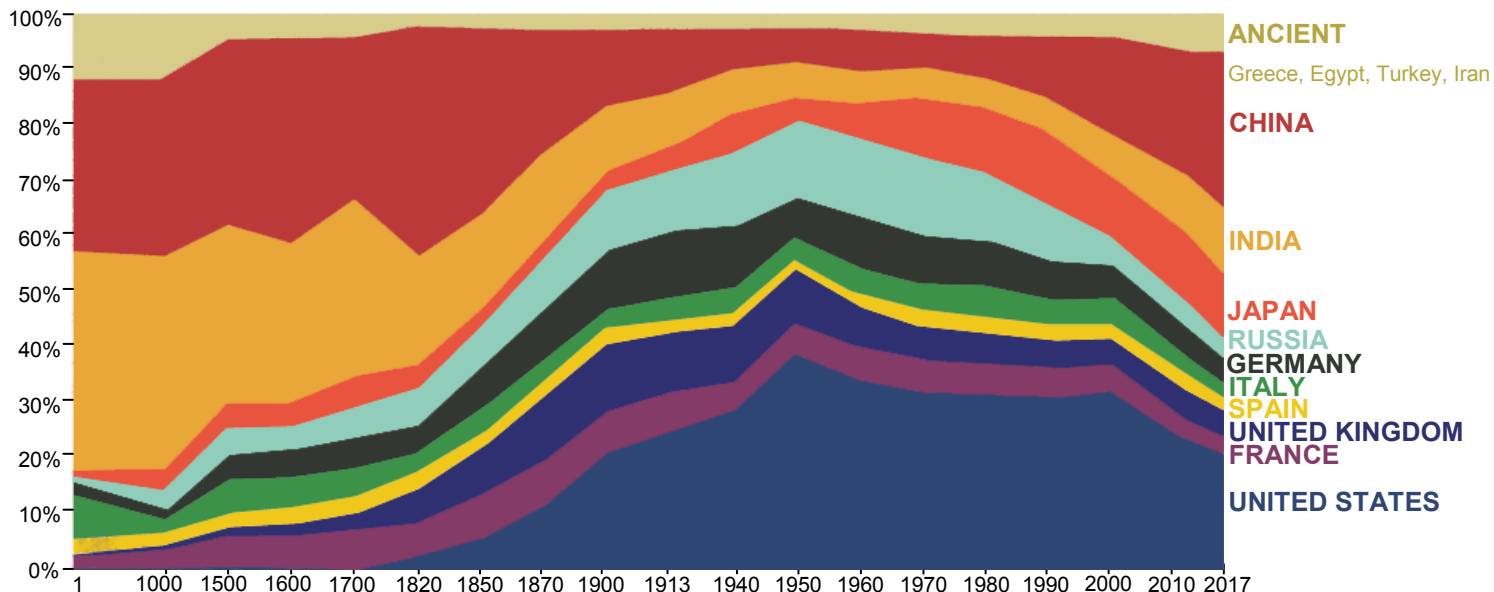


Ebb and Flow of Economic Growth Through Time

Chart of the Month - November 2017

In an age of instant information and analysis, as long-term investors it can be helpful to stand back and consider trends over the long sweep of time. In this case, we'll consider charts that track economic history over the past 2,000 years.

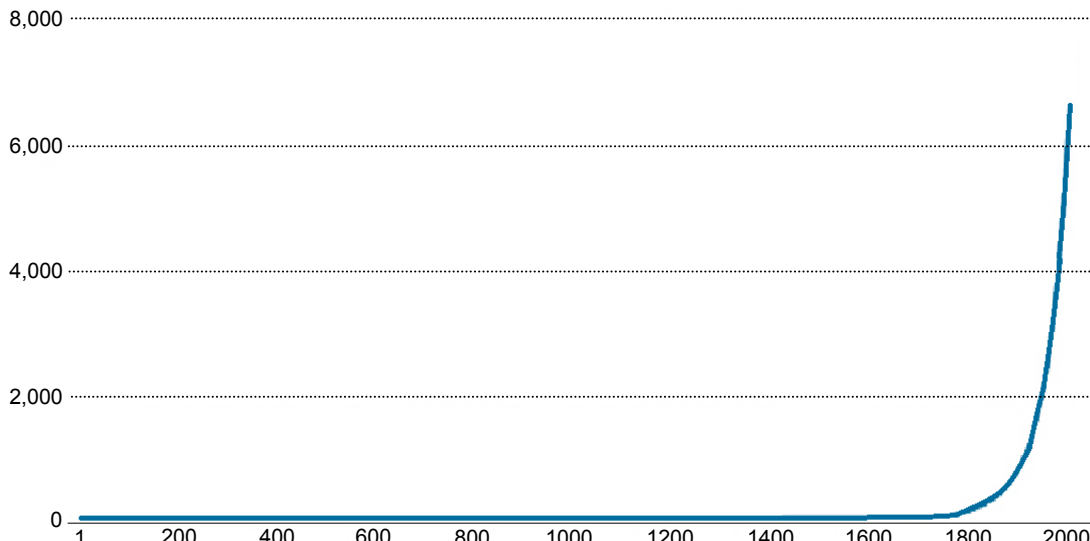
Share of GDP (World Powers)¹



First, note that this chart is not to scale – the first 1,500 years are squished on the far left. That’s because there is not much data from that period. Still, the chart shows that China and India dominated world economic activity for much of the last two millennia. For thousands of years, economic growth was tied to population growth – without machines one person could accomplish only so much.

Starting in the mid-1800’s, though, the Industrial Revolution began and the “West” capitalized and grew at a robust pace.

World GDP Per Capita (1990\$)¹



1. Data Sources: “2,000 Years of Economic History in One Chart”, Jeff Desjardins, Visual Capitalist, 9/8/2017 (visualcapitalist.com/2000-years-economic-history-one-chart/). Statistics on World Population, GDP, and Per Capita GDP, 1-2008 AD”, Angus Maddison; IMF.

One can see the “hockey stick” impact that technology played in growing the average production per person. And looking back at the first chart, you can see that countries like China and India are playing catch-up and making a comeback. With fits and starts, we expect that trend to continue.

In our investment strategies, we continue to own non-U.S. companies and recognize that firms in the S&P 500 derive more than 40% of their sales outside of the United States².

As always, these charts are intended to spur conversations, and we welcome your questions and thoughts. We hope that you and your family have a wonderful Thanksgiving.

Market Performance³

Index	October 2017	Year to Date (1/1/17-10/31/17)	One Year (11/1/16-10/31/17)
S&P 500 Index	2.3%	16.9%	23.6%
MSCI EAFE Index	1.5%	21.8%	23.4%
Barclays U.S. Aggregate Bond Index	0.1%	3.2%	0.9%
JP Morgan Global Aggregate Bond Index	-0.3%	5.6%	1.3%
Bloomberg Commodity Index	2.1%	-0.8%	2.3%
Gold (\$/oz)	-0.7%	10.3%	-0.5%

1. Data Sources: “2,000 Years of Economic History in One Chart”, Jeff Desjardins, Visual Capitalist, 9/8/2017 (visualcapitalist.com/2000-years-economic-history-one-chart/). Statistics on World Population, GDP, and Per Capita GDP, 1-2008 AD”, Angus Maddison; IMF.

2. “S&P 500 Global Sales”, Howard Silverblatt, July 2017 (<http://us.spindices.com/indexology/djia-and-sp-500/sp-500-global-sales>).

3. Data Source: Bloomberg

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