

International Investor

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World Stockmarket start to recover 2

Investment Fund Survey: 4 - 7

Best Performing Funds: World Trust Fund 8

International, United States, United Kingdom,
Europe and Germany

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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	59%	Bullish	Bullish	Neutral	Neutral	-0.4%	+5.8%	+20.8%	5,096.50
Austria	43%	Bearish	Bullish	Neutral	Bearish	-3.7%	+5.1%	+30.4%	3,811.44
Belgium	59%	Bullish	Bullish	Neutral	Neutral	-1.0%	+6.1%	+26.7%	3,715.91
Canada	45%	Neutral	Bullish	Bearish	Bearish	-2.9%	+4.0%	+24.2%	11,631.91
Denmark	35%	Bearish	Neutral	Bearish	Bearish	-4.0%	-1.0%	+12.8%	372.06
Finland	52%	Neutral	Neutral	Bullish	Bearish	-5.1%	+5.4%	+22.3%	8,542.93
France	55%	Bearish	Bullish	Neutral	Neutral	-0.7%	+6.5%	+23.5%	3,486.82
Germany	51%	Neutral	Bullish	Neutral	Bearish	-0.4%	+6.8%	+30.9%	5,681.85
Ireland	56%	Bearish	Bullish	Bullish	Neutral	+0.1%	+5.6%	+23.3%	7,597.97
Italy	58%	Bullish	Bullish	Bullish	Bearish	-1.2%	+6.0%	+18.0%	27,904.00
Japan	34%	Bearish	Bearish	Bearish	Bearish	-10.5%	-7.1%	+29.1%	15,307.61
Netherlands	50%	Neutral	Bullish	Bullish	Bearish	-1.9%	+2.8%	+20.1%	440.70
New Zealand	66%	Bullish	Neutral	Bullish	Bullish	+3.2%	-2.7%	-3.4%	2,443.59
Norway	69%	Neutral	Bullish	Bullish	Neutral	+2.9%	+20.5%	+38.1%	325.64
Spain	64%	Bullish	Bullish	Bullish	Bearish	+2.2%	+11.3%	+25.9%	1,259.22
Sweden	50%	Bullish	Bullish	Neutral	Bearish	-5.3%	+4.6%	+27.7%	306.91
Switzerland	40%	Neutral	Bullish	Neutral	Bearish	-0.2%	+2.2%	+28.2%	7,655.21
Un. Kingdom	62%	Bullish	Bullish	Neutral	Neutral	+3.8%	+7.3%	+19.9%	5,888.90
USA	32%	Neutral	Neutral	Bearish	Bearish	-2.3%	-1.6%	+4.4%	1,265.48
Argentina	64%	Bearish	Bullish	Bullish	Bearish	-3.2%	+20.8%	+50.3%	5,946.58
Brazil	62%	Bearish	Neutral	Bullish	Neutral	-11.9%	+3.1%	+54.8%	36,101.98
Czech Rep.	41%	Neutral	Bearish	Neutral	Bearish	-7.2%	-4.2%	+25.4%	1,371.60
Chile	30%	Bearish	Neutral	Bearish	Bullish	-5.3%	+0.1%	+12.1%	9,855.13
China	51%	Neutral	Bullish	Bearish	Bearish	+1.8%	+41.9%	+60.0%	94.29
Greece	56%	Bearish	Bearish	Bullish	Bullish	-12.1%	-0.1%	+23.6%	3,615.76
Egypt	23%	Bearish	Bearish	Bearish	Neutral	-26.1%	-27.4%	-4.1%	1,691.81
Hong Kong	50%	Bearish	Bullish	Neutral	Bearish	-0.2%	+7.1%	+18.0%	16,459.75
Hungary	47%	Neutral	Bullish	Neutral	Bearish	-4.5%	-3.9%	+8.7%	22,130.86
India	35%	Bearish	Bullish	Bearish	Bearish	-11.6%	+5.4%	+38.5%	10,509.53
Indonesia	59%	Neutral	Bullish	Neutral	Bullish	-4.4%	+13.5%	+28.1%	1,347.90
Israel	36%	Bearish	Bullish	Bearish	Bearish	+0.5%	+5.7%	+32.9%	834.58
Korea	38%	Bearish	Neutral	Neutral	Bearish	-9.4%	-6.8%	+37.5%	1,273.93
Malaysia	51%	Bullish	Neutral	Neutral	Bearish	-1.2%	+4.6%	+6.9%	925.56
Mexico	59%	Neutral	Bullish	Bullish	Bearish	-0.5%	-1.8%	+34.7%	19,829.60
Philippines	59%	Bearish	Bullish	Bullish	Neutral	-2.1%	+4.6%	+27.0%	2,258.03
Poland	76%	Bullish	Bullish	Bullish	Bearish	+4.5%	+10.2%	+57.4%	42,875.60
Portugal	49%	Bearish	Bullish	Neutral	Bearish	-1.0%	+15.6%	+37.6%	2,955.04
Russia	58%	Bearish	Bullish	Bullish	Bearish	+3.1%	+38.5%	+127.3%	19,219.26
Singapore	58%	Bullish	Neutral	Bullish	Bearish	-3.4%	+3.9%	+17.8%	2,445.13
Sth Africa	52%	Bearish	Bullish	Bearish	Bearish	-7.1%	+3.2%	+49.2%	21,358.31
Taiwan	40%	Bullish	Neutral	Bearish	Bearish	-2.1%	-1.3%	+6.2%	6,660.61
Thailand	46%	Bullish	Bearish	Neutral	Bearish	-11.7%	-4.7%	+16.7%	686.11
Turkey	36%	Neutral	Bearish	Bullish	Bearish	-31.6%	-28.0%	+9.5%	36,202.36
Venezuela	86%	Bullish	Bullish	Bullish	Bearish	-0.3%	+49.2%	+45.9%	31,146.36

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.

World Stockmarket Outlook

The Technical and Trend Following indicators turned Neutral last month in response to stockmarket weakness, suggesting some uncertainty over the future trend in share prices. Over the last month, however, these indicators have improved. Share prices have not fallen further, have stabilised and are generally showing signs of recovery.

Technical indicators for the United States are now Neutral, up from Bearish last month. In the United Kingdom they are Bullish, up from Neutral.

United States



United Kingdom



World stockmarkets are now in their fourth year of recovery. At this stage there will be some uncertainty and volatility. There is, however, no reason why companies should not be able to continue to adjust to rising interest rates and high commodity prices. The global economy, corporate profitability and share prices should all be able to grow at a moderate rate over the next several years, so we shall remain fully invested in the recommended international investment funds

Recommended International Investment Funds

Fund Report

For its financial year ended 5 April 2006, **Invesco English & International Trust plc** recorded a 26% increase in net assets and 28% rise in its share price. This slightly under-performed the 29% gain in its smaller companies benchmark, owing to its over-exposure to the AIM market and under-exposure to the larger FTSE 250 companies. Net assets also benefited from the trust's quarterly redemptions and buy-back of its own shares on-market at a discount.

A final dividend of 0.8 pence will be paid on 31 July

Invesco English & International Trust



(ex-dividend 7 July), making a steady annual dividend payout of 1.3 pence.

The UK stockmarket has eased over the last few months but the Fund Manager believes that UK shares trade at "attractive valuations" and are supported by "robust corporate profitability".

Shareholders and debenture holders have approved the repayment of the 10.625% Debenture stock at £137.823 (i.e. a total of £6.89 million).

We increased our investment in the Japanese stockmarket in January with the recommendation to buy a third Japanese fund, **Fidelity Japan Values plc**. The market advanced through to April, but has since suffered a sharp decline.

Our Forecast currently rates the Japanese stockmarket unfavourably at 34%, but there remains good *potential* for recovery and growth in the Japanese economy and stockmarket. Since January the economy has continued to grow, although Retail sales have declined slightly. Inflation remains *positive* at 0.6% and an end to the deflationary pressures of the last decade should eventually boost economic growth and development. Share valuations have also improved, with the average P/E ratio down to 21 and the average yield up slightly to 1.2%.

Scottish Oriental Smaller Companies Trust plc suffered a decline in May but recovered slightly during June. Our warrants now have just over five months until 31 January 2007 when we favour exercising them by paying 100 pence to buy the shares. Alternatively, investors can sell some or all of the warrants on-market.

Scottish Oriental Smaller Companies



Share Repurchases

JPMorgan European Fledgling Investment Trust

plc has continued to re-purchase its own shares on-market. In four trades over the last month it bought back 365,319 shares at about an 11.7% discount to net asset value.

JPMorgan European Fledgling IT



Invesco English & International Trust plc repurchased 3,000,000 shares on-market on 14 June and 425,000 shares on 4 July. The issued capital is now 51,272,591 shares.

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		
Europe									
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-6%	1100.0p	3337.4	+158
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-10%	605.0p	1835.6	+140
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-11%	620.0p	1881.1	+81
BUY	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-12%	295.0p	895.0	+28
Asian Regional									
BUY	Aberdeen Asian Sm Co WARRANTSAASW		09/09/03	75.3p	209.1		163.0p	494.5	+136
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		252.91p	767.3	+628
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		57.42p	174.2	+64
HOLD	HSBC Greater China Fund	*	07/04/98	159.4p	481.6		199.4p	605.0	+26
HOLD	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		367.7p	1115.6	-1
BUY	Scot Oriental Sm Cos WARRANTS	SSTW	11/11/03	78.0p	211.5		139.0p	421.7	+99
Japan									
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	+0%	252.0p	764.6	+74
HOLD	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-5%	90.5p	274.6	-15
HOLD	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-8%	116.25p	352.7	+24
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		172.0-182.5p	537.8	+157
International									
BUY	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		216.4p	656.6	+257
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-13%	336.0p	1019.4	+24
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-6%	151.75p	460.4	+10

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +111.2%. This is equal to an average annual rate of +16.8%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 17 current and 45 closed out) is +13.8%.

Other Shares and Warrants

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 263½ pence (trading at a 3% discount to net asset value) and **Scottish Oriental Smaller Companies** shares at 239½ pence (a 6% discount to net assets).

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
	Henderson North American	Very High	+1%	0.91	23	-2		F & C UK Equity 1	High	+2%	0.95		32	2	
	Inscape US Equities	Very High	+1%	0.90	26	-1	Buy	Fidelity Special Situations	High	+10%	0.78	106	43	4	
	Insight US Equity	High	-2%	0.85	20	-2		Fidelity UK Aggressive	High	+6%	0.82		33	2	
	Invesco Perp US Aggressive	Very High	-5%	0.75	7	-9		Fidelity UK Growth	Very High	+2%	0.88	61	30	0	
	Invesco Perp US Equity	Very High	-5%	0.82	4	-5		First State British Opps	Very High	+1%	0.79	58	32	-5	
	Investec American	High	+1%	0.87	25	-2	Buy	GAM UK Diversified	High	+7%	0.71	80	38	1	
	JPM United States Growth	Very High	+2%	0.81	36	-1		Gartmore UK Focus	Very High	+1%	0.81		42	3	
	Jupiter North America	Medium	+2%	0.54	29	-2		Gartmore UK Growth	High	+2%	0.91		40	3	
	L & G (Barclays) America	High	-1%	0.82	24	-2		Gartmore UK Index	High	+3%	0.93	60	34	3	
	L & G North American	Medium	-1%	0.76	25	2		Gartmore UK Tracker	Medium	+1%	0.98		35	4	
	L & G US Index	High	+0%	0.89	26	-2		HSBC Blue Chip	High	-0%	0.97		31	4	
	Legg Mason US Equity	Very High	-1%	0.72	16	-5		HSBC FTSE 100 Index	Medium	-0%	0.95	53	32	3	
Buy	Lincoln North American	High	-0%	0.87	24	18	Buy	HSBC FTSE 250 Index	Very High	+8%	0.70	97	47	1	
	MSDW UK Equity	Medium	+7%	0.48	33	3		HSBC FTSE All Share Index	Medium	+0%	0.94		34	2	
	Martin Currie North American	High	+2%	0.65	28	19	-8	HSBC UK Growth	Medium	+1%	0.83	53	28	3	
	Merrill American	Very High	+2%	0.77	34	-3		HSBC UK Gth & Inc	Medium	+2%	0.91	54	31	3	
	New Star American Portfolio	High	+2%	0.84	21	-4		Halifax Special Situations	High	-0%	0.93		31	1	
	New Star North America Ret A	High	-3%	0.84	18	20	0	Halifax UK All-Share Index	Medium	+0%	0.97		34	4	
	Newton American	High	+1%	0.82	29	19	-4	Henderson UK Capital Growth	Very High	+4%	0.64	67	40	-2	
	Old Mutual North American	Very High	+4%	0.82	40	25	-3	Hill Samuel Capital	High	+1%	0.76	55	33	3	
	Prudential North American	High	-1%	0.79	22	21	0	Inscape UK Equities	High	+3%	0.94		40	4	
	Royal London North American	Medium	-2%	0.85	20	-2		Insight UK Discretionary	Medium	+2%	0.82		28	1	
	S & W American	High	+4%	0.81	42	24	-3	Insight UK Dynamic Managed	Medium	+6%	0.72		41	1	
	SG American Growth	Very High	-1%	0.79	23	21	-2	Insight UK Equity	High	-0%	0.85		30	-1	
	SWIP North American	Very High	+1%	0.85	15	-2	Buy	Invesco Perp UK Aggressive	High	+13%	0.63	100	43	-1	
	Scot Mutual North American	High	+0%	0.84	26	23	-1	Invesco Perp UK Equity	Medium	+2%	0.64	61	38	6	
	Scot Wid. American	High	-1%	0.83	16	15	-2	Invesco Perp UK Growth	Medium	+4%	0.62	68	36	2	
	Scot Wid. American Sel Gth	Very High	+1%	0.87	15	-2		Invesco Perp UK Key Trends	Medium	+3%	0.64	59	31	-2	
	Sing & Fried Amer Growth	Very High	+2%	0.89	21	-5		Investec UK Blue Chip	High	+2%	0.94		38	3	
	Skandia American	Very High	-1%	0.83	17	-4		Investec UK Value	Medium	+1%	0.79		36	8	
	Skandia US Equity Blend	Very High	-0%	0.83	18	-3	Buy	JPM UK Dynamic	High	+10%	0.74	109	52	4	
	Stan Life America	Medium	+1%	0.80	27	21	0	Jupiter Environmental	Low	+7%	0.37	84	37	4	
	Threadneedle American Gth	Low	+4%	0.31	33	24	-2	Jupiter UK Growth	Very High	+9%	0.75	106	60	5	
	Tilney American Growth	Very High	+3%	0.77	19	-7	Buy	Jupiter UK Special Situations	High	+4%	0.55	65	39	0	
	UBS US Equity	High	+3%	0.84	21	-3	Buy	Jupiter Undervalued Assets	Medium	+7%	0.77	74	38	3	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	American Opportunity	Very Low	+7%	0.05	24	20	-4	L & G (A & L) Capital Growth	High	+3%	0.92	67	38	4
	Edinburgh US Tracker	High	-1%	0.79	25	23	-0	L & G (A & L) UK 100 Index	Medium	+1%	0.93	62	36	4
	JPMF American	Very High	+1%	0.69	33	30	-0	L & G (Barclays) 500	Medium	+3%	0.62	60	39	2
Avoid	Second London American	Very Low	-46%	0.01	-74	-62	-20	L & G UK Index	High	+2%	0.88	65	39	3

UNITED STATES SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

	F & C US Smaller Coys	Low	+4%	0.76	58	24	-4	M & G British Opportunities	High	+5%	0.81	83	43	6
	Fidelity American Spec Sits	Medium	-2%	0.81	37	38	-4	M & G Index Tracker	Medium	+7%	0.23	60	14	-14
	Gartmore PP US Smaller Coys	Very High	+2%	0.89	31	-7	Buy	M & G Recovery	High	+7%	0.78	89	47	4
	Gartmore US Smaller Coys	Very High	+2%	0.89	31	-7	Buy	M & G UK Growth	Very High	+4%	0.85	76	48	3
Avoid	Invesco Perp US Smaller Coys	Medium	-10%	0.74	9	15	-9	MLC UK Equity	Medium	+0%	0.87		34	2
	Merrill American Opps	High	+1%	0.86	54	33	-8	MSDW UK Index Linked	Very Low	-1%	0.00		18	5
Buy	Old Mutual UK Select Small Cos	Very Low	+16%	0.36	53	2	Buy	Martin Currie UK Growth	High	+4%	0.86	83	42	5
	SWIP North American Small Cos	Medium	+4%	0.80	29	-6		McHattie Warrant Alert	Very High	+6%	0.88	51	-3	
	Schroder US Smaller Coys	Medium	+4%	0.85	69	30	-3	Merrill Growth Portfolio	Very High	-0%	0.93		32	1
	Scot Wid. American Small Cos	Medium	+5%	0.80	31	-5		Merrill UK	Very High	+2%	0.44	20	-14	
	Threadneedle Amer Small Cos	Medium	+1%	0.81	47	25	-8	Merrill UK Dynamic	Very High	+8%	0.83		43	4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	F & C US Smaller Coys	Medium	+8%	0.55	59	26	-5	Merrill UK Spec Sits	High	+7%	0.83	89	43	3
Buy	JPMF US Discovery	Medium	+10%	0.47	78	37	-7	NFU Mutual UK Growth	Medium	+0%	0.89		35	4
Buy	Nth Atlantic Smaller	Very Low	+16%	0.21	106	36	3	NatWest Growth	High	+0%	0.97		34	3
Buy	Renaissance U.S.	Very Low	+23%	0.05	142	43	1	New Star Hidden value	Very High	+2%	0.76	41	-1	

UNITED KINGDOM

UNITED KINGDOM BASED UNIT TRUSTS

	AXA Ethical B	Medium	+1%	0.66		35	1	New Star UK Alpha	Very High	+5%	0.74		44	1
	AXA Framlington UK Growth	High	+2%	0.85	59	40	2	New Star UK Growth	Very High	+5%	0.75		41	1
	AXA UK Equity Income	Low	-0%	0.76		26	1	Newton Growth	Medium	+1%	0.93		30	4
	AXA UK Growth	Medium	+1%	0.92	59	36	3	Newton UK Opportunities	Medium	+4%	0.81		34	2
	AXA UK Opportunities	Very High	+1%	0.76	71	41	4	Norwich Blue Chip Tracking	High	-0%	0.95	53	32	3
	AXA UK Tracker	Medium	+1%	0.94	58	34	3	Norwich UK Equity	High	-0%	0.94		30	2
	Abbey Nat'l N & P UK Growth	High	+0%	0.82	58	36	4	Norwich UK Ethical	High	+2%	0.78		37	-1
	Abbey Nat'l Stockmarket 100	Medium	+3%	0.97	66	36	4	Norwich UK Growth	Medium	+3%	0.61	59	34	-0
	Abbey Nat'l UK Growth	High	-1%	0.83	58	35	3	Norwich UK Index	Medium	+1%	0.91	58	33	3
Buy	Aberdeen UK Growth	Very High	+11%	0.46	116	74	4	Old Mutual Equity Income	Medium	+2%	0.84		30	1
	Aegon UK Equity Growth	High	+3%	0.92	71	42	2	Old Mutual Ethical	High	+5%	0.68		38	0
	Allianz Dres UK Equity	High	+0%	0.95		34	2	Old Mutual UK Equity	High	+0%	0.92		36	2
	Allianz Dres UK Growth	Medium	+4%	0.87	69	37	4	Old Mutual UK Select Equity	Very High	+1%	0.95		38	2
	Allianz Dres UK Index	High	+0%	0.90	56	34	3	Old Mutual UK Select Large Cap	Very High	-1%	0.92		32	1
Buy	Artemis UK Growth	Medium	+8%	0.47	83	38	1	Prudential UK Growth	High	-1%	0.83	43	31	3
Buy	Artemis UK Special Sits	Medium	+9%	0.60	93	38	2	Prudential UK Index	High	+0%	0.50	52	19	-8
	BG British 350	Medium	+2%	0.86	58	34	1	Rathbone Capital	Very High	+2%	0.75	64	31	-2
	BGI Growth & Income	Medium	+1%	0.86		35	2	Rathbone Spec Situations	High	+10%	0.49	93	31	-4
	BGI UK Growth	High	+1%	0.86		35	1	Royal London UK Equity	High	+2%	0.95	66	37	4
	Baring UK Growth	High	+2%	0.87	65	37	2	Royal London UK Growth	High	+1%	0.96	66	38	5
	CIS UK FTSE-4-GOOD Tracker	Medium	+0%	0.93		33	4	SG UK 350	High	+1%	0.95		38	5
	CIS UK Growth	High	+1%	0.91	57	34	2	SG UK Growth	Medium	+7%	0.54	80	34	2
	CS FTSE 100 Tracker	Medium	-0%	0.93	53	32	4	SG UK Special Opps	High	-2%	0.69		39	4
	CS MM UK Growth	Medium	+5%	0.78		38	1	SVM UK 100 Select	High	+2%	0.87		40	3
	Cazenove UK Growth & Income	Medium	-0%	0.88		32	2	SVM UK Opportunities	Very High	+8%	0.66		48	-0
	Direct Line FTSE 100 Tracker	Medium	+1%	0.96	65	36	5	SWIP Financial	Very High	+8%	0.76		51	-5
	Direct Line FTSE-4-GOOD Track.	Medium	+1%	0.96		33	5	SWIP UK Opportunities	Very High	+7%	0.78		50	0
	Eagle Star UK Index Tracker	Medium	+2%	0.97		37	4	Schroder UK Equity	High	+2%	0.91	57	31	1
	F & C Blue	Very Low	-0%	0.44		24	5	Schroder UK Mid 250	Very High	+11%	0.63	113	50	4
Buy	F & C FTSE 100 Tracker	Medium	+7%	0.42	78	54	4	Scot Mutual Growth	Medium	+2%	0.85	53	30	2
	F & C FTSE All Share	Medium	+1%	0.93	59	34	3	Scot Mutual Opportunity	High	+3%	0.83	65	37	1
								Scot Mutual UK All Share Index	High	+6%	0.96	75	38	4
								Scot Mutual UK Equity	Medium	-1%	0.93	57	35	3
								Scot Wid. UK All Share Track	Medium	-2%	0.27		9	-18
								Scot Wid. UK Growth	Medium	+3%	0.72	58	33	-3
								Scot Wid. UK Index	Very Low	-3%	0.02	16	18	5
								Scot Wid. UK Tracker	High	+1%	0.87		32	2
								Sing & Fried UK Growth Retail	High	+2%	0.87		35	1
				</										

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
	Sovereign FTSE 100	High	-1%	0.94	55	32	4	Buy	M & G Smaller Companies	Medium	+10%	0.89	124	49	2
	Sovereign UK Growth	High	+4%	0.81	75	40	4	Buy	Marlborough Special Situations	High	+11%	0.77	159	34	-1
	St James's UK & Gen Prog.	Medium	+0%	0.76	53	32	3		Marlborough UK Micro Cap Gth	Low	+3%	0.62		36	5
Buy	Stan Life UK Equity Gth	High	+5%	0.84	80	43	2	Buy	Merrill UK Small Companies	Medium	+12%	0.77	152	44	2
	Stan Life UK Opportunities	Medium	+9%	0.72		45	2		Norwich UK Smaller Cos	Medium	+3%	0.90	74	35	-1
	TU British	High	-0%	0.89		32	2	Buy	Old Mutual UK Select Mid Cap	High	+11%	0.84		56	2
	Threadneedle UK Growth	High	+2%	0.86	64	37	4		Premier UK Smaller Coys	Medium	-1%	0.50	69	19	6
	Tilney UK Equity	Medium	+0%	0.89	49	31	2	Buy	Prudential Smaller Companies	Medium	+8%	0.82	115	46	3
	UBS UK Select	Medium	+1%	0.90		28	2	Buy	Rathbone Smaller Coys	Medium	+8%	0.82	120	36	1

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	3i Group	Very High	+3%	0.39	68	54	2
	Advance UK	High	+11%	0.68	105	44	1
	Albany	Low	+6%	0.46	73	50	8
	Aurora Invest Trust	Very High	+3%	0.34	68	29	0
Buy	British American IT	Medium	+11%	0.22	69	48	-3
	British Assets	Very High	-3%	0.80	39	27	-2
	British Portfolio Trt	High	+2%	0.84	59	33	1
	City Merchants High Yld	Very Low	-6%	0.11	14	12	3
	City of London	High	-1%	0.55	46	30	5
	Edinburgh UK Tracker	Medium	-1%	0.87	55	34	4
	F & C Capital & Income	Low	+4%	0.34	51	33	3
Buy	Falcon Investment Trust	Medium	+12%	0.31	99	48	4
Buy	Fidelity Special Values	Very High	+10%	0.61	107	43	4
Buy	Finsbury Growth	Medium	+10%	0.46	106	28	-2
Buy	Gartmore Growth Opps	Very Low	+19%	0.11	132	37	3
	Glasgow Income Trust	Medium	+2%	0.40	49	32	-1
Buy	Hansa Trust	High	+28%	0.32	202	45	-5
	ISIS UK Select	Very High	+5%	0.58	74	46	0
Buy	Independent Invest Trt	Very High	+10%	0.41	82	55	-5
	Invesco Income Growth	High	+1%	0.49	53	26	2
	JPMF Claverhouse	Very High	+2%	0.89	44	4	4
Buy	JPMF Mid Cap	Very High	+13%	0.52	119	69	1
	Life Offices Opport.	Very Low	+5%	0.08	61	44	14
	London & St Lawrence	Low	+2%	0.50	43	31	-0
Buy	Lowland Investment Co	Very High	+7%	0.63	82	36	0
	Merchants Trust	Very High	+0%	0.66	56	36	3
	Murray Income Trust	Very High	+1%	0.73	64	36	3
	Perpetual Income & Gth	Medium	+6%	0.44	79	31	4
	SVM UK Active	Very High	+3%	0.56		56	3
	Schroder Income & Grwth	Very Low	+1%	0.39	40	29	2
	Schroder UK Growth	Medium	+1%	0.50	52	35	4
	Shires Income	Medium	+2%	0.21	62	30	6
	Temple Bar Inv. Trust	Medium	+2%	0.54	59	22	1
	UK Select	High	+3%	0.56		53	1
	Value & Income Trust	Low	+5%	0.36	77	37	5

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Buy	Blue Chip Value & Inc	Very High	+12%	0.36	178	61	-9
Avoid	Danae - Capital	Very Low	-16%	0.00	-61	-11	6
Buy	Ecofin Water & Power(c)	Low	+77%	0.07	835	98	0
	Equity Partnership	Very Low	+6%	0.01	71	31	6
Buy	Framlington I & C - Cap	Medium	+34%	0.23	269	54	-2
Buy	Gartmore High Income	Very High	+10%	0.28	90	83	6
Buy	Investec High Income	Medium	+26%	0.25	155	48	1
Buy	JPMF Income & Capital	Very High	+12%	0.51	113	55	-4
Buy	JPMF Income & Gth (cap)	Very High	+18%	0.41	156	44	-2
Buy	M & G Equity Trust -Cap	Very High	+10%	0.27	93	36	-7
Buy	M & G High Income - Cap	Very High	+21%	0.22	133	55	-9
Buy	M & G Income	Low	+9%	0.22	59	26	-4
	M & G Recovery	Low	+5%	0.30	68	23	-4
	Merrill FTSE100 G&I (c)	Very Low	+4%	0.22	53	22	6
Buy	Rights & Issues	Very Low	+16%	0.04	121	36	2
	Royal London UK Equity	Very High	+2%	0.41	51	6	-6
	Schroder Split Invest.	Very High	+5%	0.59	80	37	-4

UNITED KINGDOM SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Buy	AXA Framlington UK Small Coys	High	+12%	0.82	146	40	0
	Abbey Nat'l Smaller Cos	High	+2%	0.84	84	44	0
	Aberdeen UK Emerging	Medium	-1%	0.77	68	40	1
Buy	Aberforth UK Small Coys	Low	+10%	0.85	110	38	2
Buy	Allianz Dres UK Mid-Cap	Medium	+7%	0.82	110	50	2
Avoid	Artemis New Enterprises	Very High	-7%	0.78	58	11	-6
Buy	Artemis UK Smaller Coys	Medium	+8%	0.70	116	42	0
Buy	BG British Smaller Coys	Medium	+10%	0.69	128	54	4
	BGI Smaller Companies	Medium	+1%	0.89	34	-2	
	Baring UK Small Coys	Medium	+1%	0.85	84	37	2
	CS Smaller Companies	Medium	+5%	0.89	45	5	
	CS UK Mid 250	Medium	+5%	0.73	94	45	2
	Cavendish Opportunities	High	+2%	0.79	88	31	3
	Cazenove UK Smaller Coys	High	+3%	0.78	102	46	2
	F & C AIM Growth	Medium	-2%	0.49	71	17	1
Buy	F & C UK Smaller Companies	Medium	+8%	0.91	115	42	-1
	First State British Small Cos	Medium	+5%	0.48	108	23	1
	Gartmore UK & Irish Small Cos	High	+0%	0.82		35	2
	HSBC UK Smaller Companies	Medium	-0%	0.77	64	31	-1
	Halifax Smaller Companies	Medium	-2%	0.93		32	1
	Henderson UK Small Coys	Medium	+5%	0.91	110	45	2
	Insight UK Small Cap	Low	+4%	0.84	84	35	2
	Invesco Perp UK Small Coys	Very High	+3%	0.80	91	29	-2
	Invesco Perp UK Small Cos Equ.	Medium	+5%	0.86	92	45	3
Buy	Investec UK Smaller Cos	Low	+10%	0.87		47	3
Buy	JPM UK Smaller Companies	High	+8%	0.90	126	55	2
	Jupiter UK Small Cos	High	+2%	0.71	103	37	2
	L & G UK Small Coys	Medium	+5%	0.84	98	46	3
	Legg Mason US Smaller Coys	High	+2%	0.46		36	-6

Buy	M & G Smaller Companies	Medium	+10%	0.89	124	49	2
Buy	Marlborough Special Situations	High	+11%	0.77	159	34	-1
	Marlborough UK Micro Cap Gth	Low	+3%	0.62		36	5
Buy	Merrill UK Small Companies	Medium	+12%	0.77	152	44	2
	Norwich UK Smaller Cos	Medium	+3%	0.90	74	35	-1
Buy	Old Mutual UK Select Mid Cap	High	+11%	0.84		56	2
	Premier UK Smaller Coys	Medium	-1%	0.50	69	19	6
Buy	Prudential Smaller Companies	Medium	+8%	0.82	115	46	3
Buy	Rathbone Smaller Coys	Medium	+8%	0.82	120	36	1
	S & W Smaller Securities	High	-1%	0.57	76	22	-4
	SG UK Smaller Companies	Medium	-0%	0.91		34	-1
	SWIP UK Smaller Companies	Medium	+3%	0.84		37	1
	Schroder UK Smaller Coys	Medium	+4%	0.92	91	39	2
	Scot Wid. UK Smaller Coys	Medium	+5%	0.88		45	0
Buy	Stan Life UK Smaller Cos	Medium	+11%	0.82	123	57	2
	Threadneedle UK Smaller Cos	High	+4%	0.84	92	52	2
	UBS UK Smaller Companies	High	+6%	0.72		44	-1
	Unicorn UK Smaller Coys	Medium	-6%	0.70		47	7

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Aberforth Smaller Coys	Very High	+1%	0.82	79	29	-2
Buy	Acorn Income Fund	Very Low	+11%	0.39	150	51	5
	Active Capital Trust	Very High	+1%	0.71		36	-4
Buy	Chelverton Growth Trust	High	+9%	0.22	141	25	-11
Buy	Dunedin Smaller Coys IT	Medium	+10%	0.64	121	53	1
Avoid	Eaglet Investment Trust	Very High	-12%	0.58	67	52	8
Buy	Edinburgh Smaller Coys	Very High	+11%	0.63	188	71	8
Buy	Framlington Innovation	Medium	+7%	0.66	110	29	-3
	Gartmore Fledgling Indx	High	+1%	0.51	108	14	-3
	Gartmore Small Coys	Very High	+3%	0.64	107	38	-0
	Henderson Smaller Cos	Very High	+6%	0.81	147	55	1
	Henderson Strata Inv	High	+4%	0.56	108	32	-2
Buy	Invesco England	Very High	+7%	0.67	152	42	1
Buy	Invesco Perp UK Smaller	Medium	+7%	0.67	110	43	2
	JPMF Mercantile	Very High	+4%	0.76	102	63	-0
Buy	JPMF Smaller Cos	Very High	+10%	0.75	167	64	1
	Merrill British Sm Coys	Very High	+2%	0.90		55	-0
Buy	Montanaro UK Small Coys	High	+10%	0.70	121	50	-3
	Osprey Small Cos Income	Very High	-2%	0.72	68	47	-2
Buy	Platinum Trust	Very Low	+11%	0.24	104	39	2
	SVM UK Emerging Fund	Very Low	+5%	0.10		66	6
Buy	Schroder UK Mid & Small	Very High	+7%	0.76		44	-0
	Shires Smaller Coys	Very High	-4%	0.55	63	21	-4
Buy	Throgmorton Trust	Very High	+8%	0.76	151	40	-0

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Buy	Aberforth Geared (cap)	Very High	+23%	0.53	247	58	-1
Buy	Small Companies Div.	Very Low	+2%	0.40		48	3
	Small Cos Value Trt (c)	High	+28%	0.32		81	1

EUROPE

AUSTRALIAN BASED UNIT TRUSTS

	Allianz Europe Growth	Low	+3%	0.44	60	34	5
	BT Europe Growth	Medium	+2%	0.75	57	34	-2
	Perpetual Fid. Europe	Very Low	-3%	0.25	34	11	5
	Platinum Europe	Medium	+2%	0.65	62	30	-0

NEW ZEALAND BASED UNIT TRUSTS

	Tower Spotlight Europe	Low	-2%	0.57	42	27	-1
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UNITED KINGDOM BASED UNIT TRUSTS

	AXA European Growth	High	+3%	0.90	88	45	1
	AXA Framlington European	Very High	+6%	0.86	105	46	-1
	Aegon European	High	+1%	0.89	73	42	-0
	Alichurches Euro Growth	Low	+1%	0.87	66	37	2
	Allianz Dres Cont. Euro.	Medium	+1%	0.90	71	38	-1
	Allianz Dres Euro Index	Medium	+1%	0.92	72	39	1
Buy	Artemis European Growth	Very High	+10%	0.92	122	48	-3

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	JPM New Europe	Very High	+16%	0.54	181	82	0
Buy	Jupiter Emerging European	Very High	+12%	0.71	73	3	3
Buy	Jupiter European	Low	+8%	0.46	87	36	-0
	L & G (A & L) European	Medium	-1%	0.84	63	38	1
	L & G Euro Index	High	+1%	0.88	72	39	1
	L & G European	High	-1%	0.89	69	41	-0
	Lazard European Growth	High	+3%	0.88	81	42	-0
	Lincoln European	High	+1%	0.91	71	36	-0
	M & G European	High	+2%	0.89	84	42	0
	M & G European Index Tracker	Medium	+6%	0.80	85	41	1
	MSDW Europe (ex-UK)	Medium	-1%	0.91	42	0	0
	Martin Currie European	Very High	+3%	0.88	84	49	0
	Merrill Continental Euro	High	+4%	0.90	47	2	
Buy	Merrill European Dynamic	Very High	+7%	0.90	48	-1	
Buy	Neptune Russia & Gtr Russia	Very High	+18%	0.80	104	4	
Buy	New Star European Growth	Medium	+8%	0.81	49	3	
	New Star European Leaders	Medium	+3%	0.95	36	1	
Buy	New Star European Portfolio	Very High	+8%	0.79	43	-5	
	Newton Continental European	Medium	+3%	0.90	83	43	3
	Newton Pan-European	Medium	+2%	0.93	74	38	2
	Old Mutual European Equity	High	+2%	0.93	44	-1	
Buy	Premier European Growth	Medium	+12%	0.72	124	56	1
	Prudential Euro Index	High	+0%	0.70	64	28	-6
	Prudential European	Medium	+0%	0.86	68	39	-0
	Royal London European Gth	High	+2%	0.90	81	43	1
	S & W European	High	+1%	0.93	63	37	0
Buy	SG European	High	+12%	0.27	136	40	1
Buy	SVM Continental European	Very High	+10%	0.72	55	0	
	SWIP European	Medium	+6%	0.77	42	-1	
	SWIP Pan Euro Equity	Medium	+5%	0.81	46	2	
	SWIP Pan European SRI	Medium	+4%	0.85	44	1	
	Schroder European	Medium	+5%	0.89	90	39	2
	Scot Mutual European	Medium	+1%	0.89	68	39	0
Buy	Scot Wid. Euro Select Gth	Medium	+7%	0.74	46	-1	
	Scot Wid. Euroland	Medium	+6%	0.77	84	44	-0
	Scot Wid. European Growth	Medium	+6%	0.78	85	43	-1
Buy	Sing & Fried European Growth	High	+7%	0.89	47	0	
	Skandia Continental European	Medium	+2%	0.87	39	0	
	Skandia European Equity Blend	High	+2%	0.86	44	0	
	Sovereign European Gth	Medium	+1%	0.92	74	39	-0
	St James's Gtr Euro Prog.	Low	+3%	0.76	76	38	3
	Stan Life Euro Equity Gth	High	+6%	0.81	91	49	-1
	TU European	Medium	+2%	0.87	36	1	
	Threadneedle Euro Growth	High	+3%	0.91	81	39	0
	Threadneedle Euro Sel Growth	High	+3%	0.88	79	39	1
	Threadneedle Pan Euro Gth	Medium	+1%	0.92	72	42	3
	Tilney European Growth	Medium	+5%	0.80	88	49	1
	UBS European Equity	Very High	+3%	0.93	36	-3	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Artemis Alpha	High	+11%	0.19	23	0	
Buy	Baring Emerging Europe	Very High	+22%	0.46	220	85	-3
Buy	Blue Planet Euro Fin.	Very High	+7%	0.47	101	-8	
Buy	Blue Planet Gth & Inc	Very High	+12%	0.28	78	73	-15
	Charter Pan European	Very High	+4%	0.81	88	42	-1
Buy	Eastern European	Very High	+23%	0.52	230	67	-9
Buy	European Assets	High	+14%	0.55	158	51	1
	F & C European	High	+6%	0.72	98	51	1
	Gartmore European	Very High	+6%	0.85	103	54	-1
Buy	Gartmore Irish Small	Medium	+19%	0.29	205	44	3
Buy	Henderson Eurotrust	High	+10%	0.54	119	51	-1
Buy	Invesco Perp European	Very Low	+12%	0.27	112	25	3
Buy	JPMF Cont. Euro.	High	+8%	0.86	54	3	
Buy	JPMF Russia	Very High	+29%	0.39	258	142	4
Buy	Jupiter European Opps	Low	+16%	0.36	144	42	1
	Merrill Greater Europe	Very High	+2%	0.86	55	1	
Buy	SR Europe	Very High	+22%	0.46	186	83	-3

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Premier Euro Utilities	Very High	+1%	0.42	48	-5	
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EUROPE SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Buy	BG Euro Small Coys	High	+16%	0.72	171	61	0
Buy	Henderson European Small Cos	Medium	+16%	0.61	157	57	1
Buy	Insight European Small Cap	Medium	+11%	0.66	46	2	
Buy	Invesco Perp Euro Smaller Cos	Very High	+12%	0.66	133	58	1
Buy	JPM European Smaller Coys	Very High	+17%	0.74	180	58	-1
Buy	Jupiter Euro Spec Sits	Medium	+12%	0.52	126	51	2
Buy	SWIP Pan-Euro Small Companies	Very High	+10%	0.80	61	2	
Buy	Schroder Euro Small Coys	Medium	+16%	0.67	161	54	0
Buy	Threadneedle Euro Small Cos	High	+16%	0.68	165	56	1

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Fidelity Euro V.	Very High	+11%	0.67	139	41	-2
Buy	JPMF Euro Fledgling	Very High	+22%	0.65	254	73	-2
Buy	TR European	Very High	+20%	0.70	216	56	-4

GERMANY

UNITED KINGDOM BASED UNIT TRUSTS

Baring German Growth	Medium	+4%	0.86	103	44	-2
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Best Performing Funds: World Trust Fund

World Trust Fund (code WTR).

World Trust Fund is a Luxembourg registered investment company listed on the London stock exchange (but traded in US dollars) and managed from New York. It also has a very unusual asset allocation which could generate a performance that varies widely from the general trend of world stockmarkets.

The company has a portfolio of US\$295 million, with bank debt providing gearing of around 12%. The issued capital consists of 6,162,000 shares which are quoted at US\$39.05 - 40.00. This is a 7% discount to net asset value.

World Trust Fund invests in other investment trusts and index funds listed on the UK, US and other world stockmarkets. An unusual feature is that it will hold large short positions in some funds.

At 31 May (the latest statistics available), the trust had "long" positions equal to 179.9% of its net assets (i.e. 73.3% of its assets in Europe, 53.8% in Asia, 13.2% in Africa, 10.9% in Emerging Europe, 8.2% in Developed markets, 7.7% in Latin America, 0.9% in the Middle East and 11.9% in cash) and "short" positions equal to 80.0% of its net assets (i.e. a 61.5% short position in North America and 18.5% short position in Global Emerging Markets).

On 30 June the short positions were mainly in Japan, Gold and Oil Service funds - although long positions in these sectors have contributed to World Trust Fund's performance over the last few years.

The strategy of holding both long and short positions *could* allow the fund to profit from gains in one market and declines in another - but this would be a very high risk strategy and is not how the fund seeks to invest. Usually it will take a long position in trusts trading at a large discount to net asset value and hedge some of this risk by selling short exchange traded index funds which trade near net asset value.

Overall the fund holds a very well diversified portfolio, holding long positions in around 50 different funds and short positions in around 8 exchange traded index funds.

The annual management fee is 0.75% per annum *plus* a stepped performance fee (i.e. 5% of gains in excess of 5% above the benchmark index, 10% of outperformance above 10%, 15% of outperformance above 15% and 20% of outperformance above 20%). Overall that can lift the total annual management to 2-3% but only when the fund is outperforming the MSCI World index. As income yields are low this will generally leave no net income available for the payment of dividends.

World Trust Fund rates *Very High* risk in our quarterly *Investment Trust Survey*, but has also performed very well, earning a risk adjusted *Superiority Rating* of +14%.

Summary and Recommendation

We are not formally recommending World Trust Fund. Nevertheless, owing to its excellent long term track record and its unique strategy of investing to profit from the movement in the net asset value of other listed investment trusts, investors seeking long term capital appreciation from investment in world stockmarkets could consider investing in this fund.

World Trust Fund



Next Issue:

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