

## CHILEAN PRESIDENTIAL ELECTIONS: TO DESTROY IS EASIER THAN TO CREATE

BOSTON, MA – 11/14/2021 – Vitaly Veksler, CEO and Portfolio Manager at Beyond Borders Investment Strategies, LLC (BBIS), shared his thoughts on the presidential election in Chile, the main driver of stock market performance in the top-performing country during last week and in November 2021 (*see columns two and three in the Performance Tables section at the end of the report*). He also focused on several other leaders among the 50 country stock market indices in BBIS' research universe at the end of the second week of November.

### **Chile's Stock Market Surges in Line with the Pro-Business Presidential Candidate Rise in Polls:**

The MSCI Chile index continued its surge in November. During the first two weeks of this month, the index had total returns (price appreciation plus dividends) of 12.3%, far ahead of the MSCI Philippines in the second place with 6.3%, and more than twice the impressive returns of 6.1% posted by the MSCI United Arab Emirates in the third place. In the last presidential polls before the first round of the presidential elections on November 21, 2021, José Antonio Kast, a right-wing candidate friendly to the markets, received the support of 27.3% of people participating in the *Pulso Ciudadano* poll published on November 6. <sup>1</sup> Mr. Kast's lead over his main rival, Gabriel Boric, a left-wing candidate supported by 23.7% of the polled people, was 3.6%. <sup>2</sup> The *Cadem* opinion poll, which surveyed 1,010 people, demonstrated an even more substantial lead – 6% – for Mr. Kast. He received support of 25% of the potential voters to Gabriel Boric's support of 19%. The *Cadem* poll also showed that José Antonio Kast would get the support of 44% of the vote in a hypothetical head-to-head against Boric, who received 40% in a second-round vote. <sup>3</sup>

Even the last-minute pre-election impeachment by the left-wing Congress members of the sitting center-right President Sebastian over “possible” irregularities in the sale of a mining company all the way back in 2010 have not negatively impacted the stock market on November 9. <sup>4</sup> The deal had previously been examined and dismissed by courts in 2017. The timing of the impeachment makes it likely that the left-wing Congress members tried to link President Pinera to Jose Antonio Kast. Judging by the market's response, or really lack of it, this political exploit did not work. The MSCI Chile index increased in value in the US Dollar terms on November 10 (0.5% vs. the November 9 level) and November 11 (1.0% vs. the November 9 level). On November 12, the MSCI Chile declined by 0.7% compared to its November 9 level, but this decline may not be connected to the impeachment. In my opinion, the impeachment's negative impact would have been much more immediate (November 10 or November 11).

**A Political Revolutionary Presidential Candidate Scares Markets:** In my opinion, the markets reacted so positively to José Antonio Kast's surge because of their antipathy to his rival, Gabriel Boric. Mr. Boric famously or infamously, depending on one's political views, threatened to destroy the neoliberal economy that made Chile one of the most successful economies, if not the most successful economy in Latin

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<sup>1</sup> Natalia A. Ramos Miranda, NASDAQ, “Chile Conservative Kast Maintains Lead in Final Pre-Election Opinion Polls,” November 6, 2021.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Natalia A. Ramos Miranda, Reuters, “Chile Impeachment Vote Heads to Senate After Lower-House Approval,” November 9, 2021.

America. “Currently, Chile’s economy ranks 19<sup>th</sup> highest in the world in the 2021 Index of Economic Freedom and first in Latin America.”<sup>5</sup>

*“If Chile was the cradle of neoliberalism, it will also be its grave,”* said Boric shortly after becoming the presidential candidate of the left *Apruebo Dignidad* (Approve Dignity) coalition that included the Communist Party and parties representing various forms of socialism.<sup>6 7</sup> Chile’s neoliberal economy was built along the economic blueprint developed by the ‘Chicago Boys’ under President Augusto Pinochet. The authors of the neoliberal economic reforms were called the ‘Chicago Boys’ because a number of them studied economics at the University of Chicago.<sup>8</sup> Miguel Kast, a brother of José Antonio Kast, was among ‘Chicago Boys.’ The neoliberal program was based on economic reforms implemented by the ‘Chicago Boys’ with three main objectives: economic liberalization, privatization of state-owned companies, and inflation stabilization.<sup>9</sup> The reforms were highly successful from an economic standpoint. For example, the country’s annual inflation dropped from 150% in 1972 (the last year under the Socialist President Salvador Allende) to just 1.9% in September 2019, the last month before massive protests against inequality started and pushed inflation to 2.7% in October 2019.<sup>10 11</sup> The impact of ongoing COVID-19, such as the global supply chain management, and a ten-percent Chilean Peso’s depreciation vs. the US Dollar from the end of September 2019 to the end of October 2021, were among the reasons that pushed inflation to 6.2% in October 2021.<sup>12 13</sup>

However, the economic reforms were done under President Augusto Pinochet, whose government brutally repressed its political rivals.<sup>14</sup> His name became a synonym for cruelty in many countries around the world. Also, while Chile successfully reduced poverty – between 1987 and 2017, the poverty level dropped from 52% of the population to 3.6% - the reforms created inequality.<sup>15</sup> Chile is a country with the second-highest level of inequality (just behind Costa Rica) among the thirty-eight members of the Organization for Economic Co-operation and Development (OECD).<sup>16</sup>

Despite Chile’s past problems, and which country does not have them, it does not sound logical to destroy the neoliberal system, which brought the country so much success, rather than to improve the system. Gabriel Boric came to prominence as a student protest leader in 2011.<sup>17</sup> As Ivan Klima, a Czech novelist and playwright, said about protesters, *“To destroy is easier than to create, and that is why so many people are ready to demonstrate against what they reject. But what would they say if one asked them what they wanted instead?”*<sup>18</sup>

**New Program is Not Dissimilar from the Old Failed One:** Unfortunately, Boric’s program is not very dissimilar from the Chilean Socialist President Salvador Allende that led to very high inflation and low

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<sup>5</sup> Wikipedia, Index of Economic Freedom. Downloaded on November 14, 2021.

<sup>6</sup> Blaze Trends, Blaze Trends, “Who Are the Nine Candidates for the President of Chile,” August 24, 2021.

<sup>7</sup> Wikipedia, Apruebo Dignidad. Downloaded on November 14, 2021.

<sup>8</sup> Wikipedia, Chicago Boys.

<sup>9</sup> Wikipedia, Miracle of Chile. Downloaded on November 14, 2021.

<sup>10</sup> Ibid.

<sup>11</sup> Refinitiv, Datastream. Chile’s CPI inflation for September and October 2019.

<sup>12</sup> Refinitiv, Datastream. Chilean Peso vs. the US Dollar Rate, September 2019 - October 2021.

<sup>13</sup> Refinitiv, Datastream. Chile’s CPI inflation for October 2021.

<sup>14</sup> Wikipedia, “Augusto Pinochet.” Downloaded on November 14, 2021.

<sup>15</sup> Macrotrends, “Chile Poverty Rate 1987-2021.” Downloaded on November 14, 2021.

<sup>16</sup> OECD, “Income Inequality – Gini Coefficients.” Downloaded on November 14, 2021.

<sup>17</sup> Wikipedia. Gabriel Boric. Downloaded on November 12, 2021.

<sup>18</sup> Goodreads, Ivan Klima, Quotes. Downloaded on November 14, 2021.

wellbeing in the country in the early 1970s. Unlike successful centrist programs that spread benefits to people across the society, Gabriel Boric's program includes 53 priorities that can be categorized as a wish list of his supporters. It would be paid for by existing and new taxes imposed on the rest of the society – business people, job-creators, enterprises, and the wealthy. Their role is just to finance spending that benefits others. His program, a 227-page document, was drawn up after consultations with around 33,000 people from all over Chile. <sup>19</sup> Of course, who would not ask for everything under the moon as long as it is paid for by somebody else?

Gabriel Boric's program includes 53 priorities, many of which are expensive and difficult to implement. So many priorities in a political program raise a question of whether a person who did not manage to complete his education at the University of Chile's Law School, one priority that he personally had, with no professional experience outside of protesting and politics, would be able to lead others in completing so many challenging reforms. <sup>20</sup> For example, he wants to develop a universal health system that does not discriminate according to the ability to pay and equalizes the quality of service across society. <sup>21</sup> Some people would have to pay for medical care, while many would receive precisely the same care for free or close to it. While one can understand if universal healthcare, a giant undertaking in itself, was the one or maybe three or five top priorities that the Boric government would focus on, it is just one of the 53 priorities.

Another "tiny" undertaking contained in the program includes "creation of a popular real estate agency to prevent excessive increases in sale and rental prices" (rent control?), "and building 260,000 decent homes." Rent control has been proven detrimental to societies as it results in shortage and dilapidation of housing. Without rent control, landlords charge market rates for their apartments or rental houses. However, with rent control, when rental property owners cannot charge market rates for their properties, potential landlords are reluctant to buy existing rental properties and developers to build them. This reluctance always leads to a shortage of rental properties. Also, the landlords do not have incentives to maintain existing properties because they would not get higher rents. If existing tenants are not happy and leave, the landlords would not have problems finding other tenants for their "cheap" properties. In addition, who would finance building 260,000 'decent' homes?

The most controversial of all, Mr. Boric proposed eliminating the AFPs, Chile's pension system run by private pension funds, and creating a national public pension system instead. <sup>22</sup> The AFPs pension system helped make Chile a pillar of stability in an unstable neighborhood. Chile's pension system has been studied by financial authorities and economists from all over the world as a "best practice" in administering pension systems. Gabriel Boric's program allocates four and a half pages out of 229 pages in total in his programs to present his proposal on pensions. <sup>23</sup> That's it. Mr. Boric dedicated only four and a half pages to 'reforming,' or more like destroying, one of the most important elements of the country's stability. His proposal not to allow Chileans to make mandatory pension contributions to the AFPs would likely lead to the AFPs system's bankruptcy. The AFPs charge commissions on money flows into the pension system every month. They do not charge commissions on the balance, or stock, of the

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<sup>19</sup> David Meléndez Tormen, *Pressenza*, "Chile: Launching of Gabriel Boric's Government Programme," November 11, 2021.

<sup>20</sup> Wikipedia. Gabriel Boric. Downloaded on November 12, 2021.

<sup>21</sup> David Meléndez Tormen, *Pressenza*, "Chile: Launching of Gabriel Boric's Government Programme," November 11, 2021.

<sup>22</sup> *Ibid.*

<sup>23</sup> *Today-in-24*, "The Risk that Boric's Program Hides Due to the End of the AFPs," November 8, 2021.

accumulated pension savings.<sup>24</sup> By not allowing people to contribute to the AFPs, Mr. Boric proposes to destroy the AFPs' revenue stream.

Currently, Chileans must contribute 10% of their incomes to the pension system and receive pension payments proportional to their contributions.<sup>25</sup> In the future, in Mr. Boric's world, the state-run pension system would make universal pension payments equal to the minimum wage to all Chileans, regardless of whether they worked and made contributions into the pension system or not.<sup>26</sup> This Universal Basic Pension of \$250 per month (\$3,000 per year) would be created for all people, regardless of their pension contributions to date.<sup>27</sup> According to the platform, "workers who currently do not have any funds in their individual savings accounts will automatically enter the new system, and their pension will be financed entirely with the Solidarity Pension Fund, which will be calculated based on contributions, with recognition of unpaid care work and subsidizing those with periods of unemployment."<sup>28</sup> Clearly, the state would have to make pensions payments that it does not do now. The state would have to finance these payments through higher taxes on the wealthy and businesses, extra borrowing, or printing new money. The first measure would lower incentives to keep cash and invest it in the country leading to capital flight and lower productivity. The second and third measures may negatively impact the country's financial stability and would both lead to higher inflation.

It is also unclear what would happen to the pension contributions already in the system. After reading four pages devoted to the topic, the AFP Association responded that "we do not know the implications and details of the proposals of the Gabriel Boric Government program with regard to the stock of savings from the pension funds that would remain in the administration of the AFPs and we are waiting for the implications of this approach to be made transparent."<sup>29</sup>

**The Attack on the Tried-and-True Economic Policies Is Not Unique to Chile or Emerging Markets:** This cavalier treatment to making massive, often totally unpopular changes to the financial service industry is not unique to Chile these days. The draconian provision that the US Treasury Department came up with to finance the "Build Back Better" spending package, also known as the Democrat Budget Reconciliation package, falls into the same category. According to the provision, the banks had to report gross inflows and outflows to and from another bank account with the same owner for all US bank accounts with \$600 in annual transactions or total assets. This provision was supposed to help the IRS collect around \$460 billion over the next decade was just one-page-and-six-lines long.<sup>30</sup> In my opinion, this provision can lead not only to permanent outflows of much larger funds from the US. It may even threaten the US Dollar's status as the world's premier reserve currency. There are multiple problems with this provision. Think even about one – cybersecurity. There are no completely secure databases. With its information on almost all bank accounts in the United States, the IRS database would become a Holy Grail for cybercriminals and spies of all types. I do not think domestic and especially foreign investors would want to keep their money in the US banks or investment firms if the provision is adopted. I wrote about the provision's negative potential impact on the US Dollar on Slides 28-41 in a report titled

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<sup>24</sup> Ibid.

<sup>25</sup> Wikipedia, "Pensions in Chile." Downloaded on November 14, 2021.

<sup>26</sup> AX Legal, "Chile Elections – Boric and Sichel Platforms," July 2021.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> Today-in-24, "The Risk that Boric's Program Hides Due to the End of the AFPs," November 8, 2021.

<sup>30</sup> US Department of the Treasury, Revenue Proposals, "General Explanations of the Administration's Fiscal Year 2022 Revenue Proposals," Pages 88-89, May 2021.

“Potential Change of Leadership from US and Growth Stocks to International and Value Stocks in 2021-2023.”<sup>31</sup> Below is a link to the report:

<http://bbstrategies.com/our-publications--events/report-potential-change-of-leadership-from-us-and-growth-stocks-to-international-and-value-stocks-in-2021-2023>

**Common Problems of Transformational Economic and Political Programs:** The problem with “transformational” programs with multiple priorities, often unproven and unachievable, is that they involve a lot of spending and often result in higher debt levels and runaway inflation for countries that adopt them. Below are two common scenarios that happen time and again. A Presidential Candidate promises the ‘Haven on Earth’ program to his supporters. A large part of the program, if not all of it, is almost always financed by other people’s money. This money may not materialize because of the capital flight from the country. The newly-elected President finds themselves at a crossroads. There are two paths. One is a short but damaging one for the President. They say that despite the campaign promises, they can concentrate on just several priorities. The President may lose popularity because some disappointed supporters may leave due to the broken promises. However, the President can implement one or two priorities. Another path for the President is to continue pursuing all priorities. Most always, there is not enough money for these priorities. If they control currency, the President and his supporters start their printing presses and create enough new money out of thin air to cover some of their priorities. If not, they borrow money from others. Some Presidents do both.

The toxic combination of printing money and high debt starts inflation. The local currency depreciates, imports become more expensive, and inflation accelerates. And if the country imports a lot, inflation rages and destroys citizens’ savings. People become disenchanted, and their level of wellbeing drops significantly. The President is not reelected and has to leave their post. To stop inflation, the new President has to start austerity measures to conquer inflation. They may raise interest rates. The economy slows, people whose savings were already decimated by inflation cannot find jobs. Thus, despite the President’s good intentions, the pursuit of multiple priorities that the country cannot afford leaves everyone worse off.

The program written by Mr. Boric and his supporters does not propose anything to make the lives of job creators - business owners and enterprises of various sizes - better. Instead, he proposed increasing taxes not only on the country’s super-rich (0.01% of the population) but also on small and medium-sized enterprises.<sup>32</sup> He also wants to impose new mining royalties.<sup>33</sup> It is a pure socialist redistribution program aimed not at increasing the size of the economy that would benefit all people willing to work. Instead, the program would redistribute a smaller economic pie – the economy usually shrinks, and capital leaves the country when authorities increase taxes – with a more significant piece going to his supporters. It is not surprising that the markets support José Antonio Kast.

**Change of the Leader on the Year-to-Date Basis:** Strong performance of the MSCI United Arab Emirates (UAE) index during the second week of November allowed it to maintain leadership on a year-to-date basis. Its total 2021 performance was 47.5% as of November 12, 2021 (*see the Performance Tables section at the end of the report*). The MSCI UAE index leads the MSCI Saudi Arabia with total

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<sup>31</sup> Vitaly Veksler, Beyond Borders Investment Strategies, “Potential Change of Leadership from US and Growth Stocks to International and Value Stocks in 2021-2023,” September 28, 2021.

<sup>32</sup> David Meléndez Tormen, *Pressenza*, “Chile: Launching of Gabriel Boric’s Government Programme,” November 11, 2021.

<sup>33</sup> *Ibid.*



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CHILEAN PRESIDENTIAL ELECTIONS: TO DESTROY IS EASIER THAN TO CREATE  
NOVEMBER 14, 2021

returns of 46.4% by 1.1%. The MSCI Austria index is in third place with total returns of 40.5%. The MSCI Argentina is in fourth place with 37.7%. The oil price is the primary driver of the long-term performance of the MSCI UAE and Saudi Arabia indices. It is also important for the MSCI Austria, where the weight of the Energy sector is 24.29% of the total index's weight as of the end of October.<sup>34</sup>

While MSCI Austria and MSCI Argentina's returns are impressive on a year-to-date basis, both indices lost ground versus the other leaders. Last week, MSCI Argentina (in second place) and MSCI Austria (in fourth place) were less than 1% behind the leader, MSCI UAE. Here is a link to the last week's report, "The Four-Country Race":

<http://bbistrategies.com/our-publications--events/the-four-country-race>

During the second week of November (November 8 – November 12), the performance of both MSCI Austria and MSCI Argentina was negative. While the Austrian market declined by 1.8%, the MSCI Argentina Index dropped by 4.0%.

Rising COVID cases may explain the MSCI Austria index's negative performance. As of November 12, there were 11,798 new cases compared to 910 new cases on October 5, just a month and a week ago.<sup>35</sup> It is difficult to identify the most important factor driving the performance of a market when the performance is not very different from zero in either direction.

As I said in the last report, the performance of the MSCI Argentina index is mainly driven by the performance of Globant stock. It represents more than 88% of the index's weight as of the end of October.<sup>36</sup> The stock traded at a stratospheric Price-to-Trailing-12-Months-Earnings (P/E) ratio of 156.22 on November 12.<sup>37</sup> This P/E ratio is exceptionally high in absolute terms and close to the top of the trading range for Globant SA's stock (GLOB). At these levels of valuations, both GLOB's valuations and stock prices can be very volatile. I believe that even though the software development company's revenue growth is impressive (26.4% per year) and its client base is diversified and includes many leaders in their fields, the stock's valuation is too high.<sup>38</sup>

Please let me know if you have any questions about BBIS, the firm's investment strategies, or would like to invest some of your funds with the firm. Thank you.

Best regards,  
Vitaly Veksler, CFA  
CEO & Portfolio Manager  
Beyond Borders Investment Strategies, LLC  
[vveksler@bbistrategies.com](mailto:vveksler@bbistrategies.com)

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<sup>34</sup> MSCI Austria Index, Factsheet, October 29, 2021.

<sup>35</sup> Google, COVID Cases in Austria, JHU CSSE COVID-19 Data. Downloaded on November 14, 2021.

<sup>36</sup> MSCI Argentina Index, Factsheet, October 29, 2021.

<sup>37</sup> YCharts, Globant P/E Ratios. [https://ycharts.com/companies/GLOB/pe\\_ratio](https://ycharts.com/companies/GLOB/pe_ratio). Downloaded on November 14, 2021.

<sup>38</sup> Widealpha, Seeking Alpha, "Globant SA: Fast Growing But Extremely Overvalued," November 6, 2021.

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**CHILEAN PRESIDENTIAL ELECTIONS: TO DESTROY IS EASIER THAN TO CREATE**  
**NOVEMBER 14, 2021**

**PERFORMANCE TABLES**

Year to Date October 29, 2021			Month to Date November 12, 2021		Week Nov 8 - Nov 12, 2021			Year to Date November 12, 2021			
1	Saudi Arabia	43.0%	1	Chile	12.3%	1	Chile	4.1%	1	UAE	47.5%
2	UAE	39.1%	2	Philippines	6.3%	2	Brazil	3.8%	2	Saudi Arabia	46.4%
3	Russia	37.6%	3	UAE	6.1%	3	China	3.5%	3	Austria	40.5%
4	Austria	36.7%	4	Brazil	5.8%	4	Peru	3.3%	4	Argentina	37.7%
5	Argentina	34.6%	5	Israel	4.5%	5	UAE	2.4%	5	Netherlands	34.9%
6	Netherlands	31.9%	6	Turkey	4.5%	6	Saudi Arabia	2.3%	6	Russia	32.5%
7	Norway	27.8%	7	India	4.3%	7	Israel	2.1%	7	India	31.3%
8	Canada	27.2%	8	Austria	2.8%	8	India	2.1%	8	Canada	29.8%
9	Vietnam	26.0%	9	Taiwan	2.8%	9	Philippines	1.9%	9	Norway	29.4%
10	India	25.9%	10	Egypt	2.7%	10	Denmark	1.8%	10	USA (S&P 500)	26.2%
11	USA (S&P 500)	24.0%	11	Switzerland	2.6%	11	Thailand	1.7%	11	Sweden	25.6%
12	USA (MSCI)	23.4%	12	France	2.4%	12	Taiwan	1.2%	12	USA (MSCI)	25.5%
13	Sweden	22.7%	13	Saudi Arabia	2.4%	13	Qatar	0.9%	13	Vietnam	24.7%
14	Denmark	20.6%	14	Japan	2.3%	14	Indonesia	0.8%	14	Denmark	22.4%
15	Taiwan	17.7%	15	Argentina	2.3%	15	Nigeria	0.6%	15	Taiwan	21.0%
16	France	17.6%	16	Sweden	2.3%	16	Switzerland	0.6%	16	France	20.4%
17	Qatar	16.9%	17	Netherlands	2.3%	17	Canada	0.5%	17	Qatar	19.4%
18	United Kingdom	16.7%	18	Qatar	2.1%	18	Turkey	0.3%	18	Israel	18.5%
19	Poland	16.3%	19	Canada	2.0%	19	South Korea	0.3%	19	Italy	17.4%
20	Italy	15.5%	20	Thailand	1.7%	20	Portugal	0.2%	20	Mexico	16.4%
21	Mexico	15.3%	21	USA (S&P 500)	1.7%	21	United Kingdom	0.0%	21	Switzerland	16.3%
22	Singapore	14.0%	22	USA (MSCI)	1.7%	22	Ireland	0.0%	22	United Kingdom	16.1%
23	Israel	13.3%	23	Italy	1.6%	23	Sweden	0.0%	23	Singapore	15.0%
24	Switzerland	13.3%	24	Denmark	1.5%	24	USA (MSCI)	-0.2%	24	Poland	12.1%
25	Greece	11.5%	25	South Africa	1.4%	25	USA (S&P 500)	-0.3%	25	Greece	11.5%
26	Australia	11.5%	26	Peru	1.3%	26	Malaysia	-0.3%	26	Australia	10.6%
27	Ireland	9.7%	27	Germany	1.2%	27	Japan	-0.3%	27	Germany	8.6%
28	Finland	8.1%	28	China	1.2%	28	France	-0.4%	28	Finland	8.2%
29	Germany	7.3%	29	Norway	1.2%	29	Netherlands	-0.4%	29	Ireland	7.7%
30	Spain	7.1%	30	Mexico	0.9%	30	Hong Kong	-0.6%	30	Egypt	7.5%
31	Portugal	6.0%	31	Singapore	0.9%	31	Vietnam	-0.7%	31	Spain	6.3%
32	Nigeria	5.8%	32	Nigeria	0.1%	32	Singapore	-0.8%	32	South Africa	6.1%
33	Egypt	4.7%	33	Finland	0.1%	33	Germany	-0.9%	33	Nigeria	6.0%
34	South Africa	4.6%	34	Greece	0.0%	34	South Africa	-1.0%	34	Japan	5.0%
35	Indonesia	4.4%	35	Belgium	-0.2%	35	Greece	-1.1%	35	Belgium	3.8%
36	Belgium	4.1%	36	South Korea	-0.3%	36	Finland	-1.2%	36	Indonesia	3.8%
37	Japan	2.6%	37	United Kingdom	-0.6%	37	Italy	-1.3%	37	Portugal	3.3%
38	Hong Kong	0.9%	38	Indonesia	-0.6%	38	Australia	-1.3%	38	Philippines	2.3%
39	Thailand	-1.2%	39	Spain	-0.7%	39	Spain	-1.3%	39	Thailand	0.5%
40	Philippines	-3.8%	40	Australia	-0.8%	40	Egypt	-1.4%	40	Hong Kong	-0.6%
41	Malaysia	-5.6%	41	Vietnam	-1.0%	41	Norway	-1.4%	41	Chile	-1.8%
42	Colombia	-8.9%	42	Hong Kong	-1.5%	42	Mexico	-1.5%	42	Malaysia	-8.2%
43	South Korea	-9.4%	43	Ireland	-1.8%	43	Austria	-1.8%	43	South Korea	-9.6%
44	New Zealand	-11.7%	44	Portugal	-2.6%	44	Belgium	-2.1%	44	China	-12.9%
45	Chile	-12.6%	45	Malaysia	-2.7%	45	Colombia	-2.9%	45	Colombia	-13.5%
46	China	-14.0%	46	New Zealand	-2.8%	46	New Zealand	-3.5%	46	New Zealand	-14.1%
47	Pakistan	-14.4%	47	Poland	-3.6%	47	Argentina	-4.0%	47	Brazil	-14.9%
48	Peru	-17.7%	48	Russia	-3.7%	48	Russia	-4.0%	48	Turkey	-15.4%
49	Turkey	-19.1%	49	Colombia	-5.0%	49	Poland	-5.2%	49	Peru	-16.7%
50	Brazil	-19.6%	50	Pakistan	-5.9%	50	Pakistan	-6.0%	50	Pakistan	-19.5%

Sources: Refinitiv, Beyond Borders Investment Strategies (BBIS). Used MSCI country index performance for 48 countries - all but the US. The US performance is represented by MSCI USA and S&P 500 indices. All performance series measure total returns of US Dollar-denominated indices.

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