

Country Insights Country Strength Index, October 2011

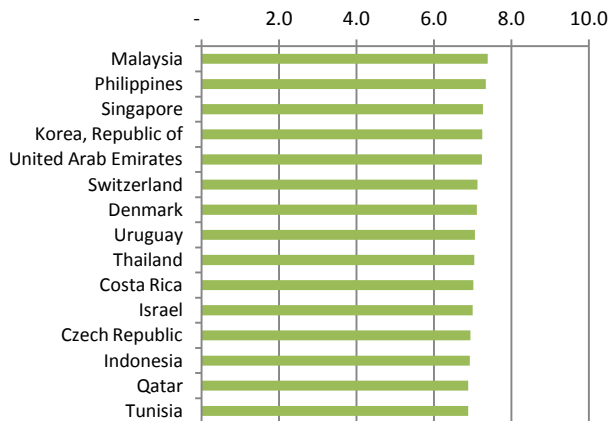
Country	Rank	Score	Country	Rank	Score	Country	Rank	Score
Malaysia	1	7.4	Albania	56	6.2	Kenya	111	5.6
Philippines	2	7.3	Slovakia	57	6.2	Belize	112	5.5
Singapore	3	7.3	Rwanda	58	6.2	Libya	113	5.5
Korea, Republic of	4	7.2	Vietnam	59	6.2	Moldova	114	5.5
United Arab Emirates	5	7.2	Guyana	60	6.1	Bhutan	115	5.5
Switzerland	6	7.1	Estonia	61	6.1	Montenegro	116	5.5
Denmark	7	7.1	Cyprus	62	6.1	Senegal	117	5.5
Uruguay	8	7.1	Cambodia	63	6.1	Mongolia	118	5.5
Thailand	9	7.0	Bahrain	64	6.1	Burundi	119	5.4
Costa Rica	10	7.0	Papua New Guinea	65	6.1	Lebanon	120	5.4
Israel	11	7.0	Kazakhstan	66	6.1	Spain	121	5.4
Czech Republic	12	6.9	Morocco	67	6.1	Central African Republic	122	5.4
Indonesia	13	6.9	Ecuador	68	6.0	Mali	123	5.4
Qatar	14	6.9	Turkey	69	6.0	Jamaica	124	5.4
Tunisia	15	6.9	Malawi	70	6.0	Tajikistan	125	5.3
Norway	16	6.9	Croatia	71	6.0	Botswana	126	5.3
Saudi Arabia	17	6.9	Latvia	72	6.0	Niger	127	5.3
Chile	18	6.8	Benin	73	6.0	Portugal	128	5.3
Oman	19	6.8	Barbados	74	6.0	Sao Tome and Principe	129	5.3
Gambia, The	20	6.8	Lao PDR	75	6.0	Mozambique	130	5.3
Brunei Darussalam	21	6.8	Macedonia	76	6.0	Tanzania	131	5.3
New Zealand	22	6.8	Ireland	77	6.0	Italy	132	5.3
Mauritius	23	6.7	Namibia	78	5.9	Armenia	133	5.3
Sweden	24	6.7	Lithuania	79	5.9	Swaziland	134	5.3
Peru	25	6.7	Uganda	80	5.9	Iran	135	5.2
United States	26	6.7	Uzbekistan	81	5.9	Timor-Leste	136	5.2
Hong Kong	27	6.6	United Kingdom	82	5.9	Myanmar	137	5.2
Australia	28	6.6	Paraguay	83	5.9	Lesotho	138	5.2
China	29	6.6	Ghana	84	5.9	Pakistan	139	5.2
Finland	30	6.6	Romania	85	5.9	Afghanistan	140	5.1
Iceland	31	6.6	Bulgaria	86	5.9	Nicaragua	141	5.1
Mexico	32	6.6	Syria	87	5.9	Djibouti	142	5.1
Kuwait	33	6.5	Serbia	88	5.9	Ukraine	143	5.1
Canada	34	6.5	Algeria	89	5.9	Guinea-Bissau	144	5.1
Colombia	35	6.5	Hungary	90	5.8	Nigeria	145	5.0
Germany	36	6.4	Madagascar	91	5.8	Cote d'Ivoire	146	5.0
Jordan	37	6.4	El Salvador	92	5.8	Ethiopia	147	4.9
Argentina	38	6.4	Cameroon	93	5.8	Greece	148	4.8
Brazil	39	6.4	Turkmenistan	94	5.8	Zimbabwe	149	4.8
Azerbaijan	40	6.4	France	95	5.8	Eritrea	150	4.8
Netherlands	41	6.4	Gabon	96	5.8	Sierra Leone	151	4.8
Poland	42	6.4	South Africa	97	5.8	Chad	152	4.8
Luxembourg	43	6.3	Malta	98	5.7	Haiti	153	4.7
Austria	44	6.3	Georgia	99	5.7	Angola	154	4.7
Dominican Republic	45	6.3	Burkina Faso	100	5.7	Liberia	155	4.7
Japan	46	6.3	Suriname	101	5.7	Belarus	156	4.7
Belgium	47	6.3	India	102	5.7	Congo	157	4.5
Trinidad and Tobago	48	6.3	Egypt	103	5.7	Congo, Dem. Rep.	158	4.4
Bahamas, the	49	6.3	Nepal	104	5.7	Yemen	159	4.4
Panama	50	6.3	Bolivia	105	5.7	Iraq	160	4.4
Bangladesh	51	6.2	Venezuela	106	5.7	Mauritania	161	4.4
Slovenia	52	6.2	Kyrgyz Republic	107	5.7	Sudan	162	4.3
Guatemala	53	6.2	Honduras	108	5.6	Guinea	163	4.0
Bosnia and Herzegovina	54	6.2	Russia	109	5.6	Equatorial Guinea	164	3.6
Sri Lanka	55	6.2	Zambia	110	5.6			

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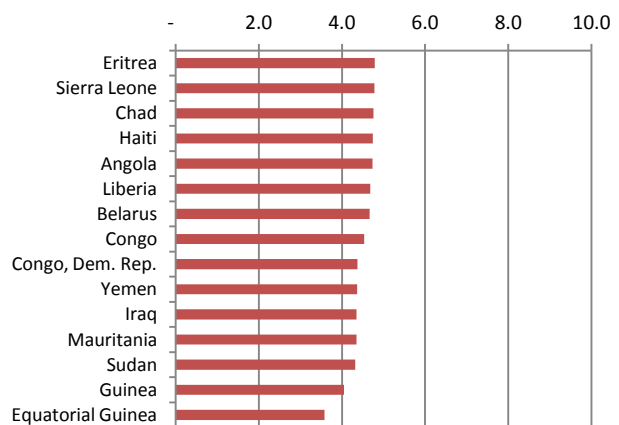
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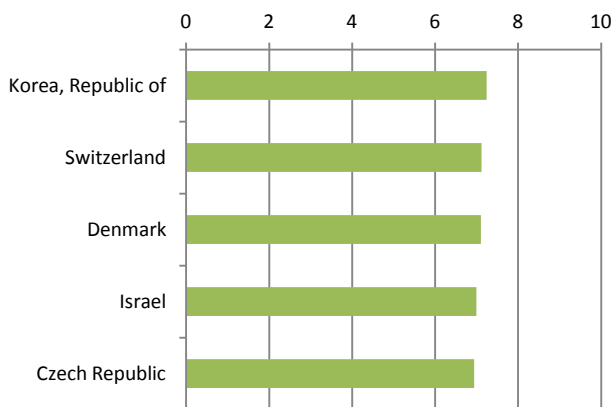
■ Top 15 countries, Country Strength Index October 2011



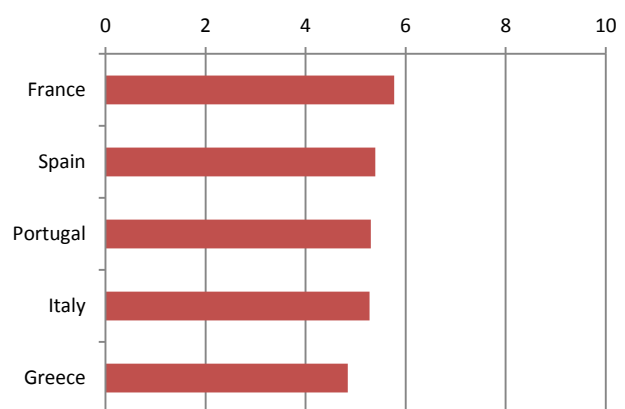
■ Bottom 15 countries, Country Strength Index October 2011



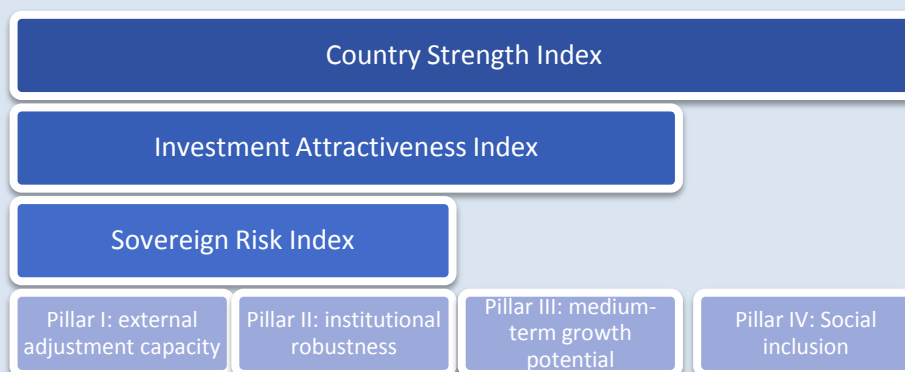
■ Top 5 OECD countries, October 2011



■ Bottom 5 OECD countries, October 2011



Composition of Country Strength Index



Note: QCA covers 174 countries, 164 of which are included in the current ranking, while the remaining 10 had insufficient data coverage to produce a reliable score

Our history

Country Insights was spun-off in 2011 from John Howell and Co Ltd, an advisory firm focusing on financial and economic policy and regulation. Country Insights was established to capitalise on the success of Quantitative Country Analytics (QCA), the analytical model that drives our research and consulting. QCA was developed in 2007 in response to demand from our investor clients who wanted a rigorous, consistently, transparent and low-cost means of comparing risk and strength across countries. Since 2007, QCA has grown to cover 174 countries, with more than 100 types of data for each country. As well as supporting advice to private equity firms, sovereign wealth funds, asset managers and investment banks, QCA also support policy and regulatory advice to national and regional governments. We believe that QCA is the most sophisticated and comprehensive model of its kind available. We synthesise policy, regulatory, micro and macro economic and financial expertise, which gives us a unique understanding of the underpinnings of market performance.

Country Insights and Quantitative Country Analytics

Our perspective

The established ways of analysing **country risk and growth fundamentals** have failed most market participants and risk takers over the last five years. Established analysis is often focused on a limited number of economic variables and therefore is unable to adequately assess the many complex interrelationships between economic fundamentals. As a result, such analysis is often too slow to capture rapidly changing **broad fundamentals** across a country's socio-economic structure. Country Insights developed its totally quantitative country analytical model, Quantitative Country Analytics (QCA), to address these issues.

What does our analysis focus on?

QCA answers three questions:

1. How much risk is a country exposed to?
2. How able is it to manage these risks?
3. What is the growth potential of the country?

It does this by analysing four fundamental aspects of the economy. These are:

1. How exposed is the economy to external shocks?
2. How strong are its institutions?
3. How adaptable is the economy, and how able is it to continue growing?
4. How does the country share the benefits of growth across society?

How is the analysis conducted?

Country Insights believes that analysis should be as objective as possible and always up to date with publically available data. QCA is a totally quantitative model that replicates the qualitative analysis of its architects, Max Watson and Paul Domjan, through a quantitatively-driven analytical scoring system. Its uniqueness is not the inputs themselves, but the way that they are scored.

Technical features

In-depth analytical reports can be delivered in three working days

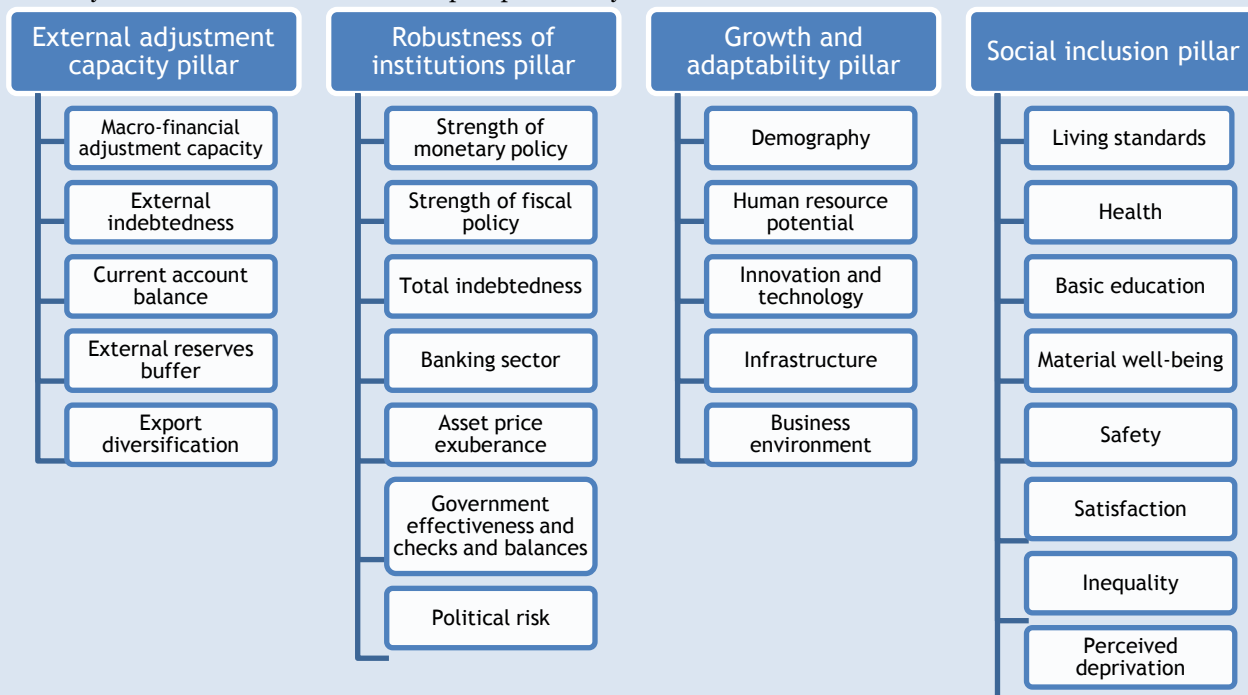
Covers 174 countries in equal depth with quarterly updates

Recursive model that shows the impact of interactions between different parts of the economy (e.g. productivity growth, wage flexibility and the exchange rate system all impact on macro-financial adjustment capacity)

Methodology is reviewed every six months to capture newly available data and seek improvements

Produces one score that is supported by four pillars, 25 factors, 72 sub factors and over 150 data series

Cumulatively the model has over 1000 data inputs per country



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