Information and Advice on World Stockmarkets from Securities Research Company's . .

International Investor

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Inside International Investor

Credit Crunch worries continue 2

Founder: James R Cornell (B.Com.)

World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	<u>Historical</u> 3 mths	Performanc 6 mths	<u>e (in US\$)</u> 12 mths	Share Index
Australia	52%	Bearish	Bullish	Neutral	Bearish	+20.0%	+15.3%	+45.7%	6,607.40
Austria	39%	Neutral	Neutral	Bearish	Bearish	+11.0%	+6.6%	+27.2%	4,587.42
Belgium	43%	Bullish	Bearish	Bearish	Bullish	+6.0%	-5.9%	+9.5%	4,048.61
Canada	58%	Neutral	Bullish	Neutral	Neutral	+15.4%	+17.0%	+34.9%	13,869.82
Denmark	55%	Bearish	Bullish	Neutral	Bullish	+10.9%	+9.6%	+32.5%	494.97
Finland	55%	Bearish	Bullish	Neutral	Bearish	+19.3%	+21.8%	+48.4%	12,033.38
France	45%	Bullish	Bearish	Bearish	Bearish	+8.4%	-1.1%	+16.0%	3,923.10
Germany	49%	Neutral	Bullish	Bearish	Bearish	+14.1%	+13.3%	+40.2%	7,812.40
Ireland	37%	Bullish	Bearish	Neutral	Bearish	-8.4%	-19.3%	-6.3%	7,128.69
Italy	34%	Bullish	Bearish	Bearish	Neutral	+3.9%	-5.5%	+7.9%	29,445.00
Japan	43%	Neutral	Bearish	Neutral	Bullish	-1.1%	-3.7%	+2.6%	15,583.42
Netherlands	36%	Neutral	Neutral	Bearish	Bearish	+9.1%	+4.3%	+18.2%	510.65
New Zealand		Bullish	Bearish	Bearish	Neutral	-1.4%	-5.4%	+9.3%	2,415.62
Norway		Bearish	Bullish	Bullish	Neutral	+23.4%	+25.5%	+50.2%	434.04
Spain	<u>54%</u>	Neutral	Bullish	Bearish	Neutral	+14.9%	+13.3%	+27.2%	1,702.86
Sweden	39%	Bullish	Bearish	Bearish	Neutral	+2.6%	-3.7%	+14.1%	362.27
Switzerland		Neutral	Bearish	Bearish	Bearish	+4.6%	-3.0%	+6.3%	8,417.15
Un. Kingdom _		Bullish	Neutral	Bearish	Bearish	+8.1%	+1.3%	+11.1%	6,304.90
USA		Bearish	Bearish	Bullish	Bullish	+0.0%	-3.5%	+5.3%	1,453.70
Argentina	_	Bearish	Bullish	Bullish	Neutral	+14.9%	+9.6%	+25.9%	8,398.13
Brazil		Bearish	Bullish	Bullish	Bearish	+36.6%	+45.5%	+93.9%	64,320.56
Czech Rep.		Neutral	Bullish	Bearish	Neutral	+18.2%	+16.1%	+43.6%	1,832.10
Chile		Bearish	Bullish	Bearish	Bullish	+5.4%	+3.6%	+34.1%	14,566.28
China	1070 50%	Bearish	Bullish	Neutral	Bearish	+13.4%	+26.2%	+244.7%	352.42
Greece		Bearish	Bullish	Neutral	Bullish	+19.2%	+17.8%	+37.9%	5,148.13
Egypt		Bearish	Bullish	Bullish	Neutral	+19.2%	+20.0%	+43.4%	3,056.16
Hong Kong	60%	Bearish	Bullish	Neutral	Neutral	+32.7%	+41.3%	+52.4%	28,783.41
Hungary		Bearish	Neutral	Neutral	Bullish	+4.5%	+9.7%	+34.4%	26,894.88
India	35%	Bearish	Bullish	Bearish	Bearish	+32.2%	+44.4%	+62.7%	18,907.60
Indonesia	<u> </u>	Bearish	Bullish	Neutral	Bullish	+25.8%	+30.3%	+62.7%	2,707.67
Israel	60%	Bearish	Bullish	Bullish	Neutral	+20.0%	+7.6%	+38.6%	1,168.11
Korea	0070	Bearish	Bullish	Neutral	Neutral	+12.0%	+27.0%	+47.0%	1,990.47
Korea	<u> </u>	Bearish	Bullish	Bullish	Neutral	+12.0%	+6.7%	+50.5%	1,402.25
Malaysia	330/	Bearish	Bearish	Bearish	Neutral	+0.4%	-3.7%	+22.1%	29,158.86
Mexico	<u>56%</u>	Neutral	Bullish	Neutral	Bearish	+21.0%	+21.7%	+52.6%	3,703.66
Philippines Poland	47%	Bullish	Neutral	Bearish	Neutral	+11.1%	+9.5%	+42.7%	58,222.82
Portugal	31%	Bearish	Bearish	Bearish	Bearish	+9.0%	+16.4%	+46.4%	4,219.99
Russia		Bearish	Bullish	Bullish	Neutral	+14.3%	+10.4% +23.7%	+28.4%	24,174.64
Singapore		Bearish	Bullish	Bullish	Bullish	+14.3% +13.4%	+23.7%	+20.470 +41.5%	3,599.67
Sth Africa		Neutral	Bullish	Bearish	Bearish	+13.4% +23.8%	+13.4%	+41.4%	30,920.21
		Bullish	Bullish	Bearish	Neutral	+2.6%	+15.4%	+27.1%	8,970.92
Taiwan Thailand			Bullish	Bearish		+2.0%	+13.3% +35.3%	+27.1% +36.8%	8,970.92 874.64
Turkey		Neutral Neutral	Bullish	Neutral	Neutral Bullish	+17.2% +18.6%	+33.5% +33.6%	+30.8% +63.7%	
Venezuela		Bullish	Bearish	Bearish	Bearish	-5.7%	+33.0% +27.2%	+03.7% +43.7%	53,689.08 38,564.65
Venezuera									

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 *Credit Crunch* is being described as "the worst crisis in ten years". We agree - it has been a very quiet decade!

There was an Asian crisis in 1997 forcing local currencies to devalue and which are now considered under-valued.

A hedge fund, **Long Term Capital Management**, failed in October 1998. The fund had US\$4 billion in investors' capital, traded derivatives worth US\$1.25 trillion and lost \$4.6 billion in just four months! And was quickly forgotten.

On the other hand, a terrorist attack on the United States in September 2001 received (and continues to receive) plenty of attention, but weren't things more unstable in the past? The IRA, for example, with weapons imported from the United States and Libya, was *active* for 37 years from 1969-97.

Investors did get a little too enthusiastic about Technology shares and "internet-economics" leading to a downturn in world stockmarkets and a mild recession in the early 2000's.

Overall it was a rather uneventful decade.

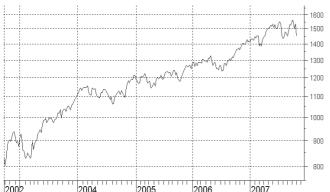
US consumers have continued to over-spend -aided by easy credit which led to the Sub-Prime Mortgage problem. Correcting that imbalance must - in the long term - be a favourable development.

The current *Credit Crunch* results from the uncertainty about the financial position of particular banks which has resulted in a sharp decline in inter-bank lending and liquidity in the short term money market. This is simply a question of confidence. Things will get worse while that confidence remains weak, but could quickly improve and return to normal. The *Credit Crunch* is <u>not</u> impacting on Asian domestic banks with no exposure to the US market. There is still plenty of liquidity in the Chinese market, in most Asian economies and amongst the oil exporting countries. Ultimately these global markets are all linked. It is very difficult, for example, for any central bank to control money supply in its own country as money flows between international financial markets.

The problems at UK based **Northern Rock** was that the company borrowed short term to lend long term - a business model that has failed throughout history! The bank's long term lending on mortgages was funded mainly from short term borrowing in the money market. The *Credit Crunch* effectively closed off its money market financing - but sooner or later *something* would have triggered a funding crisis and its current problems.

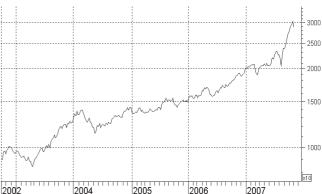
The point we want to make, however, is that a business like Northern Rock (or a more sound one that gets into trouble owing to the *Credit Crunch*) could easily be taken over cheaply (or perhaps for nothing) by the people who still have cash: the Asian exporting nations with massive foreign currency reserves or the Sovereign Wealth Funds operated by cash rich oil exporting countries.

If the *Credit Crunch* continues, it will offer an outstanding opportunity for cash rich Asian exporters or oil exporters to cheaply acquire businesses in the developed western world. We do <u>not</u> think that central banks and western governments will allow that to happen - which means the *Credit Crunch* will be allowed to punish over-extended borrowers but not deteriorate to the stage that we get a major economic crisis!



United States Stockmarket

Hong Kong Stockmarket



Recommended International Investment Funds

Fund Reports

Aberdeen Asian Smaller Companies Investment Trust plc plans to pay an annual dividend of 3.45 pence and a special dividend of 2.7 pence (being from special dividends received from its investments) on 30 November, ex-dividend 26 October. We currently hold *warrants* to buy the shares in three years time, so don't participate in this distribution.

The trust's portfolio is weighted towards domestic demand - retailers, utility and energy companies - rather than export companies. This should cushion the portfolio from any slowdown in exports, while rising wealth throughout Asia should support growth in domestic consumption.

The Fund Manager believes that with "mounting foreign exchange surpluses" Asian "currencies are fundamentally under-valued".

Smaller Asian shares have under-performed the

liquidity driven boom in larger Asian shares, where "the justification for valuations seems tenuous" and a correction is possible. Smaller company shares are less at risk of a correction and should outperform in a less "feverish" market.

When the trust was first formed it invested in *smaller companies* with a market capitalisation of under US\$250 million. That was raised to under US\$600 million in 2002 and will now be raised to under US\$750 million.

Scottish Oriental Smaller Companies Trust plc will pay a 27.8% higher final dividend of 4.6 pence on 25 January, ex-dividend 21 December.

The Fund Manager notes that "Asia's exposure to the global economy has fallen over the last ten years" although "exports remain a key factor driving economic growth". The trust holds 5% of its portfolio in cash - "reflecting a somewhat cautious view on the immediate future" - but the "longer term *(Continued on Page 8)*

Current Advice Investment Fund	EPIC Code	Initial Red Date			Prem/ Disc to Net Assets	<u>Recent</u> Bid-Offer or Last Sale	<u>rice</u> NZ Cents	Gain or Loss %
Europe								
HOLD Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-5%	1314.0p	3571.6	+177
BUY JFMorgan Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-13%	763.0p	2073.9	+171
	••••		op			. coup	_0.0.0	
BUY Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-18%	637.0p	1731.4	+66
HOLD Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-6%	350.0p	951.3	+36
Asian Regional			•			·		
BUY Aberdeen Asian Sm Co WARRAN	ITSAASW	09/09/03	75.3p	209.1		211.5p	574.9	+175
BUY Gartmore China Opportunities	*	09/07/07	548.9p	1410.4		699.15p	1900.4	+35
HOLD Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		383.09p	1041.3	+888
HOLD HSBC Asian Fund	*	10/11/98	34.4p	106.3		86.85p	236.1	+122
HOLD Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		543.6p	1477.6	+32
BUY Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-15%	298.0p	810.0	+145
Japan								
BUY Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-10%	153.75p	417.9	-5
BUY Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-13%	59.75p	162.4	-50
BUY Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		48.89p	132.9	-27
Korea								
HOLD Baring Korea Trust	*	12/04/94	81.1p	209.4		270.5-286.3p	756.7	+261
International								
BUY Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		323.4p	879.0	+378
BUY Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-15%	352.5p	958.1	+17
HOLD Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-6%	151.5p	411.8	-2
* United Kingdom based Unit Trust								

The average Gains/Losses of all current investments from initial recommendation is +142.2%. This is equal to an average annual rate of +19.2%, 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 46 closed out) is +14.6%.

Other Shares and Warrants

Alternative investments in the UK listed investment trust warrants recommended above include Aberdeen Asian Smaller Companies shares at 289 pence (trading at an 18% discount to net asset value).

Investment Fund Survey

										-					
Current Advice		Risk Rating	Superi- ority Rating	Market Correla- tion	Perf 36 mth	orma 12 mth	nce 3 mth	Curren Advice		Risk Rating	Superi- ority Rating	Market Correla- tion	Perf 36 mth	orma 12 mth	<u>ance</u> 3 mth
	NEV	ZEALA	ND					Avoid Avoid	Commonwealth Share Income Gold Sachs Emerging Lead.	High Verv High	-14% -25%	0.32 0.29	30 -16	9 -8	9 7
	New Zealan			OTO				Avoid	Gold Sachs Leaders Trust	Very High		0.50	39	10	15
								Avoid	Hunter Hall Value Growth	Medium	-9%	0.34	40	8	6
	AMP NZ Share	Very Low	-1%	0.74	41	15	2	Avoid	ING Australia Share	Very High	n -21%	0.42	13	0	13
	ASB NZ Shares	Low	-2%	0.58	31	6	-8	Avoid	ING Blue Chip	Very High	n -16%	0.46	26	8	13
Duni	Fisher Fledgling Fund Fisher NZ Growth Fund	Very Low Low	+3% +9%	0.32 0.38		7 12	-2 -2	Avoid	MLC Aust Tr - Aust Share	Very Low		0.17	27	10	13
Buy	ING NZ Share	Medium	+9% -5%	0.50	30	5	-2 -0		MLC Aust Trust - Index	Medium	-0%	0.61	85	25	14
	NZ Guardian NZGT 30	Medium	-5% -4%	0.50	30 27	5 10	-0 -4		Macquarie Active Aust Equ	Very High		0.64	69	12	14
	NZ Guardian Small Coys	Verv Low	-4 % +5%	0.80	54	8	-4	Avoid	NAFM In Trt - Equities	Very High		0.27	-11	-5	-2
	Tower New Zealand Equity	Very Low	-2%	0.37	31	9	-1	Avoid	NAFM Inv Trust - Div Imp	High	-14%	0.54	27	5	12
						5	-1		Parker Enhanced Leaders	Medium	-5%	0.45	55	23	16
	New Zealand L			Trust				Avoid	Perpetual ICSav - Aust	High	-7%	0.59	56	9	12
	Mid-Cap Index	Medium	-0%	0.64	42	10	-1	Avoid	Perpetual ICSav - Sm Coys	Very High		0.41	21 29	6	8
Avoid	TeNZ	High	-9%	0.80	18	13	-4	Avoid	Perpetual ICSav - Indust. Portfolio Ptnrs Emerging	Very High High	ı -15% -21%	0.22 0.21	-8	43 14	50 4
	UNITED KINGDOM BAS	ED LISTED IN	VESTM	IENT T	RUST	S		Avoid	00	Ũ			-0	14	4
Buy	NZ Investment Trust	Low	+7%	0.43	63	19	0			ND BASED U					
									AMP Australian Shares	Very Low		0.42	72	24	13
	ΔΙ	ISTRALI	Δ					Avoid	ANZ TranzEquity	Very Low		0.15		10	0
								Buy	Fisher Australian Growth ING Australian Share	Very Low Very Low		0.08 0.24	77	22 22	1 9
	Australian	I BASED UNIT	r Trus	TS						,	Ŧ170	0.24		22	9
Avoid	AMP Blue Chip Trust	Very High	-13%	0.44	34	11	13			Australia					
Avoid	AMP Equity Trust	Very High	-13%	0.53	43	7	13							Ē.,	000
Avoid	AMP FLI Aust	Very High	-14%	0.45	35	-4	10							5 E'	
Avoid	AMP FLI Small Companies	Very High	-17%	0.33	23	10	8		1			r	M/	····- = 6	500
Avoid	ANZ Equity Imputation Trt	Very High	-13%	0.56	36	7	14		·····				····\	6	000
Avoid	ANZ Equity Trust No 1	Very High	-21%	0.55	26	4	13	ļ					Y	Ē	500
Avoid	ANZ ING Aust Shares	Very High	-14%	0.51	37	15	13				M			- F -	
Avoid	ANZ ING Blue Chip	High	-9%	0.50	49	15	13			<u>م</u>	.jhA.pal			5	000
Avoid	AXA Australia Industrial	Very High	-23%	0.41	4	0	14			1 N				Ē	500
Avoid	Advance Imputation Fund	High	-16%	0.50	17	4	12								500
Avoid	Aust Ethical Equities	Medium	-14%	0.28	12	6	4		ſ	~~_/~				4	000
Avoid	BT Australia	Very High	-10%	0.64	57	12	12		^					Ē	000
Avoid	BT Smaller Companies	Very High Low	-13% -7%	0.43 0.59	41 52	14 2	10 7							E.,	500
Avoid	BT Split Trust Growth Challenger Aust Shares	Medium	-7% -6%	0.59	52 59	13	7		n wind					t i i	000
Avoid	Col First State Aust Sh.	High	-0% -17%	0.46	23	2	11		N'N					E.	
Avoid	Col First State Dev. Coys	High	-13%	0.30	16	7	6	1 Martin	~~~~						000
Avoid	Col First State Future Ld	Very High	-24%	0.30	5	-6	8		V					Ŀ	
Avoid	Col First State Imput'n	Medium	-16%	0.53	22	-0	12							ŀ	
Avoid	Commonwealth Aust Share	Medium	-14%	0.31	28	10	9	2020		2005		11 0007			
,		mouldin		0.01	20		Ũ	2002	2004	2005 20	006	2007			

Investment Fund Survey Information.

Fund Listings. Unit trusts are listed under the country where they invest, and then sub-divided according to the country where the Fund Manager is based. For example, "Australian Funds" hold principally Australian shares and other Australian investments although these funds may be based in either the UK, NZ or Australia.

Risk Ratings. Most equity funds follow general stockmarket trends but some are far more volatile than others. The "Risk Rating" measures justhow volatile a fund is relative to the stockmarket in the country where it invests. "Very High" and "High" risk funds will usually rise very fast during a Bull Market (i.e. during a rising stockmarket trend) but will also fall fastest in value when the stockmarket dips. "Low" and "Very Low" risk funds will experience smaller price fluctuations.

Superiority Ratings. The "Superiority Rating" is the most important statistic for selecting the best managed funds to buy and the worst managed funds to avoid. The "Superiority Rating" shows whether a fund's actual return was above or below its expected return based upon its volatility. For example, if the stockmarket rises 10% then a fund with a volatility of 1.5 would be expected to rise 15% (i.e. $10\% \times 1.5$). If the fund rose 20% it would have a "Superiority Rating" of +5%. On the other hand, if the fund rose only 10% it would be given a "superiority rating" of -5%. (Actually, the "Superiority Ratings" are calculated from a statistical analysis of each fund's monthly performance over the last three years, with extra importance given to its performance over the latest twelve month period.)

Many funds can beat the stockmarket by a substantial margin during a Bull Market simply invested in very risky, volatile shares but these are not managed in a superior way. Only funds that perform better than can be expected from their volatility (or risk exposure) can be said to be benefiting from genuinely superior management.

Current Advice. The "Superiority Rating" measures the annual amount by which a fund's performance is above or below its expected return based upon

its level of risk exposure. As a high "Superiority Rating" indicates excellent management of the fund's investment portfolio these trusts are automatically given "Buy" ratings. A negative "Superiority Rating" shows poor investment results and the funds with the worst management record have been given an "Avoid" rating.

Market Correlation. The "Market Correlation" measures how closely a fund's price follows general stockmarket movements (in the country where it invests). Correlations, which statisticians call R² ("R-squared"), vary from 0 (no correlation) to 1 (100% correlation). Most equity funds have "Market Correlations" between 0.60 and 0.95.

Investors who buy and sell funds on the basis of "market timing" should choose funds with high market correlations. The performance of these funds will closely reflect general stockmarket movements. Other investors may wish to minimise the impact of general stockmarket fluctuations and buy funds with lower market correlations.

How to Maximise Profits from this Investment Fund Survey.

First decide whether you want to invest in a fund that holds New Zealand, Australian, International, United Kingdom, European, Japanese or Gold & Mining shares, then turn to the appropriate section.

If you expect the stockmarket to rise strongly (in the country where the fund invests) the "High" and "Very High" risk funds with high superiority ratings and high market correlations will be your choice.

If uncertain about the general stockmarket trend then "Medium", "Low", or even "Very Low", risk funds with the highest superiority ratings will be the best investments.

Most NZ based and Australian based unit trusts are sold through sharebrokers and other commission sales organisations. UK based trusts are not sold through NZ agents but may be bought and sold (by telephone or by post) directly from the management organisations or through a stockbrokers like FasTrade (www.fastrade.co.uk). Prices can also be found at the TrustNet web site (www.trustnet.com). November 12, 2007.

Curren Advice		Risk Rating	Superi- ority Rating	Market Correla- tion	Perf 36 mth	orma 12 mth	nce 3 mth		
AUSTRALIAN LISTED INVESTMENT TRUSTS									
Buy	Argo Investments	Very Low	+7%	0.01	79	11	8		
Buy	Australian Foundation	Very Low	+9%	0.04	97	29	11		
Buy	Choiseul Plantation	Very Low	+8%	0.00	70	14	11		
Buy	Diversified United Inv.	Very Low	+12%	0.03	119	33	5		
	Huntley Investment Coy	Very Low	+1%	0.05	42	8	5		
	New Zealand Liste	D INVEST	MENT .	TRUST	s				
	Ozzy Tortis	Medium	+1%	0.51	97	29	16		

GOLD & MINING

AUSTRALIAN BASED UNIT TRUST

Avoid Avoid	BT Natural Resources Col First State Glb Res. Gold Sachs Resources	Very High High Medium	-9% -9% +2%	0.81 0.91 0.80	83 84 143	36 31 33	16 21 22
Avoid	ING Resources	Very High	-25%	0.60	20	1	20
	UNITED KINGDOM I	BASED UN	NIT TRI	JSTS			
	First State Global Resources	Medium	+6%	0.85	168	49	25
Buy	JPM Natural Resources	Medium	+7%	0.92		45	19
	Merrill Gold & General	High	-3%	0.75	136	42	35
	UNITED KINGDOM BASED L	ISTED IN	VESTM	ENT T	RUST	S	
Buy	City Nat Res High Yld	Low	+12%	0.64		48	7
Buy	Merrill World Mining	Low	+15%	0.69	246	46	22
	Resources Invest Trust	Very Low	+4%	0.28	121	9	7

EMERGING MARKETS

UNITED KINGDOM	BASED U		JSTS			
AXA Framlington Emerging Mkts	Medium	+4%	0.90	190	49	19
Aberdeen Emerging Markets	Medium	+2%	0.96	150	30	17
BG Emerging Markets	Medium	+3%	0.89	186	39	22
BG Emerging Mkts Large Cap	Medium	+2%	0.92		31	22
CS MM Emerging Markets	Medium	+2%	0.80	125	30	9
Dimensional Emerging Markets	Medium	+1%	0.93	145	35	17
F & C Emerging Markets	Medium	-2%	0.93	146	40	18
First State Global E/M Leaders	Medium	+1%	0.92	125	29	12
First State Global Emerg Mkts	Medium	+2%	0.91	130	29	12
Frank Tem Glb E/Markets	Medium	-0%	0.93	155	47	26
Gartmore Emerging Markets Opps	High	+1%	0.96	176	51	23
Henderson Emerging Markets	High	-5%	0.95	141	35	21
Invesco Perp Emerging Country	Medium	-1%	0.97	154	34	19
JPM Emerging Markets	Medium	+3%	0.95	168	33	19
Lazard Emerging Markets	Medium	+0%	0.94	142	27	14
Lincoln Emerging Markets	Medium	-3%	0.94	105	24	13
Lloyd George E/Markets	Medium	-5%	0.94	118	23	15
Martin Currie Emerging Mkts	High	-1%	0.95	172	41	21
Merrill Emerging Markets	High	-4%	0.97	149	36	19
SG Global Emerging Markets	Medium	-2%	0.88	141	30	23
SWIP Emerging Markets	High	-2%	0.94	149	30	19
Schroder Gbl Emerging Mkts	Medium	-0%	0.98	162	43	23
Scot Wid. Emerging Markets	Medium	-4%	0.92	117	29	17
UBS Global Emerging Markets	Medium	-3%	0.97	152	37	22
UNITED KINGDOM BASED	LISTED IN	VESTM	ent T	RUST	S	
Advance Developing Mkts	Medium	+4%	0.85	170	37	14
Genesis Emerging Mkts	Low	+5%	0.70	143	23	6
JPMF Emerging Mkts	High	+1%	0.85	202	37	20
Templeton Emerging Mkts	High	+2%	0.90	209	59	25

LATIN AMERICA

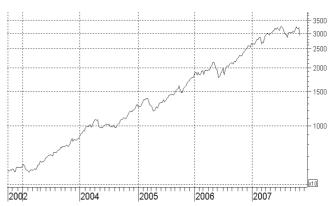
UNITED KINGDOM BASED UNIT TRUSTS									
F & C Latin American Equity	Medium	+2%	0.96	210	45	15			
Invesco Perp Latin America	Medium	-1%	0.99	216	36	16			
Scot Wid. Latin America	Medium	+1%	0.98	245	44	16			
Threadneedle Latin America	High	-3%	0.98	227	39	19			

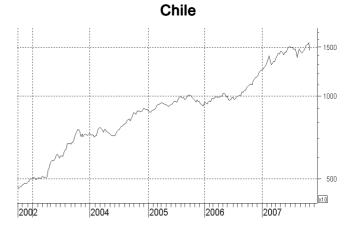
FAR EASTERN / PACIFIC (EXCL JAPAN)

	New Zealand BA	SED UNIT	TRUS	STS			
	AMP Asian Shares Medium -6% 0.85 73						
Avoid	Tower Spotlight Asia	Medium	-8%	0.82	64	16	10
	UNITED KINGDOM BASED UNIT TRUSTS						
	AXA Pacific Growth	Medium	+2%	0.89	133	50	25
	Allianz Dres Tot Ret Asian Eq	Medium	+1%	0.92	150	50	27
	BG Developing Asia Pacific	Medium	+5%	0.85	137	44	27
	BG Pacific	Medium	+6%	0.87	159	57	22
	Baring East	High	+5%	0.93	182	68	26
	CF Canlife Far East	High	+5%	0.87		71	29
	CS Asia Pacific	High	-2%	0.86		36	17
	CS Orient	High	-5%	0.95	103	42	22
	F & C Pacific Growth	Medium	+5%	0.94	170	58	24
	Fidelity South East Asian	High	+6%	0.91	218	74	30
	First State Asia Pac Leaders	Medium	+3%	0.96	137	40	20
	First State Asia Pac Sust.	Low	+4%	0.92		32	14
	First State Asia Pacific	Medium	+4%	0.95	136	38	17
	Gartmore Pacific	Medium	-1%	0.96	127	46	20
	HSBC Asia Growth	Medium	+1%	0.95	136	47	22
	HSBC Pacific Index	Medium	-1%	0.97	100	30	19
	Halifax Far Eastern	Low	-4%	0.91		17	14

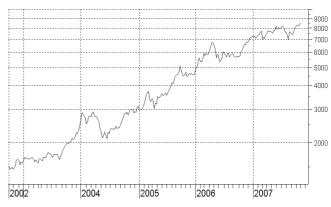


Mexico









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Page 6

			Superi-	Market		orma	nce
Curren		Risk	ority	Correla-	36	12	3
Advice		Rating	Rating	tion	mth	mth	mth
	Henderson Asia Pacific Capital	High	-4%	0.96	116	36	20
	Inscape Pacific Basin	Medium	+5%	0.93	161	53	28
	Insight Asia Pacific Equity	Medium	-0%	0.96	110	36	22
	Invesco Perp Asian	Medium	+2%	0.96	136	36	18
	Invesco Perp Pacific	Low	-2%	0.86	92	17	13
Buy	Investec Asia	Medium	+9%	0.93		61	27
	JPM Asia	Medium	+3%	0.95		53	26
	L & G Pacific Growth	Medium	-1%	0.91	124	38	18
	L & G Pacific Index	Medium	-1%	0.97	103	33	18
	Legg Mason Asia Pacific	High	+6%	0.91		62	29
	Liv Victoria Pacific	Medium	+2%	0.95		48	26
	Lloyd George Asia Pacific	Medium	-1%	0.93		35	22
	Lloyd George Developed Asia	Medium	-1%	0.80		30	21
	Lloyd George Eastern Opps	High	-0%	0.79		56	19
	Martin Currie Asian Pacific	Medium	+4%	0.94	161	53	24
	New Star Asia Portfolio	Medium	+4%	0.84	129	35	6
	New Star Pacific Growth	Medium	-1%	0.81	129	35 41	19
	Newton Oriental	Medium	-1% +1%	0.96	124	34	22
	Old Mutual Asian Select	Very High	+2%	0.83	173	72	35
	Premier Eastern Enterprise	Medium	-2%	0.82	07	29	9
	Prudential Pacific Markets	Medium	-3%	0.94	97	28	16
	Royal London Far East Gth	Medium	-0%	0.97	128	44	21
	SG Pacific	Medium	+3%	0.86		44	27
Avoid	SJP Far East	Medium	-9%	0.91		11	11
	SWIP Asian Pacific	Medium	+1%	0.85	113	30	21
	Schroder Pacific Growth	High	-3%	0.96	126	35	21
	Scot Mutual Far Eastern	Medium	+1%	0.95	135	43	25
	Scot Wid. Pacific	Medium	-0%	0.94	116	34	19
Avoid	Sing & Fried Pacific Growth	Medium	-8%	0.90	80	16	11
	Skandia Far East Equity Blend	Medium	-4%	0.91		26	11
	Stan Life Asian Pacific	Medium	+4%	0.89	137	46	15
	Stan Life Pacific Basin Eq Ind	Medium	+1%	0.82		36	18
	Threadneedle Asia Growth	High	+4%	0.96	170	57	29
	UNITED KINGDOM BASED				рнет	·c	
					RUSI		
Avoid	Aberdeen Asian Income	Low	-13%	0.57		5	12
Avoid	Aberdeen Asian Small Co	Medium	-7%	0.54	73	-3	2
Avoid	Aberdeen New Dawn	High	-11%	0.76	95	6	14
Avoid	Edinburgh Dragon Trust	High	-9%	0.75	119	16	18
	Fidelity Asian Values	High	+2%	0.84	172	54	28
	Henderson TR Pacific	High	-2%	0.80	139	44	21
	Invesco Asia	High	-4%	0.87	123	30	15
	JPMF Asian	High	-2%	0.85	155	52	20
	Pacific Assets	High	+3%	0.81	167	68	25
Buy	Pacific Horizons	Very High	+9%	0.66	198	54	18
	Schroder Asia Pacific	Medium	+1%	0.91	133	40	19
Avoid	Schroder Oriental Inc.	High	-7%	0.80		30	18
	Scottish Oriental Sm Co	Low	+3%	0.54	96	18	-1
				/			

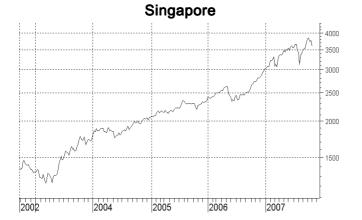
Current Investment Fund Risk ority Correla- 36 12 3 Advice Rating Rating tion mth mth

FAR EASTERN / PACIFIC (INCL JAPAN)

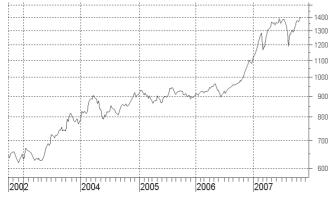
							~				
	Australian based Unit Trusts										
	BT Asian	High	+2%	0.88	110	25	12				
	Invesco Asian Growth	High	-5%	0.81	73	9	9				
UNITED KINGDOM BASED UNIT TRUSTS											
	L & G Far East	Medium	-1%	0.88	77	17	14				
	Lincoln Far East	Medium	+0%	0.90	60	16	8				
	Schroder Far Eastern	Medium	+2%	0.93	80	17	11				
	UNITED KINGDOM BASED L	ISTED INV	ESTME	INT T	RUST	S					
	Henderson Far East Inc.	Very Low	+4%	0.51	42	19	12				
	Martin Currie Pacific	High	+2%	0.91	105	30	15				
	Witan Pacific	Medium	-4%	0.89		9	12				

HONG KONG / CHINA REGION

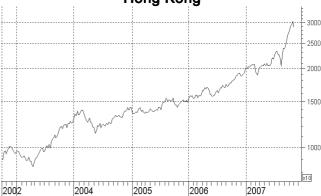


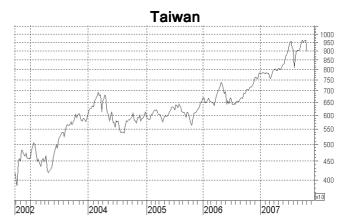




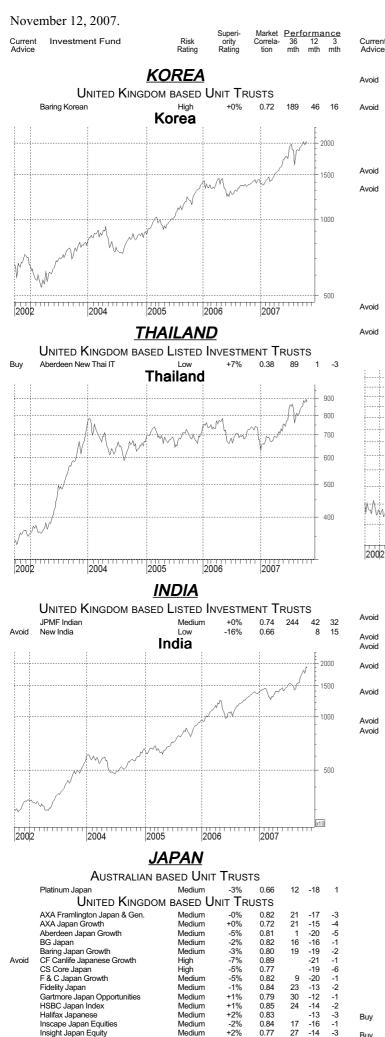








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^	1	and Frankel		Dist	Superi-	Market			
Current Advice	Investme	ent Fund		Risk Rating	ority Rating	Correla- tion	36 mth	12 mth	3 mth
Auvice				rtaung	rtaung	uon	mui	mui	mur
	Invesso Dom	lonon		Low	-1%	0.74	14	-15	1
Avoid	Invesco Perp			Medium	-1%	0.74	6	-15	1
Avoiu	L & G Japan I			Medium	+0%	0.84	24	-15	-3
	L & G Japanes			Medium	-4%	0.75	18	-14	-3 -1
Avoid	Legg Mason J			Low	-34%	0.73	10	-42	4
Avoia -	Lincoln Japan	aparrequity		Medium	-1%	0.21	16	-16	-4
	Liv Victoria Ja	oan Growth		Medium	-2%	0.92	10	-17	-2
	M & G Japan			Medium	-4%	0.76	14	-24	-3
	Martin Currie J			Medium	-3%	0.82	18	-20	-1
	Martin Currie			Hiah	-3%	0.71		-13	1
	Merrill Japan			Medium	-1%	0.79	16	-16	-0
Avoid	Neptune Japa	n Opportunities		Medium	-11%	0.72		-17	-1
	New Star Japa	an A	Medium	-6%	0.74	6	-12	1	
Avoid	Newton Japan	Growth		Medium	-8%	0.79	-3	-18	-3
	Old Mutual Jap			Medium	-1%	0.81	16	-15	-3
	Prudential Jap			Medium	-4%	0.76	9	-21	-4
		Japan Growth		Medium	-3%	0.82	11	-19	-3
	SWIP Japanes			Medium	-3%	0.82	15	-16	-0
	Schroder Japa			Low	-2%	0.69	19	-10	-2
	Schroder Toky			Low	-0%	0.79	15	-13	-1
	Scot Mutual Ja			Medium	-2%	0.79	18	-19	-2
	Scot Wid. Japa			Medium	-3%	0.81	15	-16	-0
	Scot Wid. Japa			Medium	-4%	0.82	9	-20	-2
	Skandia Japanese Equity Stan Life Japan Eg Ind Trk			Medium	-4%	0.78		-15	-2
				Medium	+0% -1%	0.79 0.74	19	-16 -17	-5 -4
Avoid	Stan Life Japa	Japan Growth		Medium	-1%	0.74	3	-17	-4 -6
Avoid				High					-0
	UNITED K	INGDOM BA	SED L	ISTED I	NVESTM	ENT I	RUST	S	
Avoid	JPMF Japane	se		Very High	-8%	0.74	11	-24	-2
	Perpetual Japa	an		Medium	+1%	0.54	25	-18	5
	Schroder Japa	an Growth		High	-3%	0.69	16	-17	-0
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2006

UNITED KINGDOM BASED UNIT TRUSTS

2005

2004

		BASED U		JSIS				
	BG Japan Small	Medium	-6%	0.70	4	-23	-2	
Avoid	Fidelity Japan Sp Sits	Medium	-8%	0.59	1	-20	0	
	Henderson Japan Capital Gth	Low	-0%	0.61	16	-19	-2	
Avoid	Invesco Perp Japan Small Coys	Low	-12%	0.35	-9	-16	5	
Avoid	M & G Jap Small Cos	Low	-12%	0.46	-20	-29	-3	
	SWIP Japan Small Coys	Medium	-2%	0.50	22	-14	2	
Avoid	Threadneedle Japan Small Cos	Medium	-10%	0.58	-7	-18	4	
	UNITED KINGDOM BASED	LISTED IN	VESTM	ent Ti	RUST	s		
Avoid	Atlantis Japan Growth	High	-8%	0.40	-8	-36	-7	
	B Gifford Shin Nippon	Very High	-5%	0.67	15	-22	-4	
	Baillie Gifford Japan	Very High	+0%	0.74	36	-19	-3	
Avoid	Fidelity Japan Values	Very High	-9%	0.63	7	-24	2	
Avoid	JPMF Japan Small	Very High	-9%	0.47	12	-26	2	

TECHNOLOGY

Australian based Unit Trusts											
CFS Global Health Biotech	Low	+1%	0.52	28	-6	6					
CFS Tech & Comms	High	+2%	0.87	46	6	7					
Platinum Int'l Technology	Medium	-1%	0.68	31	-5	4					
UNITED KINGDOM BASED UNIT TRUSTS											
AXA Framlington Biotech	Very High	-6%	0.76	17	-5	7					
AXA Framlington Glb Tech.	Very High	+2%	0.78	46	10	9					
AXA Framlington Health	Medium	-4%	0.77	19	0	9					
Abbey Nat'l Technology	High	-2%	0.66	23	7	9					
Frank Temp Biotech	Very High	-5%	0.72	15	-2	9					
Henderson Global Technology	High	+2%	0.75	46	13	10					
Investec Global Technology	High	-4%	0.79		2	9					
Jupiter Global Technology	Medium	-4%	0.54	15	3	8					
L & G Global Health & Pharm.	Very Low	+1%	0.38		-9	4					
L & G Global Technology	Medium	+0%	0.73	32	6	9					
Lincoln Internet Tollkeeper	Very High	-1%	0.77	29	9	12					
M & G Global Technology	High	+2%	0.88	47	2	6					
New Star Technology	High	-1%	0.74	36	10	13					
SG Technology	Very High	-1%	0.80	37	2	3					
Schroder Medical Discovery	Very Low	+1%	0.44	22	-9	4					
Threadneedle Global Healthcare	Very Low	+2%	0.63	26	-5	5					
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS											
Finsbury W/wide Pharm.	Medium	-5%	0.55	13	-11	11					
Herald Investment Trust	Low	+1%	0.30	20	-5	-7					
International Biotech	Low	+5%	0.32	42	-13	7					
Merrill New Energy Tech	Very High	+22%	0.49	183	38	9					
Polar Cap Technology	High	+1%	0.60	46	-5	7					
Private Equity Investor	Very Low	+10%	0.07	47	-12	-5					
nah Camanana I ta											

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Buy

Buy

23 30 24

17 27

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0.84

0.79

0.85 0.83

0.84 0.77

Medium

Medium

Medium

Medium

Medium Medium

Gartmore Japan Opportunities

HSBC Japan Index

Inscape Japan Equities Insight Japan Equity

Halifax Japanese

Recommended Funds

(Continued from Page 3) outlook remains positive" with growth in "outsourcing both manufacturing and services to the region, high savings rates and improving corporate governance".

Share Buy-Backs

With most trusts trading at a significant discount to net assets, many have been actively re-purchasing their own shares on-market.

Gartmore China Opportunites

Aberdeen Asian Smaller Companies Investment

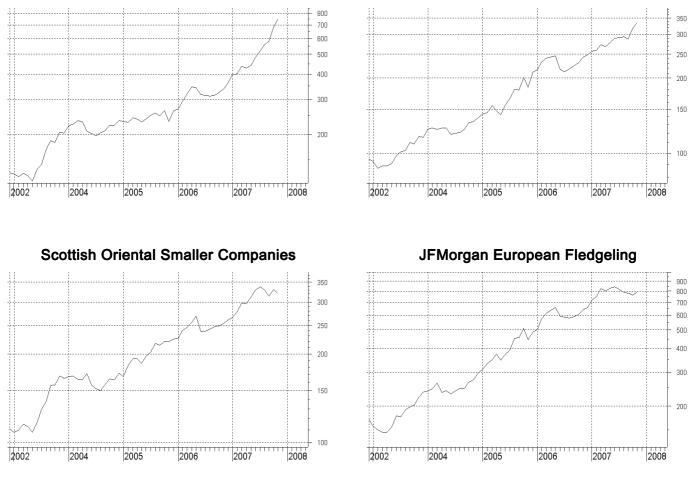
Trust plc repurchased 110,000 warrants and 100,000 shares.

Fidelity European Values plc re-purchased 206,500 shares in seven transactions.

Invesco English & International Trust plc received quarterly redemption requests for 1,478,127 shares (4.7% of its capital) and then made two on-market trades to re-purchase a further 151,312 shares.

JPMorgan European Fledgeling Investment Trust plc acquired 475,385 shares in four buys.

Aberdeen Emerging Markets



Next Issue:

The next issue of *International Investor* will be emailed in four weeks time on <u>Monday December 10, 2007</u>. The print version will be delivered later that week, depending upon printing and postal delivery times.

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