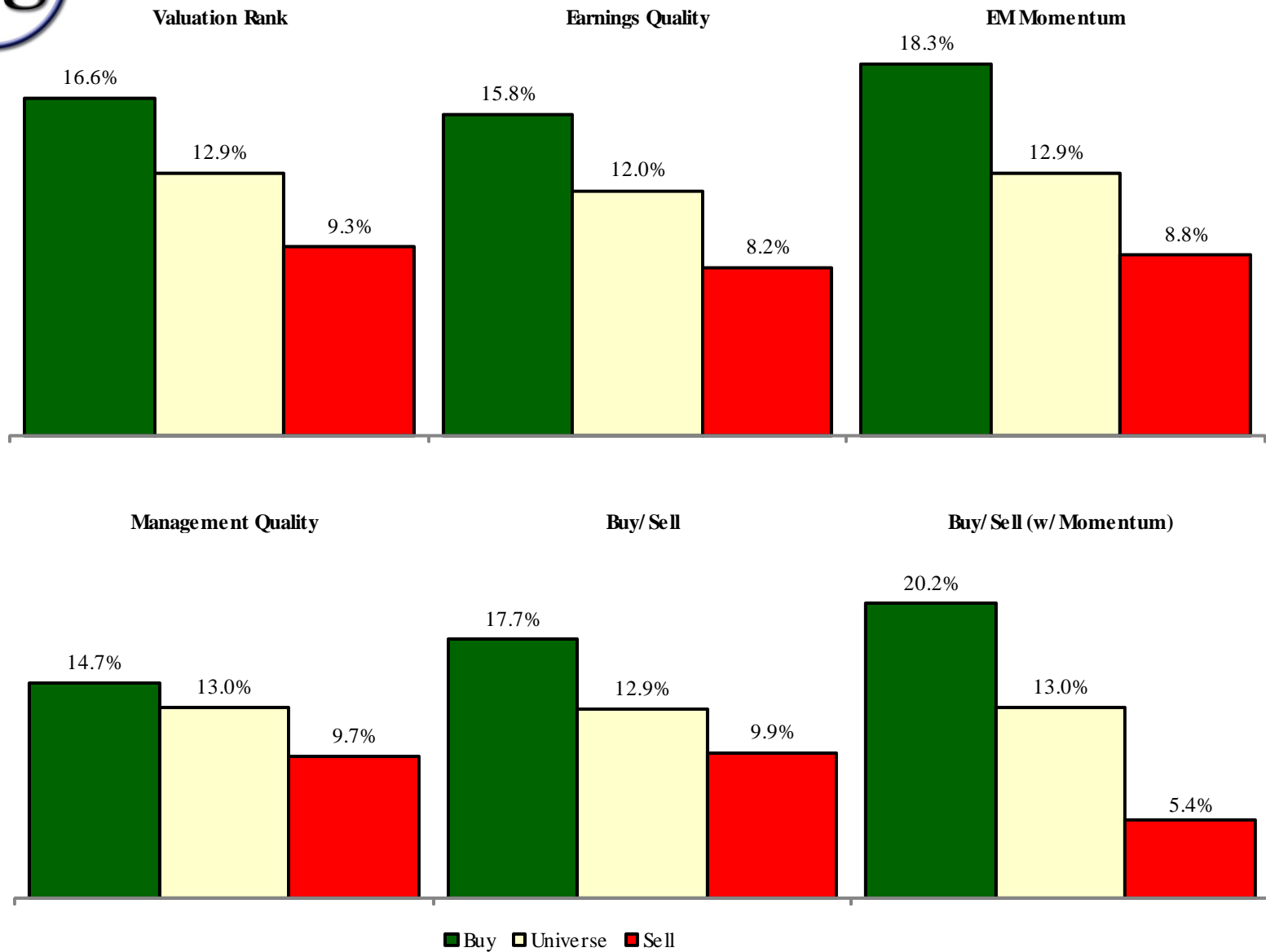
Netherlands: 1/1/1999 – 6/30/2008



Source: AFGView databases from 1/1999-6/2008



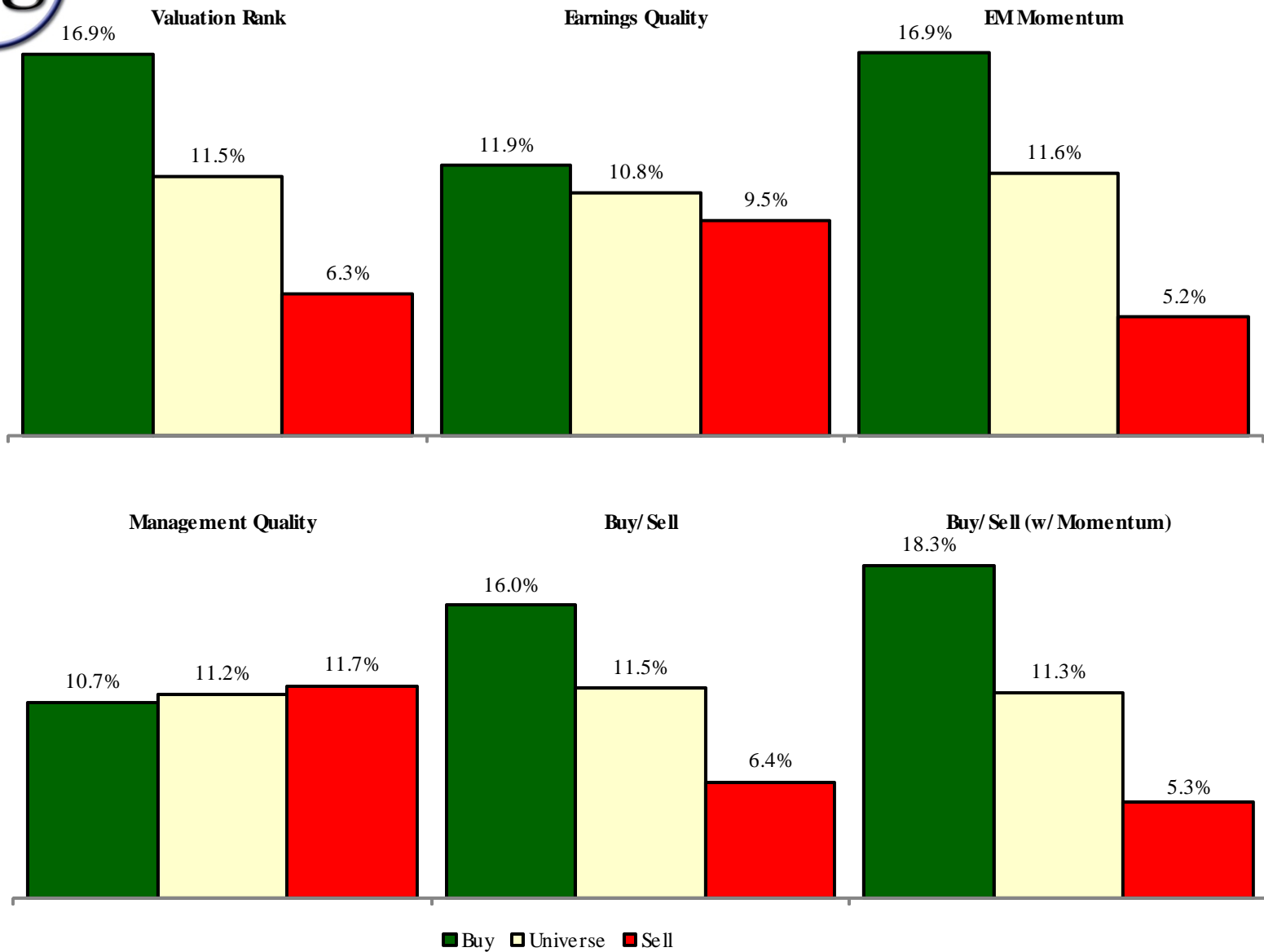
United Kingdom: 1/1/1999 – 3/31/2008



Source: AFGView databases from 1/1999-3/2007



Japan: 1/1/1999 – 3/31/2008



Source: AFGView databases from 1/1999-3/2007



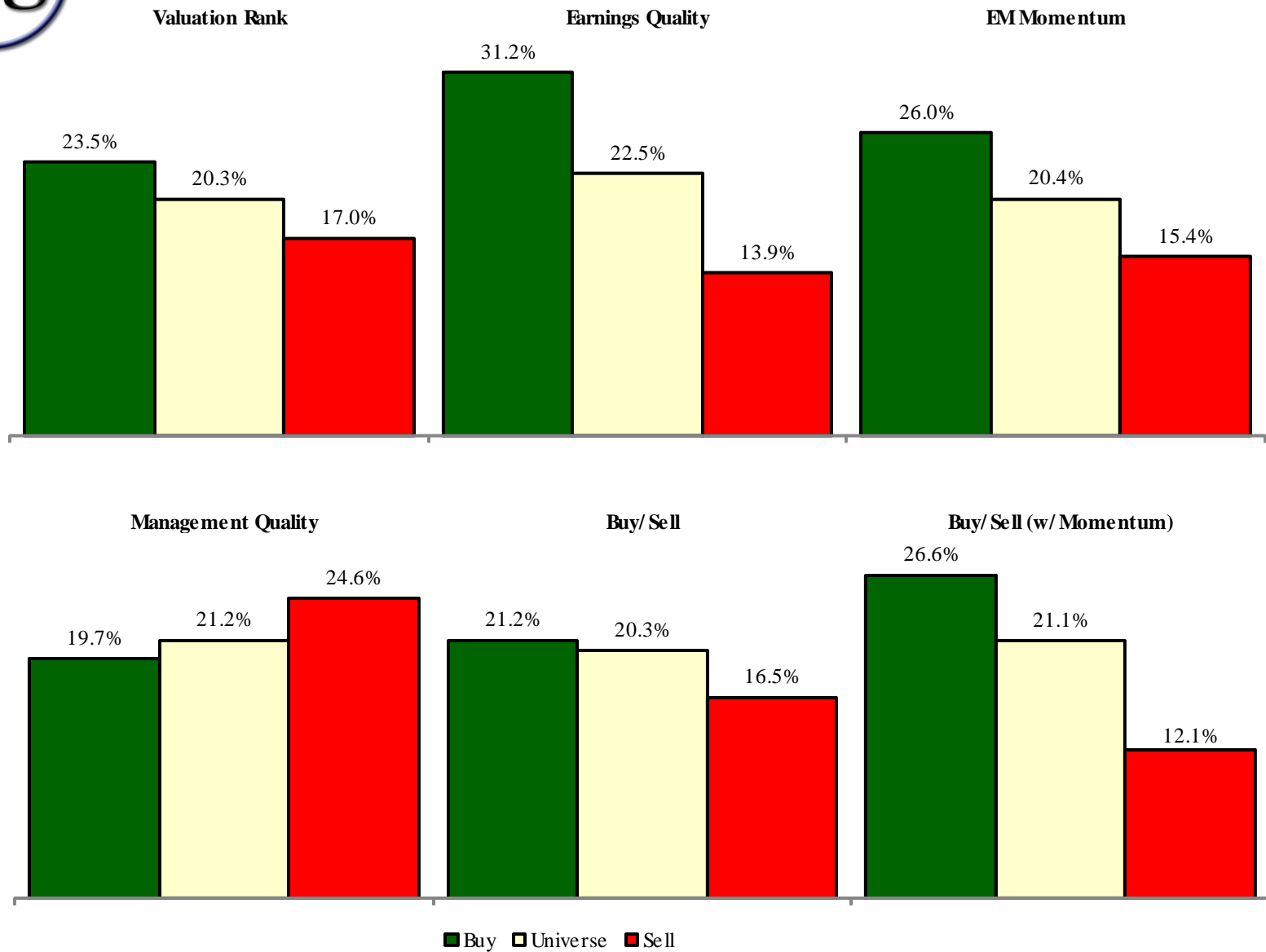
Canada: 8/31/2004 – 12/31/2008



Source: AFGView databases from 8/2004-12/2008



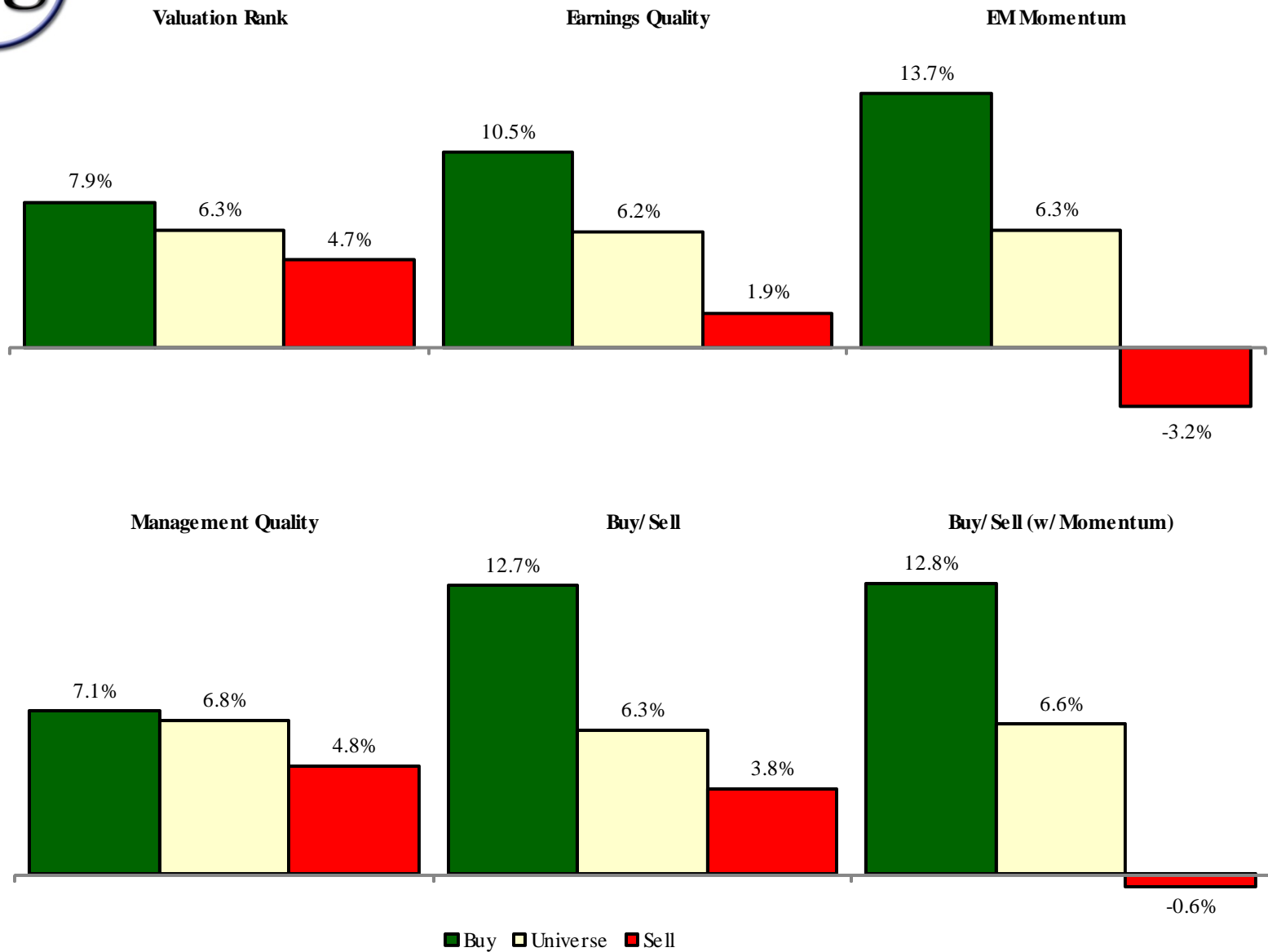
South Africa: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



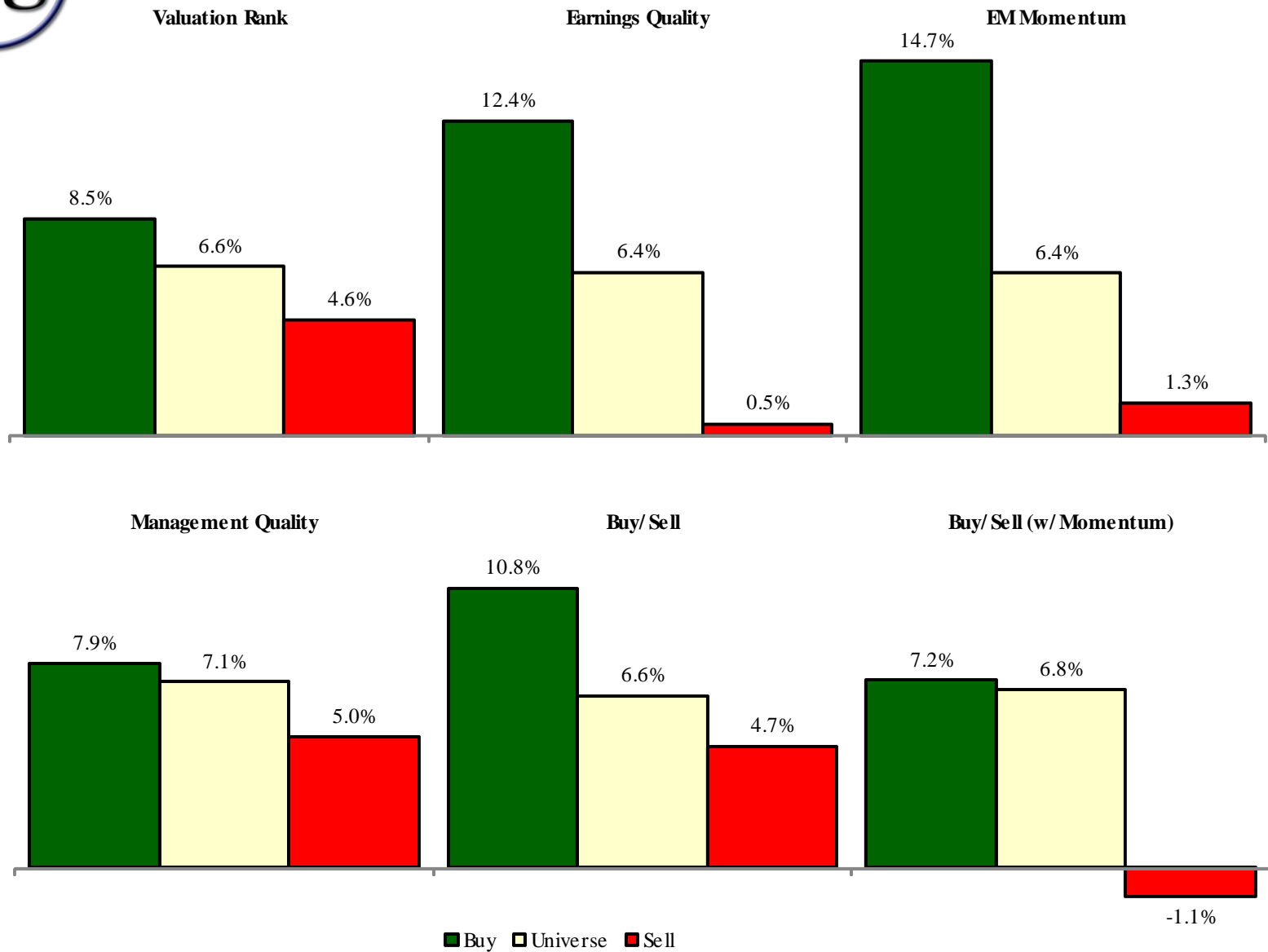
Singapore: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



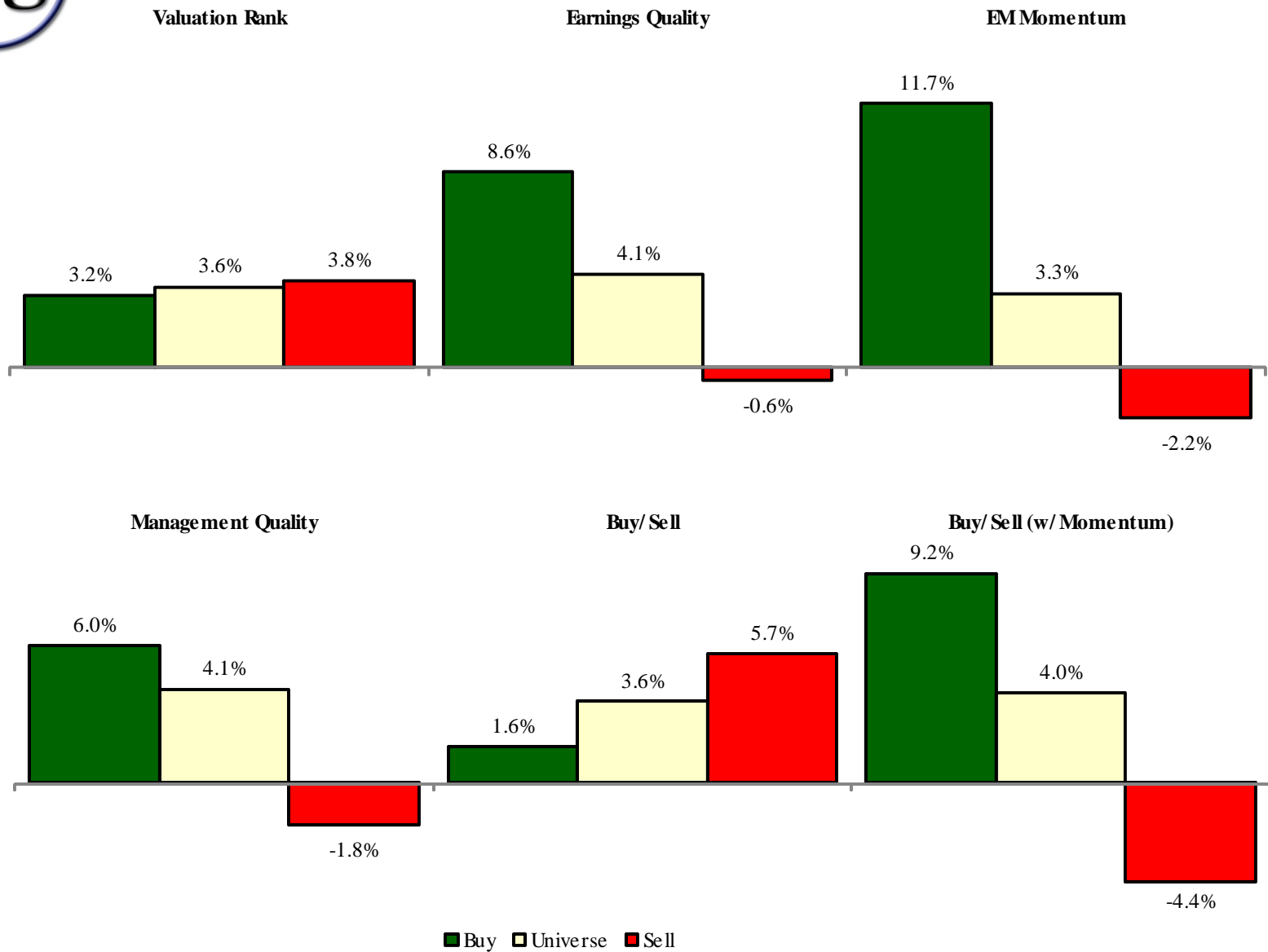
Hong Kong: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



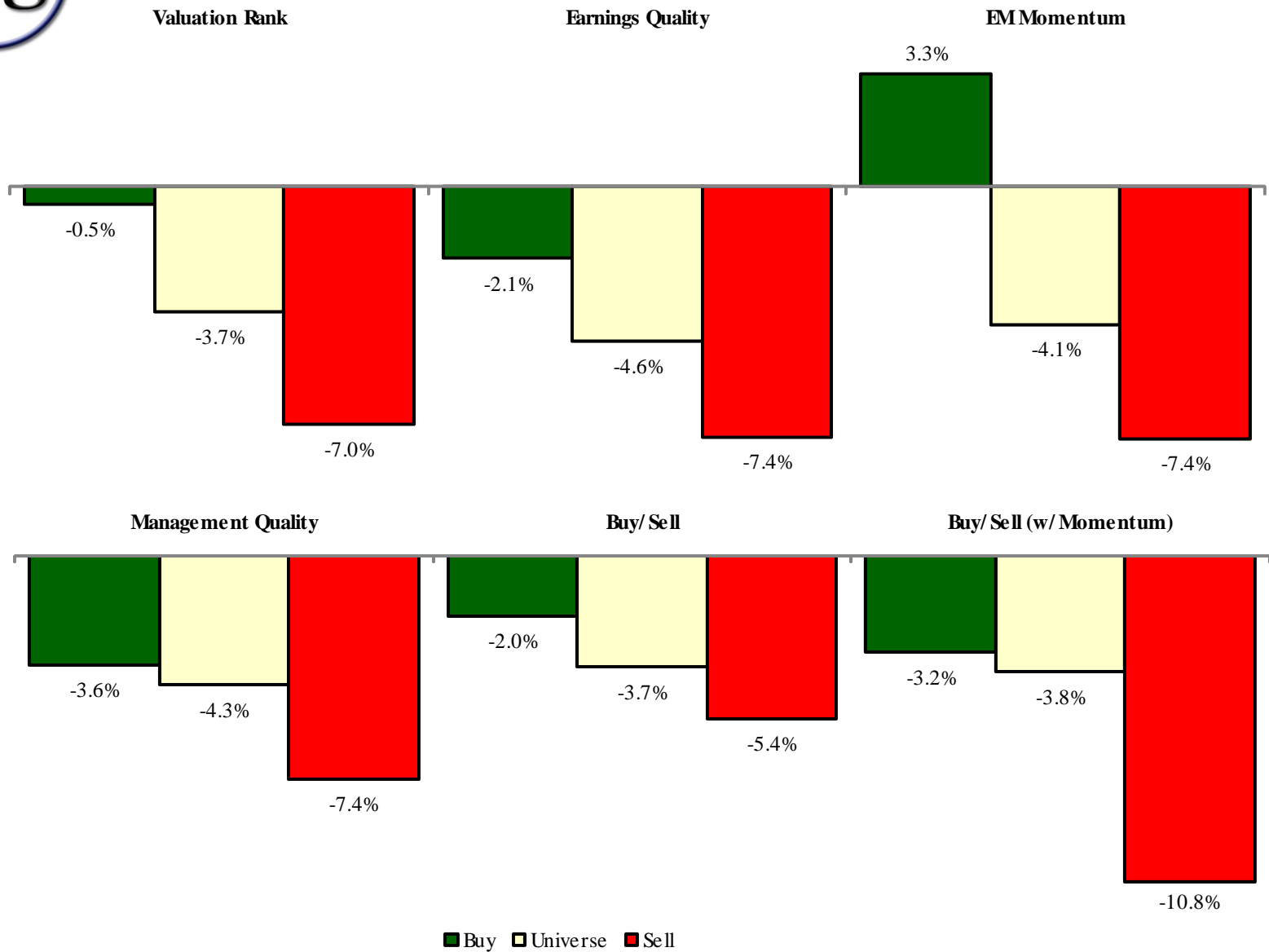
Australia: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



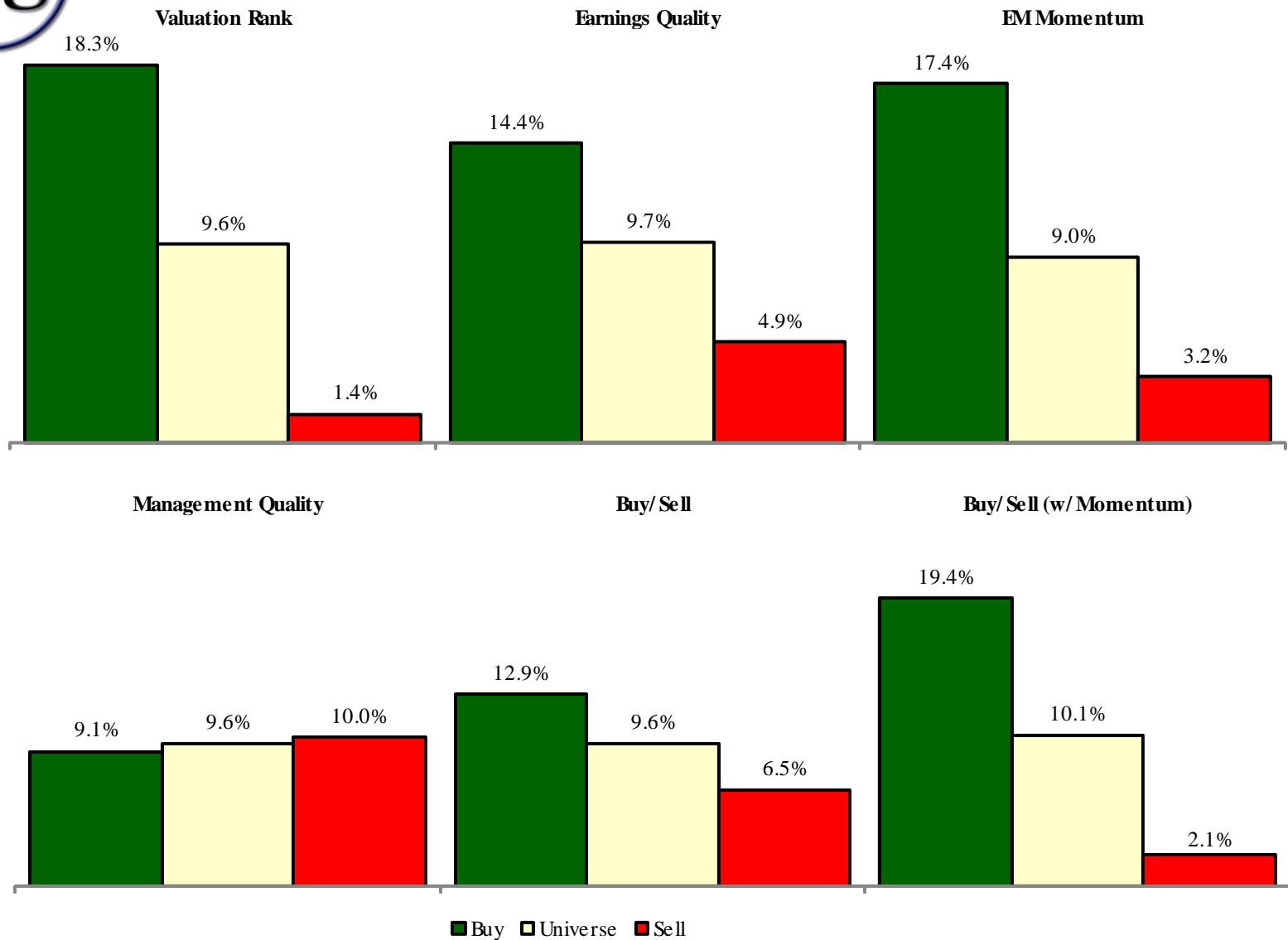
Taiwan: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



South Korea: 1/1/1999 – 12/31/2008



Source: AFGView databases from 1/1999-12/2008



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Source: AFGView databases from 1/1999-12/2008