

# The Country Ranking Model

August 2015

## Portfolio Manager Commentary

### July Comments

- The MSCI ACWI was up 0.87% in July, with a range of returns of 25.23% from the best performing country (Israel) to the worst (Brazil). Emerging markets were down big for the month (-6.93%) as China and Brazil were down -10.77% and -12.21 respectively.
- The drop in China had a big impact across the portfolios as it had been the #1 ranked country in the model. However, despite the drop in performance, China is still in positive territory on the year, up 2.31%.
- Currency hedging added significant value in July. Our 3 countries with hedged exposure all outperformed. Japan (1.73% vs. 0.47%), Germany (3.56% vs. 2.69%), and Korea (-3.53% vs. -8.04%).

### August Rankings

- China and Hong Kong both dropped double digits in the rankings. As a result, we are significantly scaling back our overweight to Asia.
- European countries consistently moved up in the rankings. The biggest moves came from Germany, Norway, Netherlands, Austria, and Switzerland.
- The United States remains an overweight, but the valuations still look extended and the momentum has slowed significantly.

| Highest Ranked Countries   |
|--|
| <br>Japan         |
| <br>Israel        |
| <br>Norway        |
| <br>United States |
| <br>Germany      |
| <br>Sweden      |

Chart 1 | Data is as of 07.31.15  
Source: Accuvest Global Advisors

### Country Performance

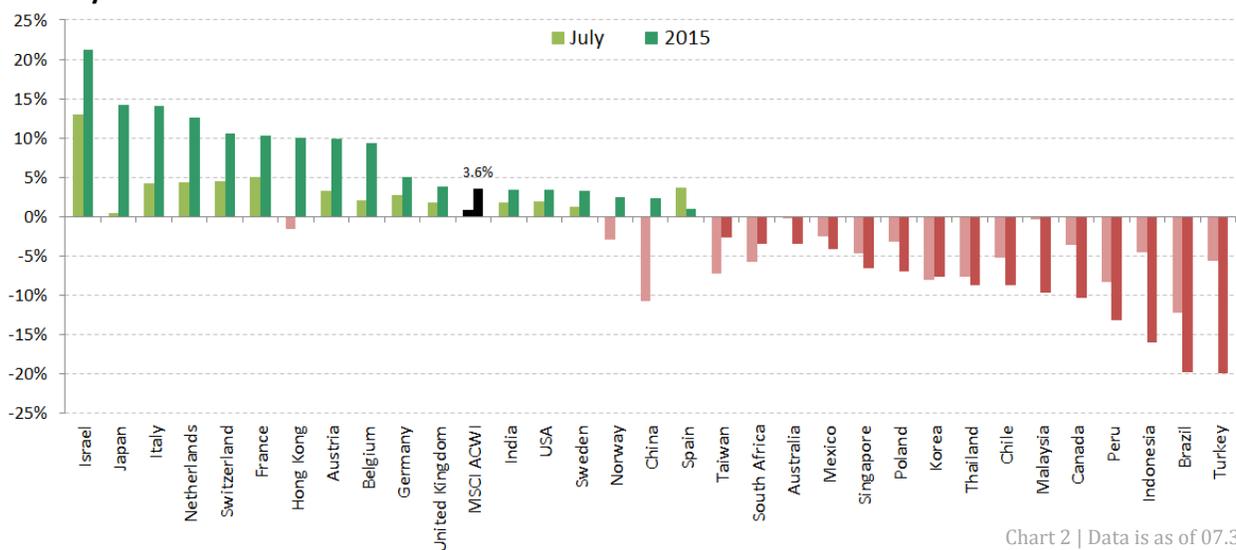


Chart 2 | Data is as of 07.31.15  
Source: MSCI

## Country Ranking Model

|                               | Notable Move   | Fundamental | Momentum | Risk | Valuation |
|-------------------------------|----------------|-------------|----------|------|-----------|
| Overweights<br>(Alphabetical) | Belgium        |             | ●        |      | ●         |
|                               | Canada         |             |          | ●    |           |
|                               | China          | ▼           | ●        | ●    | ●         |
|                               | Denmark        |             | ●        | ●    | ●         |
|                               | Germany        | ▲           |          |      | ●         |
|                               | India          |             | ●        |      | ●         |
|                               | Israel         | ▲           |          | ●    |           |
|                               | Japan          |             |          | ●    |           |
|                               | Korea          |             |          | ●    | ●         |
|                               | Netherlands    | ▲           |          | ●    | ●         |
|                               | Norway         | ▲           |          |      | ●         |
|                               | Sweden         |             |          |      |           |
|                               | Taiwan         |             | ●        | ●    | ●         |
|                               | Thailand       |             | ●        | ●    | ●         |
|                               | Turkey         |             | ●        | ●    | ●         |
|                               | United Kingdom |             | ●        | ●    | ●         |
|                               | United States  |             | ●        |      | ●         |
| Underweight<br>(Alphabetical) | Australia      |             |          |      |           |
|                               | Austria        | ▲           | ●        | ●    | ●         |
|                               | Brazil         |             | ●        |      | ●         |
|                               | Chile          |             | ●        |      | ●         |
|                               | Finland        |             | ●        | ●    | ●         |
|                               | France         |             | ●        | ●    | ●         |
|                               | Hong Kong      | ▼           | ●        |      | ●         |
|                               | Indonesia      |             | ●        | ●    | ●         |
|                               | Italy          |             | ●        | ●    | ●         |
|                               | Malaysia       |             |          | ●    |           |
|                               | Mexico         |             |          |      | ●         |
|                               | Peru           | ▼           |          | ●    | ●         |
|                               | Poland         |             | ●        | ●    | ●         |
|                               | Singapore      |             | ●        |      | ●         |
|                               | South Africa   | ▼           | ●        |      | ●         |
|                               | Spain          |             | ●        |      | ●         |
|                               | Switzerland    | ▲           |          | ●    |           |

Chart 3 | Data is as of 07.31.15  
Source: Accuvest Global Advisors

▲ = Moved Up/Down more than 6 spots  
● = Bottom 10 ranked countries  
● = Top 10 ranked countries

### Disclosures

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