GLOBAL CORE EQUITY PORTFOLIO

Benchmark: MSCI ACWI Index

Q3 2017

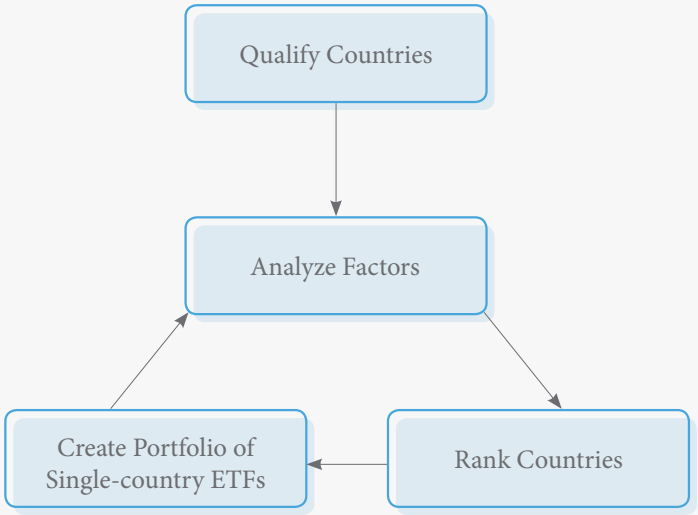
Accuvest Global Advisors

Accuvest Global Advisors serves as an investment advisor to high-net-worth families, foundations and endowments, as well as a sub-advisor to financial institutions.

Our top-down investment process is built on the premise that countries are different, and are worthy of a deep comparative analysis.

AGA has pioneered the use of single-country ETFs in building global portfolios. The Global Core Equity portfolio is our most diversified approach to investing in Global Equities.

Monthly Investment Process



Performance and Value Added Analysis

Accuvest Global Core	+4.84%
MSCI ACWI	+5.19%
MSCI World	+4.84%
Relative Performance	-0.35%

Country Selection	+0.16%
ETF Selection	-0.44%
Interaction Effect	-0.07%
Total Attribution	-0.35%

Helped

- Overweight China
- Overweight France
- Overweight Poland
- Underweight Switzerland

Hurt

- Overweight Turkey
- Overweight South Korea
- Security Selection in Japan
- Security Selection in U.S.

3100 Oak Road #380 • Walnut Creek, California 94597 | T: 925.930.2882 | F: 925.930.2885
accuvest.com | accuvestblog.com | @accuvest

Region & Country Return Summary (in USD)

	JUL	AUG	SEP	Q3 2017
BRAZIL	10.9%	6.3%	4.2%	22.95%
NORWAY	12.0%	2.4%	4.0%	19.20%
RUSSIA	4.1%	8.1%	4.5%	17.58%
CHILE	8.9%	5.4%	1.9%	16.90%
LATIN AMERICA	**8.3%**	**4.6%**	**1.6%**	**15.07%**
CHINA	8.9%	4.2%	1.0%	14.66%
PERU	5.4%	8.5%	-0.3%	14.06%
ITALY	7.5%	1.8%	3.8%	13.68%
AUSTRIA	8.8%	1.6%	1.9%	12.68%
THAILAND	2.7%	4.5%	3.0%	10.51%
POLAND	6.6%	6.7%	-3.9%	9.33%
NETHERLANDS	6.8%	-0.1%	2.4%	9.25%
BELGIUM	8.5%	-1.2%	1.9%	9.24%
FRANCE	2.8%	1.1%	4.3%	8.36%
CANADA	3.9%	0.1%	3.7%	7.92%
EMERGING MARKETS	**6.0%**	**2.2%**	**-0.4%**	**7.89%**
GERMANY	1.8%	0.2%	5.6%	7.74%
DENMARK	4.5%	3.5%	-0.4%	7.71%
EUROPE	**3.0%**	**0.1%**	**3.3%**	**6.45%**
SWEDEN	0.8%	1.5%	3.1%	5.48%
MSCI ACWI	**2.8%**	**0.4%**	**1.9%**	**5.19%**
ASIA PACIFIC	**3.9%**	**0.6%**	**0.6%**	**5.17%**
BRITAIN	2.6%	-0.8%	3.3%	5.17%
HONG KONG	3.7%	1.7%	-0.4%	5.11%
NORTH AMERICA	**2.1%**	**0.2%**	**2.1%**	**4.50%**
UNITED STATES	2.0%	0.3%	2.0%	4.30%
SPAIN	4.7%	-1.2%	0.8%	4.27%
JAPAN	2.0%	-0.1%	2.0%	3.97%
SOUTH AFRICA	6.8%	3.9%	-6.5%	3.80%
FINLAND	2.2%	0.0%	1.0%	3.27%
AUSTRALIA	4.4%	-0.2%	-1.0%	3.14%
SINGAPORE	5.3%	-0.7%	-1.3%	3.11%
PHILIPPINES	2.2%	-2.4%	3.3%	3.03%
INDIA	7.7%	-0.8%	-3.7%	2.95%
SOUTH KOREA	3.2%	-2.5%	2.1%	2.69%
SWITZERLAND	0.9%	-0.9%	2.0%	1.97%
MALAYSIA	0.1%	1.1%	0.6%	1.84%
MEXICO	4.2%	1.0%	-3.6%	1.45%
TAIWAN	2.8%	1.5%	-3.4%	0.83%
TURKEY	6.1%	4.6%	-9.6%	0.33%
NEW ZEALAND	3.0%	-2.5%	-0.6%	-0.14%
INDONESIA	0.2%	-0.5%	-0.8%	-1.07%
ISRAEL	-1.9%	-14.5%	4.0%	-12.71%
COUNTRY AVERAGE	**4.5%**	**1.1%**	**0.8%**	**6.6%**

The range of country returns during Q3 was 35.66%. The best performing country was Brazil (+22.95%) with the worst being Israel (-12.71%).

During Q3 2017, the MSCI ACWI returned 5.19% and the average country returned 6.6%.

Latin America was the best region, returning 15.07%. Emerging Markets followed, returning 7.89%. All regions exhibited positive performance during the quarter.

The United States returned 4.30% during Q3.

Quarterly Attribution Summary

Performance

- Global Core Equity +4.84%
- MSCI ACWI +5.19%
- Relative Performance -0.35%

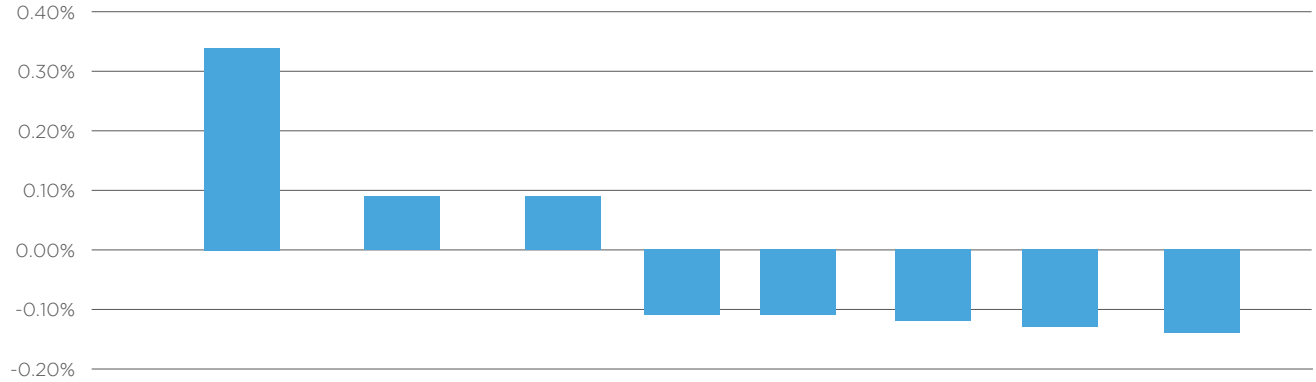
Helped

- Overweight China
- Overweight France
- Overweight Poland
- Underweight Switzerland

Hurt

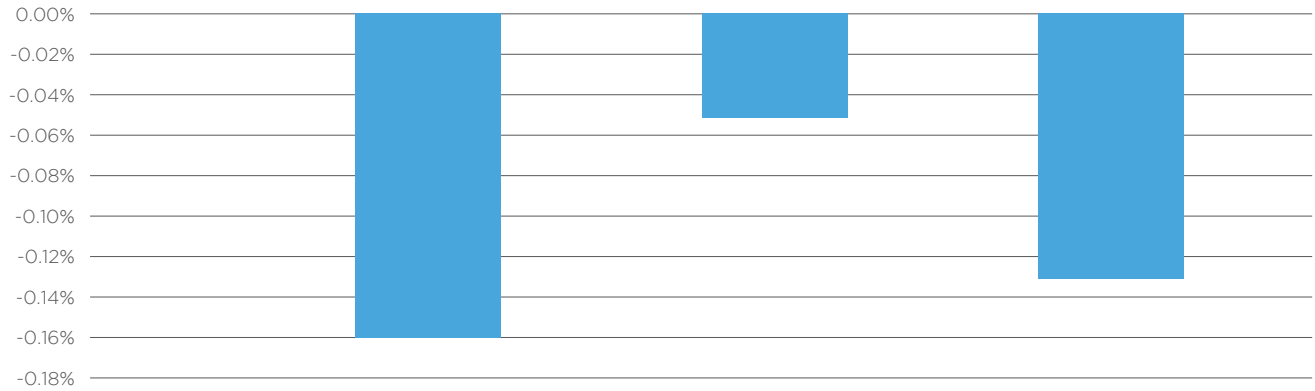
- Overweight Turkey
- Overweight South Korea
- Security Selection in Japan
- Security Selection in U.S.

Attribution by Country – Largest Contributors & Detractors



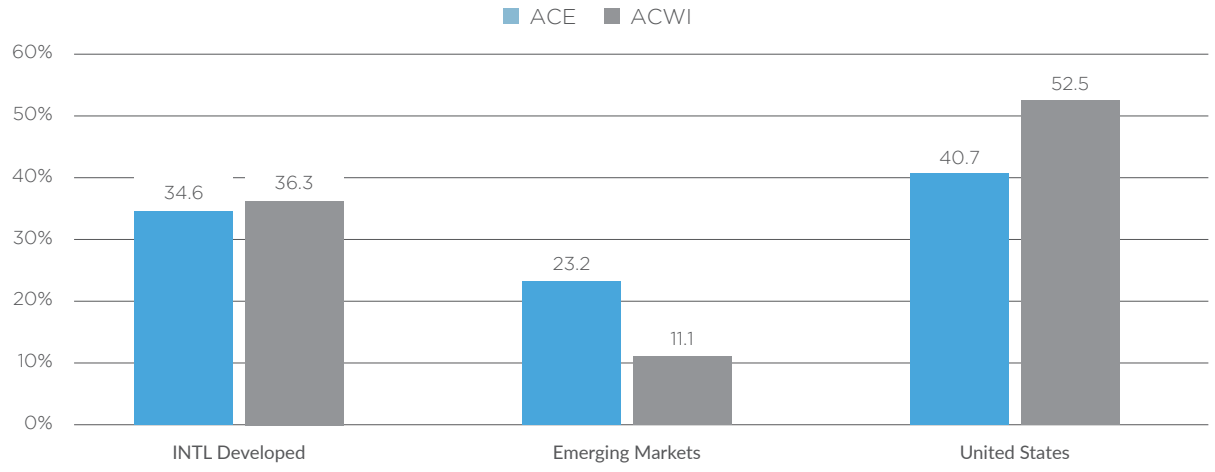
Q3 2017	China	Poland	Switzerland	Taiwan	United States	South Korea	Brazil	Turkey
Total Attribution	+0.34	+0.09	+0.09	-0.11	-0.11	-0.12	-0.13	-0.14
Country Allocation	+0.30	+0.09	+0.09	-0.11	-0.01	-0.06	-0.13	-0.14
Security Selection	+0.04	0.00	0.00	0.00	-0.10	-0.06	0.00	0.00

Attribution by Super Region – Largest Contributors & Detractors

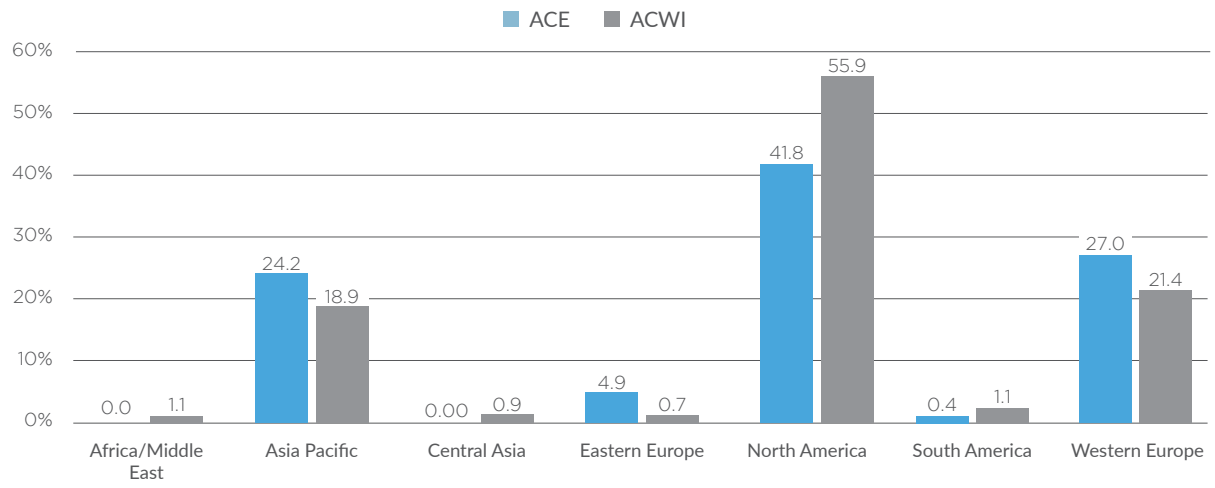


Q3 2017	United States	International Developed	Emerging Markets
Total Attribution	-0.16	-0.05	-0.13
Region Allocation	-0.01	+0.31	-0.08
Security Selection	-0.10	-0.32	-0.02
Interaction Effects	-0.05	-0.04	-0.03

Current Positioning: Super Regions

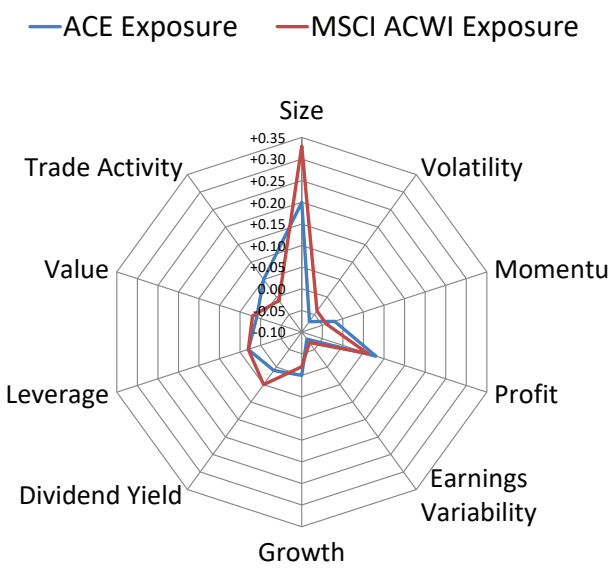


Current Positioning: Regions



Portfolio Characteristics & Factor Exposures

CHARACTERISTIC	ACE	ACWI	+/-
Size	+0.20	+0.33	-0.13
Volatility	-0.07	-0.04	-0.03
Momentum	-0.02	-0.04	+0.02
Profit	+0.08	+0.06	+0.01
Earnings Variability	-0.08	-0.07	-0.01
Growth	0.00	-0.02	+0.02
Dividend Yield	+0.01	+0.05	-0.04
Leverage	+0.03	+0.03	0.00
Value	+0.01	+0.02	-0.01
Trade Activity	+0.05	-0.01	+0.07



Portfolio Weights: Quarter to Quarter Change

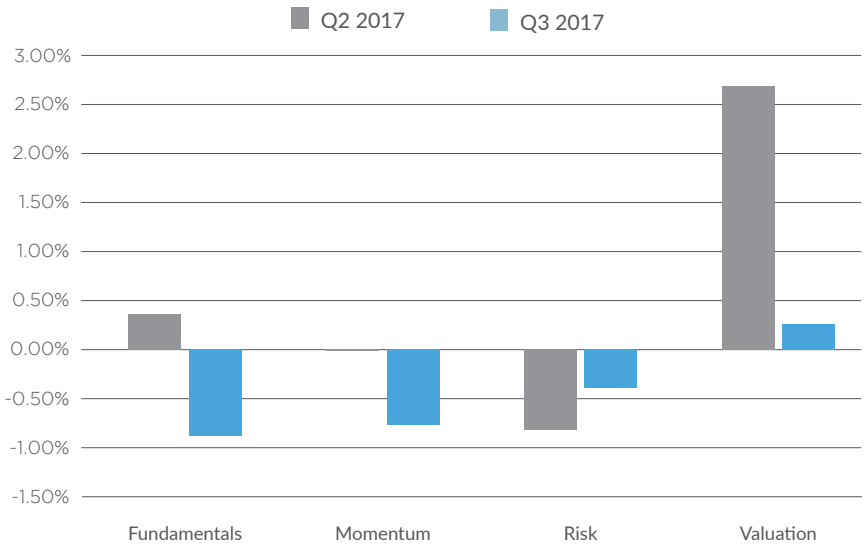
Q2 to Q3 Change	Jun	Sep	Change
China	6.2	8.6	2.4
Taiwan	1.6	3.6	2.0
Sweden	1.4	3.3	1.9
Italy	0.0	1.6	1.6
Hong Kong	0.0	1.6	1.6
Turkey	1.0	2.4	1.4
France	5.8	7.0	1.2
Mexico	0.0	1.1	1.1
Poland	1.5	2.5	1.0
Netherlands	2.2	2.9	0.7
Finland	0.0	0.6	0.6
Malaysia	0.0	0.6	0.6
Thailand	0.0	0.5	0.5
Denmark	1.0	1.5	0.5
Austria	2.0	2.4	0.4
Chile	0.0	0.4	0.4
Cash	1.5	1.8	0.3
United Kingdom	1.2	1.2	0.0
Brazil	0.0	0.0	0.0
Colombia	0.0	0.0	0.0
Czech Republic	0.0	0.0	0.0
Egypt	0.0	0.0	0.0
Greece	0.0	0.0	0.0
Hungary	0.0	0.0	0.0
New Zealand	0.0	0.0	0.0
Peru	0.0	0.0	0.0
Philippines	0.0	0.0	0.0
Portugal	0.0	0.0	0.0
Qatar	0.0	0.0	0.0
Russia	0.0	0.0	0.0
United Arab Emirates	0.0	0.0	0.0
Belgium	0.0	0.0	0.0
Singapore	0.0	0.0	0.0
Ireland	0.0	0.0	0.0
Switzerland	0.0	0.0	0.0
South Africa	0.0	0.0	0.0
India	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0
Norway	0.0	0.0	0.0
Israel	0.0	0.0	0.0
Spain	2.0	1.5	-0.5
Germany	5.8	5.2	-0.6
Canada	0.7	0.0	-0.7
South Korea	4.3	3.5	-0.8
Australia	2.8	0.0	-2.8
Japan	8.8	5.8	-3.0
United States	50.2	40.7	-9.5

Portfolio Weights: Relative to MSCI ACWI Index

Relative Allocations	ACE	ACWI	OW/UW
China	8.6	3.3	5.3
France	7.0	3.5	3.5
Poland	2.5	0.1	2.4
Austria	2.4	0.1	2.3
Turkey	2.4	0.1	2.3
Sweden	3.3	1.0	2.3
Taiwan	3.6	1.4	2.2
Germany	5.2	3.1	2.1
South Korea	3.5	1.7	1.8
Cash	1.8	0.0	1.8
Netherlands	2.9	1.2	1.7
Denmark	1.5	0.6	0.9
Italy	1.6	0.8	0.8
Mexico	1.1	0.4	0.7
Hong Kong	1.6	1.1	0.5
Spain	1.5	1.1	0.4
Chile	0.4	0.1	0.3
Thailand	0.5	0.2	0.3
Malaysia	0.6	0.3	0.3
Finland	0.6	0.3	0.3
Egypt	0.0	0.0	0.0
Czech Republic	0.0	0.0	0.0
Hungary	0.0	0.0	0.0
Greece	0.0	0.0	0.0
Peru	0.0	0.0	0.0
Colombia	0.0	0.0	0.0
Portugal	0.0	0.1	-0.1
New Zealand	0.0	0.1	-0.1
United Arab Emirates	0.0	0.1	-0.1
Qatar	0.0	0.1	-0.1
Philippines	0.0	0.1	-0.1
Ireland	0.0	0.1	-0.1
Norway	0.0	0.2	-0.2
Israel	0.0	0.2	-0.2
Indonesia	0.0	0.3	-0.3
Russia	0.0	0.4	-0.4
Belgium	0.0	0.4	-0.4
Singapore	0.0	0.4	-0.4
South Africa	0.0	0.7	-0.7
Brazil	0.0	0.9	-0.9
India	0.0	0.9	-0.9
Japan	5.8	7.6	-1.8
Australia	0.0	2.3	-2.3
Switzerland	0.0	2.9	-2.9
Canada	0.0	3.1	-3.1
United Kingdom	1.2	6.1	-4.9
United States	40.7	52.5	-11.8

Factor Commentary

- *During Q3, countries with attractive valuations outperformed expensive valuations. Fundamental factors underperformed.*
- *Momentum factors underperformed during Q3. Positive momentum countries generated nice returns, but were outpaced by countries rebounding from negative momentum.*
- *Risk factors underperformed during Q3. Specifically, countries with High FX valuations, High CDS spreads, and High Political Risk outperformed counties with lower risk profiles. The best performing individual indicator during Q3 was decreasing downside volatility. This indicator successfully identified top and bottom performing countries, generating a market neutral return of 2.03% for the quarter.*



Country Spotlight

Rising

CHINA

The Good

China has been a highlight all quarter, and has consistently stayed in the top five of our rankings. This month, China exhibits the #1 rank from both a Fundamental view and a Momentum view. Out of the entire universe, China has the best Earnings growth (27.6% vs a country avg. of 12.8%), Sales/share growth (18.6% vs a country avg. of 3.1%), and the best six and nine month momentum (up 46.2% over the last nine months vs a country avg. of 21%).

The Bad

China exhibits a higher than average Political Risk score, and a Price to Cash earnings of 13.11x vs a country avg. of 10.60.

Falling

JAPAN

The Good

Japan is the fifth cheapest country that we follow. It has one of the cheapest Price to Book ratios at 1.3x vs a country avg. of 2.0x as well as a currently low P/E ratio relative to its last five year history.

The Bad

Japan has deteriorating Fundamentals, poor Momentum, and an increasing Risk profile. Over the last month, Japan saw it's CDS spreads widen the most relative to the other countries. Japan also has depressed returns over the last quarter and year.

DISCLOSURES

This report is strictly informational and should be used for research use only. It should not be construed as advertising material. The opinions expressed are not intended to provide investing or other advice or guidance with respect to the matters addressed in this brochure. All relevant facts, including individual circumstances, need to be considered by the reader to arrive at investment conclusions to comply with matters addressed in this brochure. Charts and information are sourced from Accuvest Global Advisors and the MSCI, unless otherwise noted. Remember that investing involves risks, as the value of your investment will fluctuate over time and you may gain or lose money. You should seek advice from your financial adviser before making investment decisions. Investment risks are borne solely by the investor and not by AGA. AGA is an independent investment advisor registered with the SEC. All disclosures, marketing brochures, and supplemental firm sheets are available upon request.

Benchmark Description: For comparison purposes, the composite is measured against the MSCI All Country World Index Free – Net, a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Global Core Equity Composite was created October 1, 2005. There is no minimum account size for this strategy. Disclosure: Global Core Equity Composite contains all fully discretionary global core equity accounts, including sub-advised accounts. The strategy is composed of 12-20 single country ETFs and is "benchmark sensitive." The strategy takes overweight positions in countries which score high in AGA's proprietary country ranking model and takes underweight positions in countries which score low in the model. The Global Core Equity strategy was incepted July 1, 2005. Accuvest Global Advisors is an independent investment advisor registered with the SEC. The firm maintains a complete list and description of composites, which is available upon request by contacting Dustin Blodgett at 925-930-2882. All performance is reported in U.S. Dollars. AGA does not use leverage or derivatives in this strategy. Returns are presented gross of management fees, gross of transaction fees, and include the reinvestment of all income. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. Additional information regarding the policies for calculating and reporting returns is available upon request. Withholding taxes may vary according to the investor's domicile. MSCI All Country World Index Free - Net uses withholding tax rates applicable to US holding companies. The investment management fee schedule for the composite is 1% on the first $1 Million, 0.75% on $1 Million to $5 Million, and 0.50% above $5 Million. Actual investment advisory fees incurred by clients may vary. Past performance is not indicative of future results. This performance sheet is presented as a supplement to the attached GIPS Presentation for the Accuvest Core Equity composite.