

The Country Ranking Model

May 2017

Portfolio Manager Commentary

April Highlights

- Global equities continued to climb higher in April, with the MSCI ACWI up 1.56%. The average country was up 2.93%, and the range of returns for April, between countries, was 14.13%%.
- The United States was up slightly, up 1.05%. Japan was the same, up 1.05%, and Europe as a whole was up 3.53%. Europe was the best performing region for the second straight month. EM wasn't far behind, up 2.19% during April. EM is still the best YTD, up 14%.
- All countries returns stayed positive so far for 2017. Canada is the worst performing country YTD, up 0.33%. The top countries are Poland (+31%), Turkey (+23.5%), and Spain, Korea, and Mexico (all up over 17%). The average country is up 12.62% YTD.

May Rankings

- France has seen major improvement across all four categories in recent months. France is now 13th overall, with 14th best Valuation rank and 12th best Momentum rank. France is up over 16% in the last six months, and has a 10.2x Price to Cash Earnings vs a country avg. of 11.1x. Risk has improved as well, with narrowing CDS spread levels and semi-standard deviation. With elections now over, market and political uncertainty should continue to decline.
- Japan fell 9 spots to 16th overall. This is due to deteriorating Fundamental data, including decreasing Return on Equity and PMI readings. We are currently hedging half of our Yen position.



Chart 1 | Data is as of 04.30.17
Source: Accuvest Global Advisors

Country Performance



Chart 2 | Data is as of 04.30.17
Source: MSCI

Country Ranking Model

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

Chart 3 | Data is as of 04.30.17
Source: Accuvest Global Advisors

▲ = Moved Up/Down more than 5 spots
▼ = Moved Up/Down more than 5 spots
● = Bottom 10 ranked countries
● = Top 10 ranked countries

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