

# International Investor

Issue No. 121

www.stockmarket.co.nz

January 10, 2006

## Inside International Investor

Recommended Fund Portfolio up 52% in 2005 ... 2

Investment Fund Survey ..... 5 - 8

Fund Recommendations:

SELL Schroder Asia Pacific warrants, SELL Eaglet,  
BUY Fidelity Japan Values, BUY Invesco English & Int'l..... 3-5

Editor and Research Director: James R Cornell (B.Com.)

## World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical Performance (in US\$)			Share Index
						3 mths	6 mths	12 mths	
Australia	70%	Bullish	Bullish	Neutral	Bullish	+6.9%	+14.2%	+15.6%	4,736.40
Austria	58%	Bearish	Bullish	Bullish	Bearish	+13.3%	+24.0%	+41.9%	3,772.48
Belgium	78%	Neutral	Bullish	Bullish	Bullish	+9.7%	+19.4%	+13.0%	3,643.74
Canada	61%	Neutral	Bullish	Neutral	Neutral	+10.2%	+19.4%	+36.4%	11,620.46
Denmark	59%	Bearish	Bullish	Neutral	Neutral	+7.1%	+13.9%	+24.6%	391.10
Finland	75%	Neutral	Bullish	Bullish	Neutral	+10.1%	+16.0%	+24.7%	8,432.44
France	61%	Bearish	Bullish	Neutral	Neutral	+7.9%	+15.9%	+18.7%	3,405.68
Germany	62%	Bearish	Bullish	Bullish	Bearish	+10.8%	+22.6%	+19.4%	5,536.32
Ireland	71%	Bearish	Bullish	Bullish	Neutral	+10.0%	+16.8%	+9.3%	7,486.22
Italy	67%	Bullish	Bullish	Neutral	Bullish	+5.8%	+11.3%	+7.2%	27,405.00
Japan	57%	Bearish	Bullish	Bullish	Bearish	+23.3%	+38.9%	+31.4%	16,428.21
Netherlands	63%	Neutral	Bullish	Neutral	Neutral	+12.2%	+16.8%	+17.2%	446.11
New Zealand	44%	Bullish	Bearish	Bearish	Bullish	-6.9%	-0.7%	-9.3%	2,256.47
Norway	69%	Neutral	Bullish	Bullish	Neutral	+9.6%	+14.6%	+33.7%	1,134.32
Spain	71%	Bullish	Bullish	Bullish	Neutral	+2.0%	+13.1%	+14.3%	1,177.35
Sweden	54%	Neutral	Bullish	Bearish	Bearish	+11.1%	+22.1%	+20.3%	306.47
Switzerland	53%	Bearish	Bullish	Neutral	Bearish	+12.0%	+25.4%	+25.8%	7,718.47
Un. Kingdom	76%	Bullish	Bullish	Bullish	Neutral	+7.6%	+11.8%	+12.0%	5,731.80
USA	60%	Neutral	Bullish	Neutral	Bearish	+7.5%	+6.1%	+8.4%	1,285.45
Argentina	64%	Bearish	Bullish	Bullish	Bearish	-3.1%	+24.4%	+60.7%	4,882.05
Brazil	76%	Bearish	Bullish	Bullish	Bullish	+17.5%	+50.2%	+71.0%	35,475.02
Czech Rep.	52%	Bearish	Bullish	Neutral	Bearish	+11.1%	+30.9%	+37.9%	1,509.40
Chile	35%	Bearish	Neutral	Bearish	Bearish	-4.5%	+12.1%	+18.1%	9,473.55
China	50%	Bearish	Neutral	Bullish	Bearish	-0.7%	+12.8%	-12.5%	66.97
Greece	78%	Bearish	Bullish	Bullish	Neutral	+12.6%	+23.8%	+23.1%	3,767.91
Egypt	52%	Bearish	Bullish	Bearish	Neutral	+17.0%	+32.2%	+90.8%	2,327.77
Hong Kong	54%	Neutral	Bullish	Bearish	Bearish	+3.4%	+10.2%	+13.6%	15,344.44
Hungary	69%	Bearish	Bullish	Bullish	Bearish	-1.1%	+13.1%	+37.4%	21,886.06
India	44%	Bearish	Bullish	Bearish	Bearish	+13.5%	+31.4%	+47.9%	9,640.29
Indonesia	60%	Bullish	Bullish	Bearish	Neutral	+17.3%	+12.9%	+15.0%	1,222.25
Israel	44%	Bearish	Bullish	Bearish	Neutral	+7.9%	+25.8%	+21.9%	822.76
Korea	71%	Bullish	Bullish	Bullish	Bearish	+23.5%	+47.5%	+72.6%	1,412.78
Malaysia	57%	Bullish	Neutral	Bullish	Bearish	-1.0%	+2.2%	+0.8%	911.67
Mexico	74%	Bearish	Bullish	Bullish	Bearish	+23.8%	+37.1%	+61.7%	18,736.78
Philippines	88%	Bullish	Bullish	Bullish	Neutral	+16.2%	+21.4%	+23.2%	2,133.79
Poland	68%	Bearish	Bullish	Bullish	Neutral	+19.4%	+42.8%	+46.4%	37,921.06
Portugal	74%	Bullish	Bullish	Bullish	Neutral	+8.9%	+19.0%	+8.7%	2,659.18
Russia	73%	Bearish	Bullish	Bullish	Bearish	+22.8%	+64.1%	+87.6%	14,723.18
Singapore	52%	Bullish	Bullish	Bearish	Bearish	+7.9%	+13.4%	+16.8%	2,420.74
Sth Africa	71%	Bearish	Bullish	Bullish	Bearish	+22.9%	+44.6%	+44.9%	18,414.85
Taiwan	65%	Bullish	Bullish	Bullish	Bearish	+13.6%	+7.6%	+12.1%	6,694.82
Thailand	67%	Bullish	Bullish	Neutral	Neutral	+7.9%	+22.5%	+5.1%	747.34
Turkey	76%	Bearish	Bullish	Bullish	Bearish	+27.1%	+52.2%	+73.6%	41,905.41
Venezuela	67%	Bullish	Bearish	Bullish	Bearish	+14.5%	-2.3%	-26.2%	20,755.33

**One Year Forecasts** predict the probability that a stock-market will rise over the next year. Investors should seek to invest in markets with forecasts of 60-100%, while avoiding markets with forecasts of 0-40%. Bullish = Favourable. Bearish = Unfavourable.

# Recommended International Investment Funds

Our portfolio of "Recommended International Investment Funds" performed strongly over the last year - rising +51.8% (all figures in NZ dollar terms). Over the last three years the portfolio has recovered and grown +175% in value!

The top performer over the last year was the Schroder Asia Pacific warrants, up +147% - just in time to recover some value ahead of their expiry at the end of this month! Baring Korea Trust rose +96%, Baillie Gifford Shin Nippon +78%, Aberdeen Asian warrants +75%, Scottish Oriental warrants +73% and JPMorgan Euro Fledgling +65%. Eaglet was the only fund to decline, falling 5%, with our other UK funds, Aberforth Smaller Companies (up +19%) and Herald (i.e. UK technology shares, up +16%) as well as HSBC Greater China (up +20%) *under-performing* the strong gains from our Japanese, Asian and European investments.

## Update and Changes to Our Recommended Funds Portfolio

We are making a couple of changes to our portfolio this month. The **Schroder Asia Pacific** warrants expire at the end of this month, so investors should sell on-market or do nothing and allow the trustee to realise their value and distribute the net proceeds next month. We have a large investment in the Asian stockmarkets and will replace these warrants with a third Japanese fund, listed **Fidelity Japanese Values plc**. Japan is the second largest world stockmarket and is starting to recover after two decades of under-performance. Adding a third Japanese fund will increase our exposure to this market to around 15-20% of our portfolio.

We shall also take this opportunity to sell our under-performing **Eaglet Investment Trust plc** shares and invest in another better performing, better diversified, UK smaller companies trust, **Invesco English & International Trust plc**. This trust has performed more consistently and also trades at a large discount to net asset value.

Current Advice	Investment Fund	EPIC Code	Initial Recommendation		Prem/ Disc to Net Assets	Recent Price		Gain or Loss %	
			--- Date ---	Offer Price		Bid-Offer or Last Sale	NZ Cents		
<b>Europe</b>									
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	+4%	1169.00p	2994.4	+132
BUY	JPMorgan Euro Fledgling IT plc	JFF	15/01/02	226.5p	765.8	-11%	539.75p	1382.6	+81
<b>United Kingdom</b>									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-5%	656.0p	1680.3	+61
SELL	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-17%	296.5p	759.5	-35
BUY	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-14%	273.5p	700.6	
<b>Asian Regional</b>									
BUY	Aberdeen Asian Sm Co WARRANTS	AASW	09/09/03	75.3p	209.1		191.5p	490.5	+135
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		257.36p	659.2	+526
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		58.42p	149.6	+41
HOLD	HSBC Greater China Fund	*	07/04/98	159.4p	481.6		202.5p	518.7	+8
HOLD	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		381.3p	976.7	-13
BUY	Scot Oriental Sm Cos WARRANTS	SSTW	11/11/03	78.0p	211.5		137.5p	352.2	+67
SELL	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		18.75p	48.0	-37
<b>Japan</b>									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	+0%	290.5p	744.1	+69
BUY	Fidelity Japanese Values plc	FJV	10/01/06	126.0p	322.7	+3%	126.0p	322.7	
BUY	Invesco Japan Discovery Trust	JD	13/07/99	95.5p	284.0	-4%	165.75p	424.6	+50
<b>Korea</b>									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		187.6-199.1p	495.3	+137
<b>International</b>									
BUY	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		224.0p	573.8	+212
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-6%	396.0p	1014.3	+24
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-3%	155.0p	397.0	-6

\* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +76.3%. This is equal to an average annual rate of +12.6%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 19 current and 43 closed out) is +12.7%.

## Other Shares and Warrants

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 296½ pence (trading at a 7% *premium* to net asset value), **Schroder Asia Pacific** shares at 119 pence (a 9% *discount* to net asset value) and **Scottish Oriental Smaller Companies** shares at 236¾ pence (a 5% *discount*)

# *Fund Recommendations:*

## *Realise Schroder Asia Pacific warrants*

The final exercise/expiry date for our **Schroder Asia Pacific** warrants is 31 January 2006. Investors can either (1) pay £1.00 to buy the shares, (2) sell the warrants on-market or (3) do nothing, in which case the warrants will be exercised by a Trustee, the shares sold on-market and the net proceeds will be distributed to the warrant holders.

While we are happy with Schroder Asia Pacific shares as an investment, we already have large investments in the Asian region so will use this opportunity to slightly reduce this large Asian investment. Therefore we favour either selling the warrants on-market or taking no action and allowing the Trustee to realise the value of the warrants and distribute the proceeds.

Selling some or all of the warrants on-market will realise a known price (i.e. the market value on the day you place an order) while leaving the warrants to be realised by the Trustee involves risk of price fluctuation - either up or down over the remainder of January and until the new shares are sold in early February. As the shares are trading only slightly above the 100 pence exercise price, any rise or fall in the share price could have a major impact on the value of the warrants. This, of course, is the same high risk/high return situation we have faced over the last several months.

Overall we would favour leaving the warrants to the Trustee as (1) we get another 2-3 weeks for the shares and warrants to appreciate in value and (2) no direct brokerage fees (and the Trustee will sell in a large transaction so the cost will be very low per warrant).

Despite recovering strongly over the last year, these warrants are still trading below our initial purchase price of 25½ pence in July 1999. The exchange rate has also moved against us by about 16% owing to the strong NZ dollar. At that time the shares traded at 86½ pence and the warrants had a Break-Even rate of only 5.9%.

Unfortunately, we timed that initial purchase badly and the shares fell to 45 pence over the next two years, depressing the warrants to around only 7 pence in late 2001. With the shares trading around 50 pence in early 2003 the warrants were worth only 3½ pence.

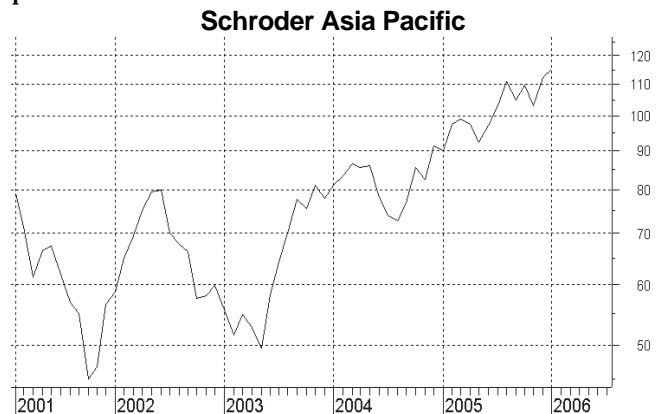
Fortunately, Asian markets have finally started to realise some of their value and over the last three years the share price has more than doubled to above the 100 pence price of the warrants.

### **Summary and Recommendation**

Either sell these warrants on-market or do nothing and allow the Trustee to realise their value and distribute the net proceeds next month.

Exercising the warrants and remaining a *shareholder* in this trust is not unattractive - but we already have a large investment in the Asian stockmarkets so will realise these warrants and slightly reduce that exposure.

In our *Recommended Portfolio* we shall record the sale of these warrants in February 2006 at the value received from their sale by the Trustee. Depending upon fluctuations over the next month that value may be higher or lower than the current market price of 18¾ pence.



## *Buy Fidelity Japan Values plc*

### **BUY Fidelity Japanese Values plc (code FJV).**

We are recommending a third Japanese fund, Fidelity Japanese Values plc, to increase our exposure to the Japanese stockmarket to around 15-20% of our international portfolio.

Fidelity Japanese Values plc is a £139 million fund that seeks long term capital appreciation from an "actively managed portfolio" - focusing upon individual share selection - of mainly smaller and medium sized Japanese company shares. The portfolio is well diversified, with the ten largest holdings currently making up only 21.7% of the portfolio.

The portfolio is leveraged with five year Yen loans totalling Y3179 million (about £15.6 million) at an average interest rate fixed at 1.45%. This results in a

relatively low 13% leverage. This is not too risky, but these low interest loans should help improve the long term returns to investors.

In our quarterly *Investment Fund Survey*, Fidelity Japanese Values rates as *Very High* risk and has a *Superiority Rating* of +17%.

The shares currently trade at a small 3% *premium* to net asset value. Historically, this fund has traded at up to a 20% discount to net asset values as have other Japanese trusts. Now that the Japanese economy and stockmarket are recovering these trusts are trading around net asset values.

The issued capital consists of 98,207,453 ordinary shares. The annual management fee is just 1.0% per annum, but the yield on

*(Continued on Page 4)*

**Fund Recommendations** (Continued from Page 3)

Japanese shares is also low so there is no net income available for the payment of dividends.

The shares are actively traded, with a bid/offer spread of around 4.6%. The "normal market" size is 5000 shares, so there is no problem buying up to several multiples of this volume in any single transaction.

**Summary and Recommendation**

We already have two long term investments in trusts that invest in smaller Japanese company shares, but now that the economy and stockmarket are recovering we want to increase our exposure to this market. Fidelity Japanese Values plc is a very well managed trust that should be an attractive addition to our portfolio.

**Fidelity Japanese Values**

## *Sell Eaglet Investment Trust plc*

**SELL Eaglet Investment Trust plc (code EIN).**

We are recommending the sale of Eaglet Investment Trust plc, which is continuing to under-perform, and re-investing in another UK smaller companies trust, Invesco English & International Trust plc.

We initially recommended this listed investment trust in November 2001 but for various reasons it has never been a successful investment for us.

With the aid of hindsight it is clear we underestimated the length of the stockmarket decline and bought these shares too early. The UK stockmarket continued to decline for another 16 months. The Fund Manager compounded this timing error, increasing the trust's borrowings to buy further shares which initially declined sharply in value.

From its low in March 2003 until early 2004 the trust recovered very strongly! Over the last two years, however, the trust has under-performed badly, slipping steadily in value while the UK stockmarket has moved steadily higher.

As a result of this under-performance over the last two years the shares now rate a very unfavourable *Superiority Rating* of -17% in our quarterly *Investment Fund Survey*. As a result we are recommending that investors cut losses on this fund and we shall seek to re-invest in another, better performing, UK smaller companies fund.

**Eaglet Investment Trust plc**

## *Buy Invesco English & International Trust plc*

**BUY Invesco English and International Trust plc (code IEI).**

Invesco English & International Trust plc invests in mainly UK smaller listed companies, but can invest a small amount of its portfolio in *unlisted* UK companies and listed or unlisted US companies. The trust follows a "relatively risk averse stock selection strategy", investing in shares that offer "particular value" and diversifying widely to "maximise investment opportunities" while minimising "stock-specific risk".

The trust holds a £286.1 million portfolio which is extremely well diversified and invested in over 200 different smaller UK companies. The ten largest investments make up only 14.8% of the portfolio, with the 100 largest holdings making up 76.5% of the portfolio. Just 2.3% of the portfolio is invested in unlisted companies.

The trust is moderately leveraged - with up to 20%

debt - which should help improve returns over the longer term.

The trust's excellent diversification helps reduce risk and also ensures that performance will follow the general smaller UK companies index. Leverage increases risk and volatility but should also improve longer term returns. Share selection - even within a well diversified portfolio - can still determine long term performance. In our quarterly *Investment Trust Survey*, Invesco English & International earns a *Very High* risk rating - so the portfolio can be volatile despite its diversification. It also earns a high +11% *Superiority Rating* - and has generated very strong returns over the last three years. So wide diversification has not prevented above average returns from good share selection.

The shares currently trade at a 14% discount to net asset value. This is an attractive discount at which to be buying, especially as the company has recently

January 10, 2006.

restructured to allow it to reduce this discount. This should result in the share price rising relative to the next asset value over the net year and the shares trading closer to net asset value in future.

The recent restructuring will allow existing shareholders to redeem some or all of their shares on a quarterly basis. The quarterly redemption will be at a discount to net asset value. The redemption value will be the estimated realisation value of the portfolio (i.e. shares valued at the bid price), less sales costs less an exit fee which will initially be 4% but reducing to 2% from 2007. The exit fee will be retained by the trust to increase the net asset value of the remaining shares. The trust will also be able to issue new shares at each quarterly redemption date, at or above the realisation price. In addition, the trust will be able to re-purchase its own shares on-market, hold these as treasury stock and re-sell them on-market at any time. These actions should act to match supply and demand for the shares and result in the shares trading close to their net asset value in the future. Purchasing the shares on-market at a 14% discount now should result in around a 10% additional gain over the next year or so if the shares appreciate to trade around a 5% discount in future.

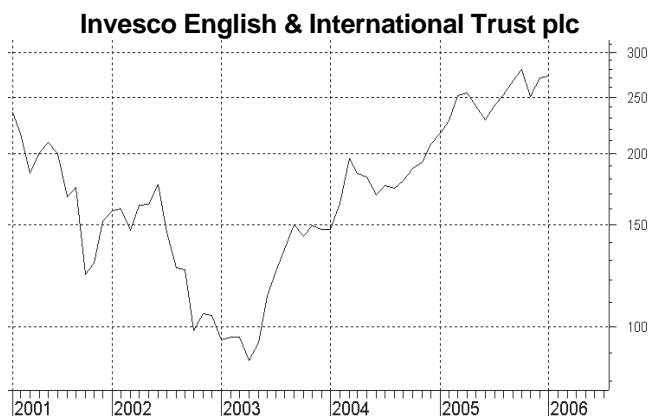
The issued capital currently consists of 78,063,398 ordinary shares. The annual management fee is 0.8% per annum - which is a low fee, especially considering the extra work managing such a widely diversified portfolio. An interim dividend is usually paid in January and a final dividend in July, but the annual dividend

rate was 1.3 pence, so the income yield is only about 0.5%.

Invesco English & International Trust plc shares are actively traded, although the current bid/offer spread is fairly wide at 3.9%. The "normal market" size is 5000, which means there is no problem buying up to this quantity of shares - or several multiples of this volume - in a single trade.

### Summary and Recommendation

We recommend buying shares in Invesco English & International Trust as we believe its well diversified, well managed, portfolio offers a good exposure to the UK smaller company sector. The current discount to net asset value should narrow over the next 6-18 months which would provide an additional boost to the shares' short to medium term performance.



# Investment Fund Survey

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
<b>INTERNATIONAL</b>							
<b>AUSTRALIAN BASED UNIT TRUSTS</b>							
	AMP FIJ International	High	-1%	0.66	30	18	5
	ANZ ING Global	Medium	-3%	0.67	21	13	5
	Advance Int'l Share MB	Medium	-3%	0.70	19	13	4
	Advance International	Medium	-3%	0.63	19	10	3
	Allianz Global	Medium	-6%	0.59	10	14	8
	Allianz Global Analysts	Medium	-6%	0.57	11	14	9
	BT Global	Medium	-2%	0.53	17	13	3
	BT International	High	-4%	0.72	21	12	3
	Challenger Global Shares	Very Low	-3%	0.32	7	1	-3
	Commonwealth Int'l Share	High	-4%	0.60	15	10	3
	Gold Sachs International	Medium	-2%	0.63	25	15	4
	Invesco Global Matrix	High	+2%	0.54	46	10	4
	MLC Aust - Platinum Gbl	High	+2%	0.60	47	13	7
	MLC MKey Global Share	Medium	-2%	0.66	27	17	6
	NAFM Inv Trt - Global	Medium	-1%	0.67	24	14	4
	Perpetual Fid. Intern'l	Medium	-3%	0.59	24	10	7
	Perpetual ICSav - Int'l	High	-3%	0.72	24	10	7
	Platinum International	Medium	+2%	0.45	35	13	7
<b>NEW ZEALAND BASED UNIT TRUSTS</b>							
	AMP International Share	Medium	+3%	0.55	27	21	5
	AMP Passive Int'l Share	Low	-2%	0.66	17	14	5
	ANZ World Equity Trust	Low	+5%	0.54	33	14	3
	ASB World Shares	Medium	+3%	0.79	36	15	5
	BNZ International Equity	Low	+4%	0.49	31	18	1
	ING International Share	Very Low	+5%	0.42	35	23	4
	NZ Guardian Global	Medium	+1%	0.62	31	17	8
	Thoroughbred Int'l Equ.	Medium	-3%	0.69	11	14	3
	Tower Global Equity	Low	-3%	0.64	17	17	4
	Tower Tortis Intern'l	Medium	-3%	0.76	13	12	4
<b>UNITED KINGDOM BASED UNIT TRUSTS</b>							
	AXA Global Growth	Medium	+1%	0.84	30	16	5
	Abbey Nat'l International	Medium	-1%	0.85	25	17	5
	Aberdeen World Equity	High	+2%	0.90	23	5	
	Aegon Worldwide Tactical	Medium	-5%	0.85	16	17	8
	Allcurches Int'l Growth	Medium	+1%	0.90	29	15	3
	Allianz Dres Global Equity	Medium	-3%	0.88	21	20	7
	Artemis Global Growth	High	+3%	0.75	47	34	6
	BG International	Medium	+3%	0.83	39	29	7

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Avoid	BG Phoenix Global Growth	Medium	+1%	0.69	18	5	
	Bank Ireland British & Oversea	Low	-7%	0.76	5	6	
	Bank Ireland Worldwide Opps	Low	-6%	0.71	5	6	
	Baring Global Growth	Medium	-1%	0.81	21	17	7
	Britannic Global Growth	Medium	-1%	0.84	28	18	5
	CS Worldwide Growth	Medium	-2%	0.94	14	5	
	Cavendish Worldwide	High	+1%	0.90	32	18	5
	Cazenove MM Univ International	Medium	-2%	0.93	16	6	
	F & C Global Growth	High	-2%	0.88	17	7	
	Fidelity International	Medium	+1%	0.94	33	20	5
	Fidelity Managed Int'l	Medium	-3%	0.89	21	20	6
	First State Global Growth	Medium	-4%	0.85	9	16	7
Buy	First State Global Opps	Very High	+8%	0.74	85	48	8
	Framlington Financial	High	+0%	0.87	20	10	
	Gartmore Global Focus	Very High	+0%	0.86	26	5	
	Henderson Independent Port.	Medium	+2%	0.65	34	25	4
	Henderson International	Medium	-2%	0.78	24	18	6
	Invesco Perp Int'l Equity	High	-1%	0.84	28	13	6
	Invesco Perp International	Medium	-4%	0.73	11	12	4
	Invesco Perp World Growth	Medium	+2%	0.90	16	6	
	Investec Global Free Enter.	Very High	+6%	0.92	22	3	
	Jupiter Ecology	High	-3%	0.65	20	8	-4
	L & G (Barclays) Worldwide	Medium	+1%	0.92	26	15	5
	L & G Global Growth	Medium	-1%	0.91	21	16	6
	L & G Worldwide	Medium	-0%	0.93	25	16	5
	Lazard International Equity	Medium	-2%	0.78	11	13	5
	Lincoln Global	Medium	-2%	0.82	18	16	7
	M & G Global Leaders	Very High	+5%	0.90	55	27	4
	M & G International Gth	High	+4%	0.81	56	17	-1
	MLC Global Equity	Medium	-3%	0.84	14	6	
	MSDW Global Brands	Low	+0%	0.64	17	4	
	MSDW Global Value	Medium	-3%	0.91	10	3	
Martin Currie International	High	-3%	0.90	24	15	5	
Merrill Global Titans	Medium	-2%	0.92	14	4		
NFU Mutual Global Growth	Medium	-5%	0.85	13	5		
NatWest International Growth	Medium	-3%	0.89	17	7		
New Star Global Equity Ret A	Medium	-2%	0.60	15	11	3	
Buy	New Star Global Financial	Very High	+11%	0.89	38	10	
	Newton Falcon	Medium	+3%	0.93	19	3	
	Newton International	High	+2%	0.93	39	16	3
	Norwich International Index	Medium	+1%	0.84	24	17	5
Norwich World Leaders	High	-3%	0.89	13	6		
Old Mutual Global Equity	Medium	-0%	0.83	16	4		





Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth						36 mth	12 mth	3 mth
<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>															
	Aberforth Smaller Coys	Medium	+5%	0.73	61	16	5		Newton Continental European	Medium	+2%	0.88	40	14	4
	Acorn Income Fund	Medium	+2%	0.41	61	15	5		Newton Pan-European	Medium	+1%	0.89	33	12	1
	Active Capital Trust	Very High	+3%	0.70	-	-	-	Buy	Old Mutual European Equity	High	+0%	0.94	18	5	
Buy	Chelverton Growth Trust	High	+10%	0.26	116	28	8		Premier European Growth	Medium	+9%	0.73	67	28	2
	Dunedin Smaller Coys IT	Medium	+5%	0.64	78	23	13		Prudential Euro Index	High	+2%	0.80	39	22	4
Avoid	Eaglet Investment Trust	Very High	-17%	0.73	9	-8	-2		Prudential European	Medium	+0%	0.79	32	10	5
	Edinburgh Smaller Coys	Very High	+2%	0.66	92	29	7		Royal London European Gth	High	+2%	0.89	42	17	5
Buy	Framlington Innovation	Medium	+8%	0.64	81	8	0	Buy	S & W European	High	+1%	0.90	33	12	5
Buy	Gartmore Fledgling Indx	High	+10%	0.57	96	0	1	Buy	SG European	High	+12%	0.27	87	15	4
Buy	Gartmore Small Coys	Very High	+7%	0.65	93	13	-3		SWM Continental European	High	+8%	0.65	28	2	
	Henderson Smaller Cos	Very High	+4%	0.81	116	20	11		SWIP European	Low	+6%	0.76	18	4	
Buy	Henderson Strata Inv	High	+7%	0.61	72	8	-6		SWIP Pan Euro Equity	Low	+4%	0.82	19	9	
Buy	Invesco England	Very High	+11%	0.70	137	19	-3		Schroder European	Medium	+5%	0.83	51	12	4
	Invesco Perp UK Smaller	Medium	+6%	0.71	75	26	7		Scot Life European	High	+1%	0.88	43	17	5
	JPMF Mercantile	Very High	-1%	0.76	67	25	17		Scot Mutual European	High	+1%	0.88	33	15	4
Buy	JPMF Smaller Cos	Very High	+9%	0.73	101	35	8		Scot Wid. Euro Select Gth	Medium	+6%	0.79	20	5	
	Montanaro UK Small Coys	Medium	+6%	0.67	80	28	13		Scot Wid. Euroland	Medium	+3%	0.70	42	17	4
Avoid	Osprey Small Cos Income	Very High	-7%	0.62	22	1	1	Buy	Scot Wid. European Growth	Medium	+4%	0.76	44	20	4
Buy	Platinum Trust	Very Low	+12%	0.33	17	0	-0		Sing & Fried European Growth	Medium	+7%	0.87	22	2	
Buy	Schroder UK Mid & Small	Very High	+7%	0.72	22	3	3		Skandia Continental European	Medium	+2%	0.94	17	7	
	Shires Smaller Coys	Very High	-0%	0.61	47	6	-6		Sovereign European Gth	High	+1%	0.89	36	15	4
Buy	Throgmorton Trust	Very High	+10%	0.75	114	18	-2		St James's Gtr Euro Prog.	Medium	+3%	0.75	38	13	1
<b>UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL</b>															
Buy	Aberforth Geared (cap)	Very High	+23%	0.46	150	39	6		Stan Life Euro Equity Gth	High	+4%	0.79	49	22	5
Buy	Small Cos Value Trt (c)	High	+27%	0.20	44	5	5		TU European	Medium	+2%	0.87	12	1	

**EUROPE****AUSTRALIAN BASED UNIT TRUSTS**

	Allianz Europe Growth	Low	+3%	0.37	37	20	2
	BT Europe Growth	Low	+1%	0.46	33	17	5
	Perpetual Fid. Europe	Very Low	+0%	0.14	17	-1	-3
	Platinum Europe	Low	+5%	0.41	41	5	2

**NEW ZEALAND BASED UNIT TRUSTS**

	Tower Spotlight Europe	Very Low	+0%	0.39	19	8	-0
--	------------------------	----------	-----	------	----	---	----

**UNITED KINGDOM BASED UNIT TRUSTS**

	AXA European Growth	High	+2%	0.89	47	18	5
	Aegon European	High	+0%	0.87	42	17	7
	Allchurches Euro Growth	Medium	+1%	0.85	29	12	5
	Allianz Dres Cont. Euro.	Medium	+1%	0.89	38	15	5
	Allianz Dres Euro Index	High	+1%	0.91	38	15	5
Buy	Artemis European Growth	Very High	+11%	0.91	91	26	4
	BG Europe	Medium	+1%	0.80	35	15	4
Buy	BGI European	Low	+5%	0.73	15	6	
	Baring Euro Sel.	High	+15%	0.74	102	29	2
	Baring European Growth	High	+1%	0.84	39	22	7
	Britannic European	High	+1%	0.77	35	9	4
	CIS European	High	-1%	0.90	31	13	3
Buy	CS Euro Frontiers	Very High	+22%	0.43	155	52	3
	CS European	High	-1%	0.87	24	11	3
Buy	CS MM European Portfolio	Medium	+8%	0.81	20	4	
	Cazenove European Portfolio	Medium	+4%	0.88	54	17	4
	F & C European 1	High	+3%	0.91	42	16	5
Buy	Fidelity European	High	+11%	0.92	73	22	3
Buy	Fidelity European Opps	High	+8%	0.85	62	21	3
	Framlington European	Very High	+5%	0.89	53	19	1
	Gartmore European	High	+1%	0.57	33	15	5
Buy	Gartmore European Focus	Medium	+8%	0.88	19	4	
	Gartmore European Sel Opps	High	+1%	0.92	35	18	5
	HSBC European Growth	Very High	+2%	0.89	38	15	4
	HSBC Eurotrack 100	High	+1%	0.89	35	13	5
	Henderson Euro Cap Gth	High	+2%	0.82	43	18	5
	Inscape Europe	High	+4%	0.92	19	6	
	Insight Euro Discretionary	Medium	+4%	0.90	15	3	
	Insight European	Very Low	+4%	0.27	39	12	4
	Insight Pan Euro Sel Opps	Medium	+2%	0.90	12	2	
	Invesco Perp Euro Growth	Medium	+0%	0.85	32	15	5
	Invesco Perp European Equity	High	+5%	0.77	44	15	5
	Investec European	Medium	+4%	0.92	19	5	
	JPMF European Growth	High	+5%	0.92	52	23	4
Buy	JPMF New Europe	Very High	+19%	0.49	132	53	1
	Jupiter European	Very Low	+6%	0.41	52	16	4
	L & G (A & L) European	High	-2%	0.81	28	15	5
	L & G Euro Index	High	+1%	0.88	37	14	5
	L & G European	High	-2%	0.89	33	16	6
	Lazard European Growth	High	+3%	0.87	43	17	4
	Lincoln European	High	+1%	0.88	37	14	4
	M & G European	High	+1%	0.89	44	15	5
	M & G European Index Tracker	Medium	+5%	0.71	48	23	5
	MFSC Continental European	Medium	+6%	0.90	17	6	
	MSDW Europe (ex:UK)	Medium	-1%	0.90	15	6	
	Martin Currie European	Very High	+2%	0.90	47	15	6
	Merrill Continental Euro	High	+2%	0.90	20	6	
Buy	Merrill European Dynamic	Very High	+7%	0.90	29	5	
Buy	New Star European Growth	Medium	+8%	0.79	15	5	
	New Star European Leaders	Medium	+3%	0.95	17	5	
Buy	New Star European Portfolio	Medium	+9%	0.83	23	5	

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

Buy	Artemis Alpha	Low	+17%	0.10	7	-3
Buy	Baring Emerging Europe	Very High	+25%	0.42	167	67
Buy	Blue Planet Gth & Inc	Medium	+10%	0.16	45	52
	Charter Pan European	Very High	+4%	0.81	59	22
Buy	Eastern European	Very High	+27%	0.46	185	72
Buy	European Assets	High	+12%	0.52	91	23
	F & C European	Very High	+4%	0.71	59	29
	Gartmore European	High	+4%	0.79	57	28
Buy	Gartmore Irish Small	Very High	+22%	0.34	182	14
Buy	Henderson Eurotrust	High	+9%	0.44	59	30
Buy	Invesco Perp European	Very Low	+12%	0.25	73	15
Buy	JPMF Cont. Euro.	High	+8%	0.83	29	7
Buy	JPMF Russia	Very High	+25%	0.32	89	7
Buy	Jupiter European Opps	Low	+15%	0.29	101	28
Buy	SR Europe	High	+17%	0.42	127	46

**EUROPE SMALLER COS****UNITED KINGDOM BASED UNIT TRUSTS**

Buy	BG Euro Small Coys	Medium	+12%	0.59	93	29
Buy	Henderson European Small Cos	Medium	+14%	0.65	93	24
Buy	Insight European Small Cap	Low	+11%	0.61	18	-1
Buy	Invesco Perp Euro Smaller Cos	Very High	+11%	0.72	73	31
Buy	JPMF European Smaller Coys	High	+16%	0.74	107	32
Buy	Jupiter Euro Spec Sits	Medium	+8%	0.52	66	18
Buy	M & G European Smaller Coys	High	+12%	0.76	96	20
Buy	SWIP Pan-Euro Small Companies	Very High	+7%	0.76	30	4
Buy	Schroder Euro Small Coys	Medium	+13%	0.66	95	23
Buy	Threadneedle Euro Small Cos	High	+15%	0.69	101	25

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

Buy	Fidelity Euro V.	Very High	+14%	0.72	119	38
Buy	JPMF Euro Fledgling	Very High	+23%	0.55	161	53
Buy	TR European	Very High	+21%	0.62	159	36

**GERMANY****UNITED KINGDOM BASED UNIT TRUSTS**

	Baring German Growth	Medium	+4%	0.82	73	20
--	----------------------	--------	-----	------	----	----

**Next Issue**

The next issue of *International Investor* will be posted in four weeks time on Tuesday February 7, 2006 (and delivered in most areas on Wednesday 8).

Subscribers who have updated their account online with an e-mail address will also receive the Electronic version in their e-mail Tuesday morning.

INTERNATIONAL INVESTOR is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Auckland. (66 Stanaway Street. Telephone 64-9-4199 427 Facsimile 64-9-4199 428 Internet: [www.stockmarket.co.nz](http://www.stockmarket.co.nz) or [www.australia-stockmarket.com](http://www.australia-stockmarket.com) Email: [james@stockmarket.co.nz](mailto:james@stockmarket.co.nz)). Subscription Rate NZ\$180 (including GST) per year.

Readers are advised that they should not assume that every recommendation made in the future will be profitable or equal the performance of recommendations made in the past. The entire contents are copyright. Reproduction in whole or part is strictly forbidden.