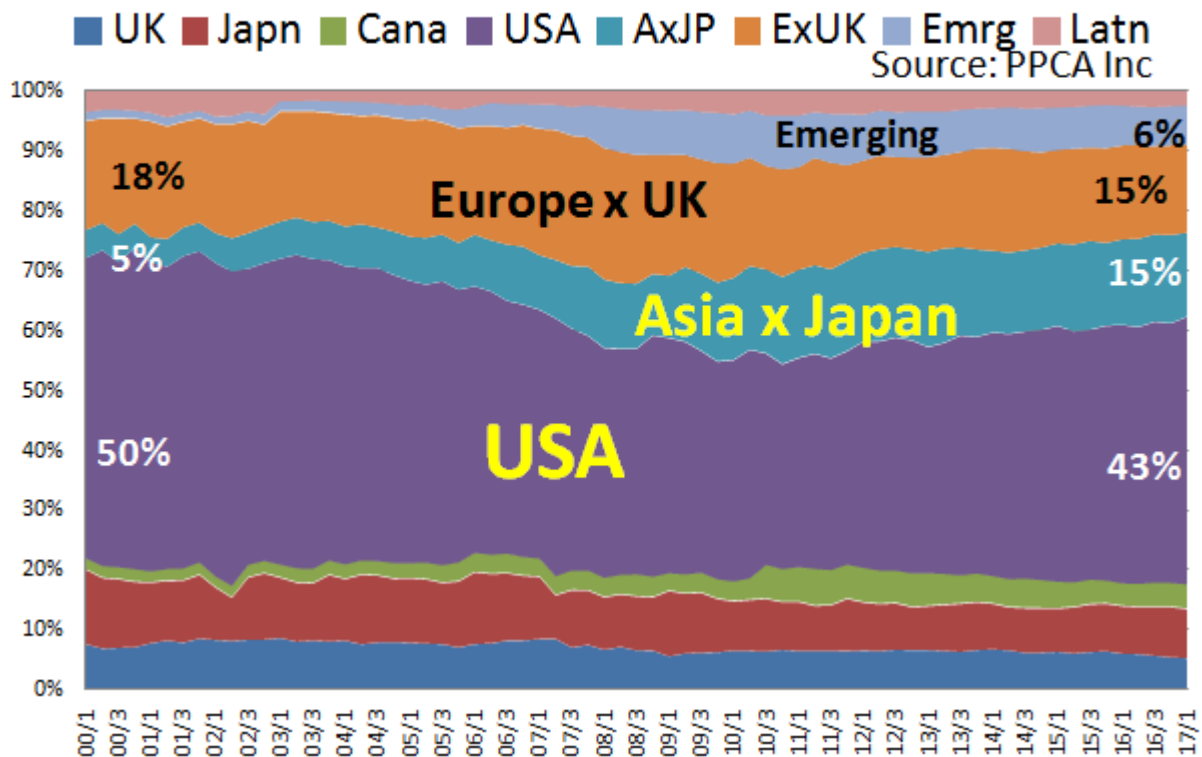


World Stock Market Composition

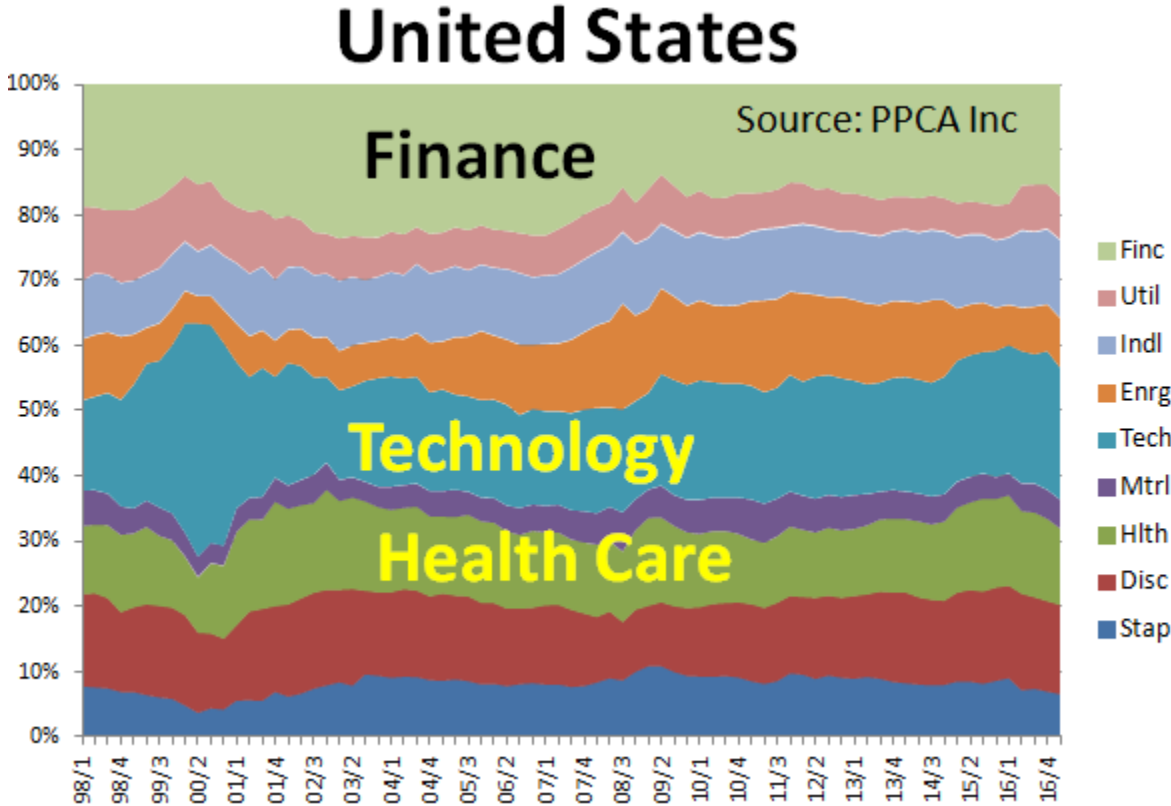
- The World stock market has grown from \$30 trillion to \$50 trillion in the past 17 years
- America's share of the World has been decreasing, from half in 2000 to 43% currently.
- America is the primary source for technology and healthcare products, while the rest of the world is the primary source for materials companies.

[Our data](#) on global markets starts in 2000. At that time, America was half of the \$30 trillion global market, but since then it has shrunk somewhat to 43% of the current \$50 trillion market. Similarly, Europe ex the UK has shrunk from being 18% of the World to 15%. Offsetting these declines, Emerging Markets and Asia ex Japan have increased their market shares. We classify China as Asia rather than Emerging Market. Asia ex Japan has grown from 5% of the World to 15%, while Emerging has grown from less than 1% to 6%.

World Market Composition

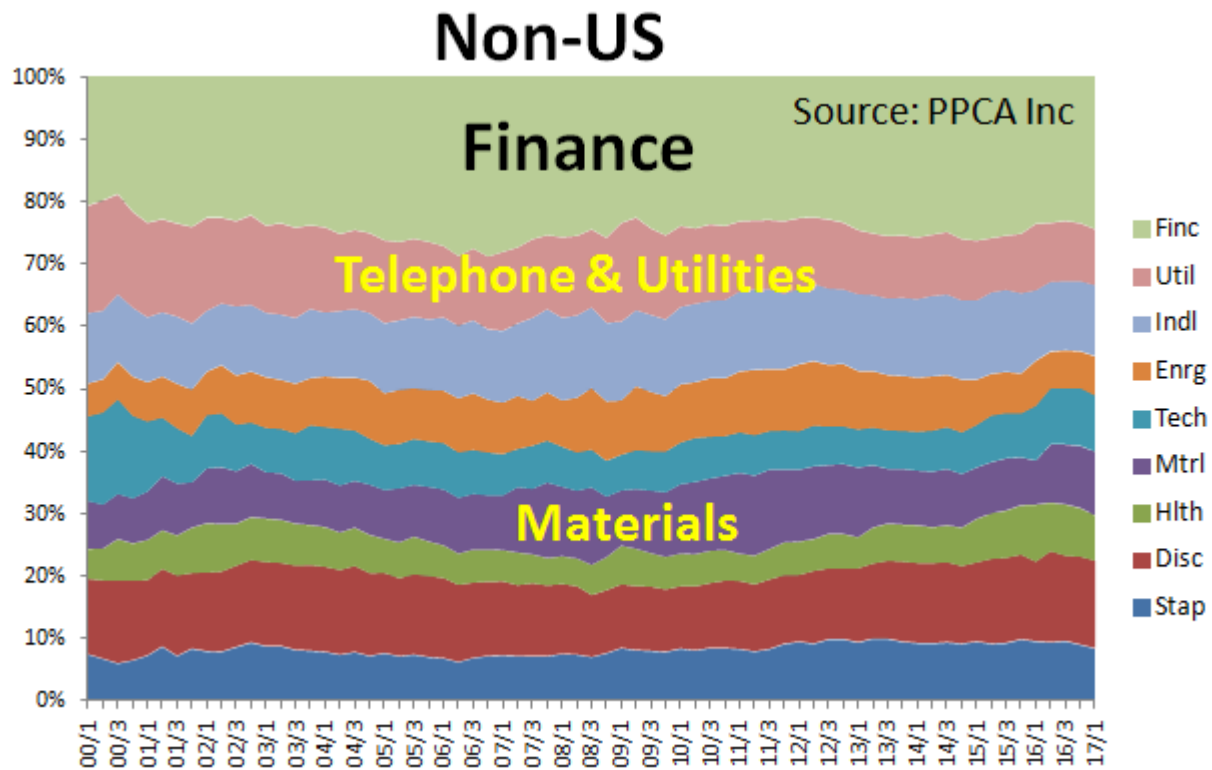


The World is changing in both country composition and economic sectors. The following chart shows the make-up of the US stock market going back to 1998.



Note the “Tech Bubble” that inflated in the late 1990s. Also notice that America’s primary sectors are finance, technology and healthcare.

America’s place in the World is supplying technology and healthcare. By contrast, as shown in the next graph, non-US countries supply materials, and have a large allocation to phones and utilities, a local phenomenon.



Who Cares

It is indeed a world economy so it's helpful to know its composition. We have choices for our investments, and knowing the location of supply is important.



Ron Surz is President and CEO of PPCA Inc and its Target Date Solutions subsidiary. Both are in San Clemente, CA. [PPCA](#) provides contemporary investment manager due diligence [software](#) and [Surz Style Pure Indexes](#)[®] including [Centric Core](#). [Target Date Solutions](#) manages target date funds using its [patented Safe Landing Glide Path](#)[®], and has published a [book](#) to help fiduciaries select TDFs.

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