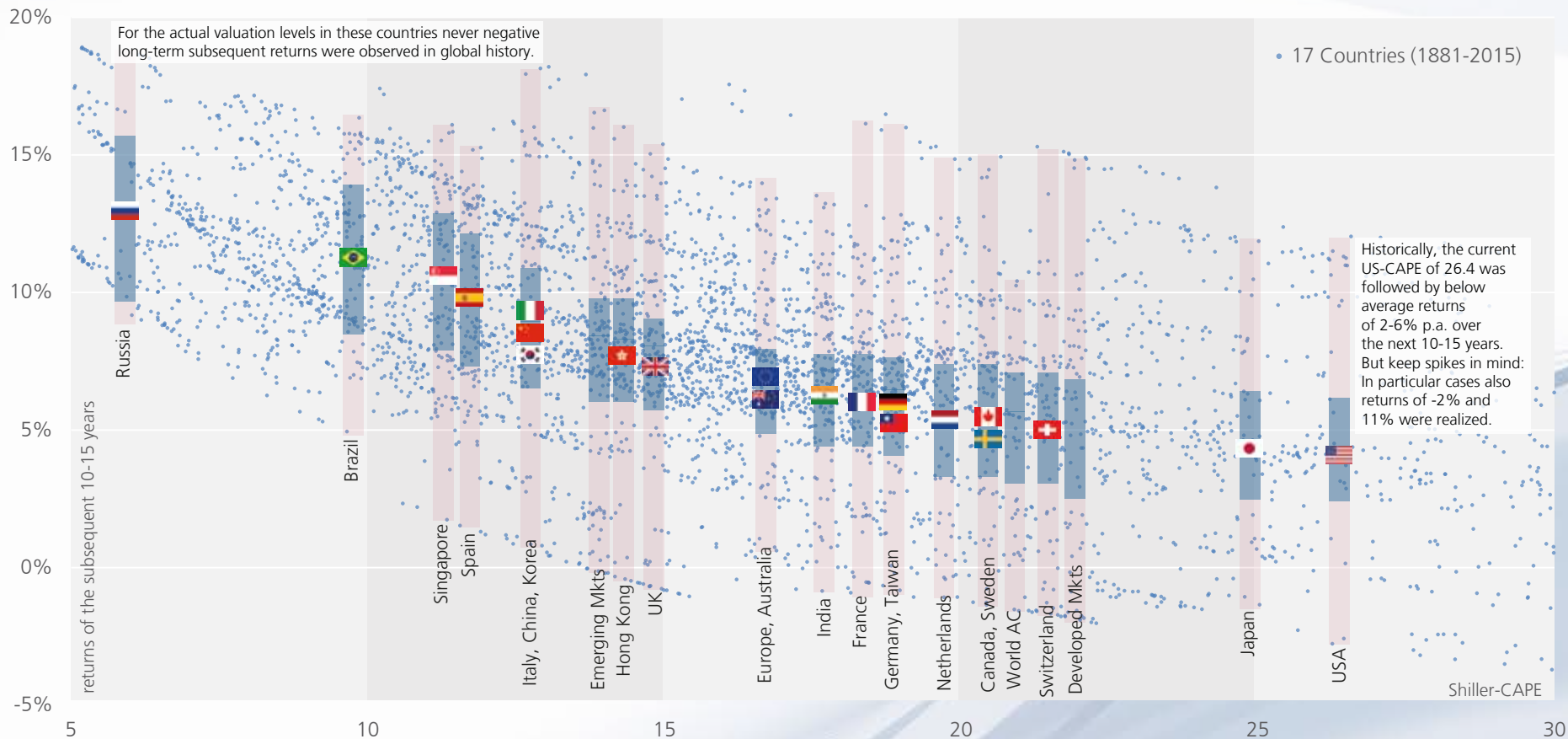


# CAPE: Actual return forecasts and predictive accuracy in history

## Which distribution of returns followed in history over 10-15 years in 17 countries from 1881-2015?



This chart shows the relationship between CAPE and the returns of the subsequent 10-15 years for the periods 01/1881-05/2015 (S&P 500) and 12/1979-05/2015 (16 other MSCI Countries). Only CAPE levels between 5 and 30 are shown. Returns are adjusted for inflation, in local currency, incl. dividend income and annualized. For details see research paper "Predicting Stock Market Returns Using the Shiller-CAPE: An Improvement Towards Traditional Value Indicators?" ([http://www.starcapital.de/files/publikationen/Research\\_2016-01\\_Predicting\\_Stock\\_Market\\_Returns\\_Shiller\\_CAPE\\_Keimling.pdf](http://www.starcapital.de/files/publikationen/Research_2016-01_Predicting_Stock_Market_Returns_Shiller_CAPE_Keimling.pdf)). The current CAPE valuations for the 20 countries with the highest market-capitalization and the corresponding historical return distributions followed on comparable valuations are shown. Current CAPE as of 12/30/2016.