

The Country Ranking Model

August 2017

Portfolio Manager Commentary

July Highlights

- Global equities marched higher in July, with the MSCI ACWI up 2.79%. The average country was up 4.64%, and the range of returns for July, between countries, was 13.88%.
- The United States was up 1.99%. Japan performed better, up 2.02%, and Europe as a whole was up 2.99%. The U.S. was the worst performing region, with EM being the best, up 5.96%. Within EM, countries in Latin America were the best, up 8.28% as a whole.
- All country returns YTD are positive. Canada is the worst performing country YTD, up 7.23%. The top countries are Austria (44.47), Poland (42.61), Turkey, (40.24), and China (35.96). The average country is up an amazing 22.52% YTD.

August Rankings

- China's top ranking is supported by an attractive blend of strong Fundamentals, positive Momentum, and low Valuations. China shows strong growth in EPS, Sales, and Leading Economic Indicators. It is ranked 3rd overall in six month USD price momentum (up 27.3% vs. a country avg. of 17%). It also exhibits a forward P/E ratio of 13.5x vs a country avg. of 15x.
- France balances better than average Valuations, Momentum and Fundamentals, with a rapidly improving Risk profile. France's current CDS level is 22% below the 3 month avg. and it is the second least risky country we follow. Valuations are also reasonable (P/B ratio of 1.5x vs. a country avg. of 2x) making it our #5 ranked country.



Country Performance

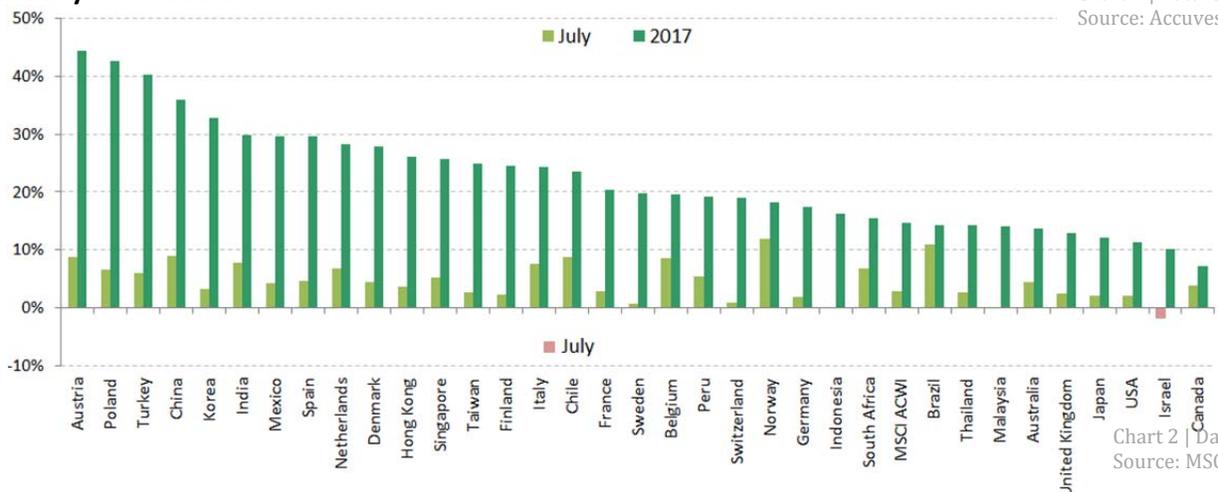


Chart 1 | Data is as of 07.31.17
Source: Accuvest Global Advisors

Chart 2 | Data is as of 07.31.17
Source: MSCI

Country Ranking Model

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

Chart 3 | Data is as of 07.31.17
Source: Accuvest Global Advisors

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

Disclosures

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