

The Country Ranking Model

June 2017

Portfolio Manager Commentary

May Highlights

- Global equities continued to climb higher in May, with the MSCI ACWI up 2.21%. The average country was up 3.15%, and the range of returns for May, between countries, was 14.42%.
- The United States was up 1.29%. Japan performed better, up 3.01%, and Europe as a whole was up 4.85%. Europe was the best performing region for the third straight month and EM was up 2.96% during May. EM is still the best YTD, up 17.25%.
- All country returns YTD are positive. Canada is the worst performing country YTD, up 0.10%. The top countries are Poland (+31%), Austria (+30%), Korea (+27%) and Turkey (+27%). The average country is up a whopping 16.19% YTD.

June Rankings

- The United States continues to fall in our country rankings. Now ranked 15th overall, the U.S. suffers from expensive Valuations, increased Risk, and deteriorating Momentum. The U.S. has a 3.1x P/B ratio (vs a country avg. of 1.9x) and a 18x 12mo Forward P/E ratio (vs a country avg. of 14x). Over the last 3 months, the U.S. is the sixth worst performing country, up 2% vs a country avg. of 8%.
- China and Korea remain our #1 and #2 ranked countries. Both exhibit cheap Valuations and better than average Fundamentals. China has the best Earnings Growth (19% vs country avg. of 11%), followed closely by Korea (17.5%). Korea has the best Growth/PE ratio (1.4x vs a country avg. of 0.6x) followed closely by China (1.2x). We expect these countries to continue to stay at the top of our rankings.

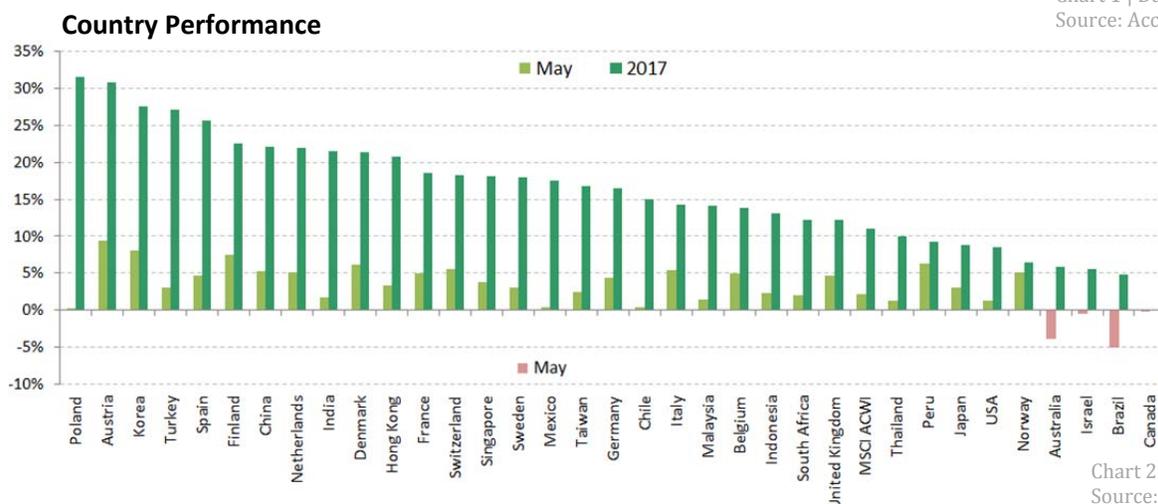


Chart 1 | Data is as of 05.31.17
Source: Accuvest Global Advisors

Chart 2 | Data is as of 05.31.17
Source: MSCI

Country Ranking Model

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

Chart 3 | Data is as of 05.31.17
Source: Accuvest Global Advisors

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

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