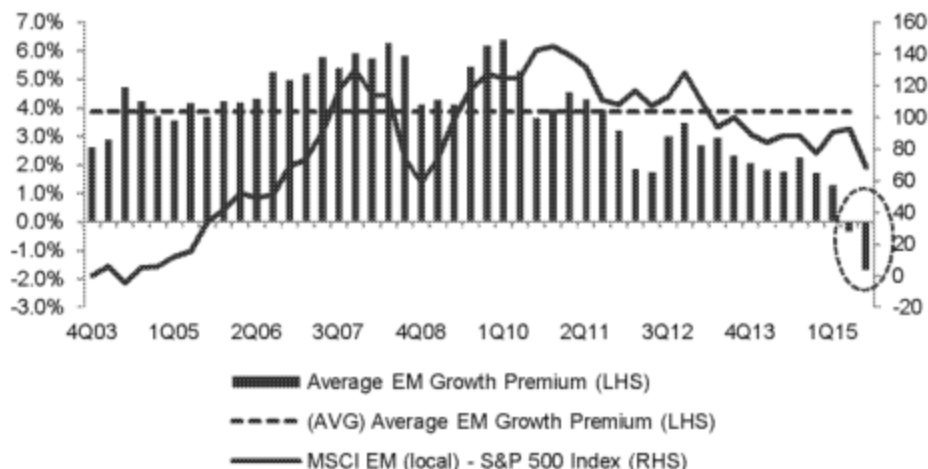


# 8 EM Equities

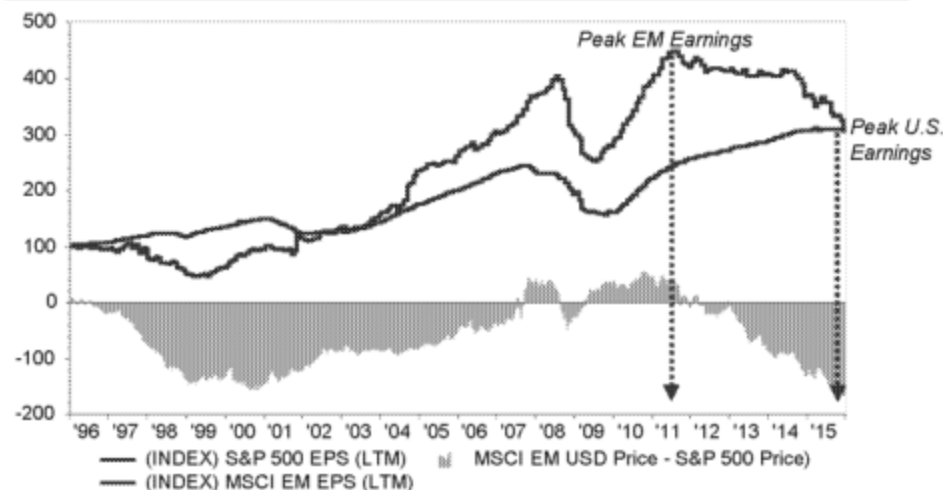


## Will the EM Giants Awaken?

### Disappearing Growth Premium



### Earnings Growth Premium Gone



- Emerging market equities have benefitted from superior economic growth over the developed markets in recent years.
- However, that growth premium has been eliminated and has resulted in emerging market equities lagging developed market equities.

- Emerging markets experienced several years of an earnings growth premium over the U.S.
- However, the collapse in commodity prices and lackluster economic growth in EM has resulted in the earnings growth premium collapsing.
- As a result, the U.S. has been outperforming the emerging markets.

Footnotes: Data as of 3Q15.  
Source: Bloomberg Finance LP, FactSet, Deutsche Bank Wealth Management.

Footnotes: Data as of December 31, 2015.  
Source: FactSet, Deutsche Bank Wealth Management.