

International Investor

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Inside International Investor

International Investments Declined in 2008, but
Low Valuations Favourable for Future Returns 2

Investment Fund Survey: 4 - 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	65%	Bullish	Bearish	Bullish	Bullish	+1.0%	-47.0%	-51.9%	3,680.40
Austria	51%	Bullish	Bearish	Bullish	Bullish	-9.5%	-56.6%	-59.8%	1,815.25
Belgium	56%	Bullish	Bearish	Bullish	Bullish	-7.2%	-43.4%	-55.2%	1,973.95
Canada	58%	Bullish	Bearish	Bullish	Bullish	-1.0%	-43.8%	-42.8%	9,085.18
Denmark	50%	Neutral	Bearish	Bearish	Bullish	-3.9%	-41.8%	-41.6%	271.86
Finland	67%	Bullish	Bearish	Bullish	Bullish	-3.1%	-42.2%	-51.3%	5,630.54
France	64%	Bullish	Bearish	Bullish	Bullish	+3.2%	-32.2%	-43.6%	2,316.49
Germany	58%	Bullish	Bearish	Bullish	Bullish	+5.0%	-34.1%	-43.4%	4,783.89
Ireland	60%	Bullish	Bearish	Bullish	Bullish	-6.6%	-48.4%	-63.2%	2,686.14
Italy	62%	Bullish	Bearish	Bullish	Bullish	+1.3%	-37.7%	-48.9%	15,680.00
Japan	63%	Neutral	Bearish	Bullish	Bullish	+16.9%	-20.4%	-24.1%	8,836.80
Netherlands	56%	Bullish	Bearish	Bullish	Bullish	+2.9%	-42.4%	-49.6%	266.18
New Zealand	55%	Bullish	Bearish	Bullish	Bullish	-8.4%	-39.2%	-54.5%	1,378.60
Norway	59%	Bullish	Bearish	Bullish	Bullish	-11.8%	-60.4%	-57.9%	210.38
Spain	64%	Bullish	Bearish	Bullish	Bullish	+2.7%	-31.1%	-41.6%	996.34
Sweden	72%	Bullish	Bearish	Bullish	Bullish	-2.8%	-39.3%	-47.0%	212.28
Switzerland	63%	Neutral	Bearish	Bullish	Bullish	+8.9%	-24.9%	-31.0%	5,697.24
Un. Kingdom	67%	Bullish	Bearish	Bullish	Bullish	+1.4%	-35.2%	-44.2%	4,448.54
USA	73%	Bullish	Bearish	Bullish	Bullish	-1.0%	-28.2%	-36.4%	890.35
Argentina	51%	Neutral	Bearish	Bullish	Bullish	-10.6%	-48.8%	-50.6%	4,292.60
Brazil	43%	Bearish	Bearish	Neutral	Neutral	+17.8%	-51.6%	-48.4%	41,582.94
Czech Rep.	56%	Bullish	Bearish	Bullish	Bullish	-7.9%	-54.5%	-52.9%	876.70
Chile	47%	Neutral	Bearish	Bearish	Bullish	+13.7%	-30.5%	-31.6%	11,849.70
China	72%	Neutral	Bearish	Bullish	Bullish	+7.2%	-46.0%	-65.7%	118.66
Greece	61%	Bullish	Bearish	Bullish	Bullish	-20.4%	-51.2%	-64.4%	1,892.29
Egypt	43%	Bullish	Bearish	Neutral	Neutral	-18.3%	-55.0%	-53.1%	4,634.36
Hong Kong	61%	Bullish	Bearish	Bullish	Bullish	-2.8%	-34.8%	-46.2%	14,377.44
Hungary	43%	Neutral	Bearish	Neutral	Bullish	-18.8%	-56.4%	-58.1%	12,538.80
India	49%	Neutral	Bearish	Bullish	Bullish	-9.4%	-37.8%	-63.1%	9,406.47
Indonesia	48%	Bullish	Bearish	Bearish	Bullish	-13.1%	-48.6%	-57.1%	1,416.67
Israel	54%	Neutral	Bearish	Bullish	Neutral	-22.2%	-43.6%	-46.8%	594.88
Korea	61%	Neutral	Bearish	Bullish	Bullish	-8.7%	-44.8%	-54.5%	1,180.96
Malaysia	72%	Bullish	Neutral	Bullish	Bullish	-4.2%	-28.3%	-45.0%	919.07
Mexico	42%	Neutral	Bearish	Bearish	Bullish	+4.8%	-40.6%	-39.3%	21,741.29
Philippines	68%	Bullish	Bearish	Bullish	Neutral	-4.0%	-21.2%	-51.3%	1,984.88
Poland	54%	Bullish	Bearish	Bullish	Bullish	-20.3%	-51.2%	-55.4%	27,680.04
Portugal	49%	Neutral	Bearish	Bullish	Bullish	+4.5%	-35.3%	-48.2%	2,158.91
Russia	44%	Bearish	Bearish	Bullish	Bullish	-27.6%	-75.3%	-74.7%	987.74
Singapore	66%	Bullish	Bearish	Bullish	Bullish	-7.4%	-43.7%	-47.2%	1,806.02
Sth Africa	64%	Bullish	Bearish	Bullish	Bullish	+3.4%	-36.7%	-43.4%	22,220.76
Taiwan	70%	Bullish	Bearish	Bullish	Bullish	-14.6%	-43.4%	-45.4%	4,477.38
Thailand	57%	Bullish	Bearish	Neutral	Bullish	+1.6%	-38.9%	-51.0%	459.06
Turkey	62%	Bullish	Bearish	Bullish	Bullish	-14.7%	-40.8%	-62.4%	26,470.08
Venezuela	59%	Bullish	Bearish	Neutral	Bullish	-2.2%	-7.6%	-8.4%	35,187.85

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

Portfolio Performance over 2008

Our portfolio of *Recommended Investment Funds* fell 29.3% in value (in NZ dollar terms) over the last twelve months. The NZ dollar has fallen 24.7% against the US dollar over the last year, partially offsetting the significant decline in world share prices over the period.

In NZ dollar terms, our portfolio rose 12.7% in 2006 but fell 6.7% during 2007, so our three year return is currently a *loss* of 25.7%.

Current Outlook

The great - but widely ignored - stockmarket rally of 1932-37 (the third largest rally in history, up 372%, but with the highest annual rate of appreciation of 36% per annum) occurred over five years, starting in the second year of the decade long Great Depression.

While economic growth is important at driving corporate profitability and stockmarket returns *over the very long term*, it is not the most important factor determining stockmarket returns over periods of up to 5 or 10 years.

Stockmarket returns are, by definition, the *end* value of one's investments (plus income received) divided by the *starting* value of those investments. The easiest way to increase this ratio is lower the denominator - the *starting value* of the investments. The 1929-1932 stockmarket crash did an excellent job of lowering share valuations, so that share prices then boomed from 1932 to 1937 despite the continued economic contraction and severe business conditions under which companies sought to survive!

The recent decline in world shares prices since mid 2007, and especially during September/November 2008, has again produced a period of historically low share valuations.

In today's market, those current low valuations may again prove to be the most important factor determining *future* stockmarket returns. Therefore we are remaining fully invested in the recommended funds.

Recommended International Investment Funds

Share Buy-Backs

Fidelity European Values plc bought back a further 470,300 shares in five transactions over the last month, returning £4.9 million to investors.

JP Morgan European Fledgeling Investment Trust plc repurchased 121,000 shares on-market at 524.7 pence per share.

Invesco English & International Trust plc bought back 36,000 shares on-market at 117 pence.

Private Equity Investor plc acquired 7,769,733 shares at 225.2295 pence via its off-market tender offer. This reduces the issued capital to 34,953,675 shares.

JP Morgan Fledgeling European



Aberforth Smaller Companies Trust



Aberdeen Asian Smaller Companies**Scottish Oriental Smaller Companies****Baillie Gifford Shin Nippon****Herald Investment Trust**

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									
HOLD	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-9%	1016.0p	2605.8	+102
BUY	JFM Fleming Euro Fledgling IT plc	JFF	15/01/02	226.5p	765.8	-17%	508.0p	1302.9	+70
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-8%	396.5p	1016.9	-2
HOLD	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-15%	144.5p	370.6	-47
Asian Regional									
BUY	Aberdeen Asian Sm Co WARRANTS AASW		09/09/03	75.3p	209.1		143.5p	368.0	+76
BUY	Gartmore China Opportunities	*	09/07/07	548.9p	1410.4		388.59p	996.6	-29
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		241.99p	620.6	+489
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		54.8p	140.5	+32
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		343.8p	881.8	-21
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-10%	210.0p	538.6	+63
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-17%	98.0p	251.3	-43
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-13%	38.25p	98.1	-70
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		44.47p	114.1	-37
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		126.2-133.8p	333.4	+59
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		250.96p	643.7	+250
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-23%	193.5p	496.3	-39
HOLD	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-40%	134.5p	345.0	-18

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +49.0%. This is equal to an average annual rate of +5.7%, 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 +9.3%.

Other Shares and Warrants

Alternative investments in the UK listed investment trust warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 242 pence (trading at an 11% discount to net asset value).

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	JPM United States Growth	Medium	+1%	0.86	-12	-16	-10
	Jupiter North America	Low	+3%	0.65	-4	-15	-14
	L & G North American	Medium	+1%	0.91	-9	-18	-11
	L & G US Index	Medium	-0%	0.95	-14	-18	-11
Avoid	Legg Mason US Equity	Very High	-12%	0.87	-51	-43	-22
	Lincoln North American	Medium	+0%	0.88	-15	-15	-13
	Liv Victoria US Growth	High	-1%	0.91	-20	-22	-15
	M & G North American Value	Very High	-5%	0.89	-30	-16	
	MSDW UK Equity	High	+6%	0.83	-4	-28	-17
Buy	Martin Currie North American	High	+7%	0.75	-9	-22	-18
Buy	Neptune US Opportunities	Low	+8%	0.59	-14	-1	
	New Star American Portfolio	Medium	-3%	0.78	-27	-33	-17
	Newton American	High	+4%	0.81	-12	-23	-18
	Old Mutual North American	High	+4%	0.80	-14	-23	-18
	Prudential North American	High	-2%	0.91	-19	-20	-10
	SG American Growth	High	+3%	0.83	-16	-19	-14
	SJP North American	Very High	-2%	0.82	-23	-15	
	SWIP North American	Medium	-2%	0.77	-16	-18	-10
	Scot Wid. American	Medium	+1%	0.90	-11	-16	-11
	Scot Wid. American Sel Gth	Medium	+2%	0.77	-7	-18	-11
	Sing & Fried Amer Growth	Medium	+1%	0.85	-15	-20	-12
	Skandia American	High	+1%	0.87	-21	-25	-17
	Skandia US Equity Blend	High	-1%	0.85	-25	-22	-14
	Stan Life America	High	+1%	0.83	-18	-24	-14
	Threadneedle American Gth	Medium	+2%	0.87	-8	-19	-10
	Threadneedle American Select	Medium	+1%	0.85	-20	-7	
	UBS US Equity	High	-0%	0.93	-22	-21	-17

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Edinburgh US Tracker	Medium	+0%	0.92	-10	-16	-8
	JPMF American	Medium	+1%	0.89	1	-6	-3

UNITED STATES SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

	F & C US Smaller Coys	High	-1%	0.88	-15	-4	-15
	Fidelity American Spec Sits	Low	-6%	0.62	-20	-25	-10
	Gartmore US Smaller Coys	High	-3%	0.89	-27	-26	-22
Buy	JPM US Smaller Companies	High	-3%	0.71	-17	-25	-16
	Legg Mason US Smaller Coys	Medium	+17%	0.78	-8	-13	-19
	SWIP North American Small Cos	Low	-1%	0.64	-8	-15	-11
	Schroder US Small & Mid Cap	Low	+4%	0.81	-10	-10	-10
	Schroder US Smaller Coys	Medium	+5%	0.82	5	-12	-15
	Scot Wid. American Small Cos	Low	-1%	0.66	-9	-15	-11
	Threadneedle Amer Small Cos	Medium	-2%	0.79	-11	-19	-10

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid	F & C US Smaller Coys	Very High	-1%	0.84	-16	-10	-14
Avoid	JPMF US Discovery	Very High	-9%	0.88	-40	-33	-30
Avoid	Renaissance U.S.	Very Low	-13%	0.42	-36	-40	-28

United States



UNITED KINGDOM

UNITED KINGDOM BASED UNIT TRUSTS

	AXA Ethical B	High	-5%	0.76	-29	-39	-22
	AXA Framlington UK Growth	High	+4%	0.86	-16	-32	-22
	AXA UK Equity Income	Medium	-1%	0.94	-16	-29	-15
	AXA UK Growth	High	+1%	0.91	-25	-38	-22
	AXA UK Opportunities	High	+1%	0.87	-22	-36	-21
	AXA UK Tracker	Medium	+1%	0.96	-21	-32	-20
	Aberdeen UK Growth	High	+4%	0.91	-13	-36	-20
Avoid	Aberdeen UK Mid-Cap	Medium	-11%	0.74	-77	-43	-25
	Aberdeen UK Opportunities	Medium	-3%	0.84	-35	-21	
Buy	Aegon UK Equity Growth	Medium	+7%	0.88	-6	-30	-18
	Allianz Dres UK Growth	High	+0%	0.88	-27	-38	-26
	Allianz Dres UK Index	Medium	+1%	0.94	-17	-32	-19
	Allianz UK Equity Income	High	-4%	0.90	-36	-19	
	Allianz UK High Alpha	High	-1%	0.86	-43	-28	
	Artemis Capital	High	-3%	0.85	-42	-22	
	Artemis UK Growth	Medium	-3%	0.80	-25	-33	-21
	Artemis UK Special Sits	Medium	+2%	0.90	-11	-29	-17
	BG British 350	High	+0%	0.91	-20	-32	-19
	Baring UK Growth	High	+2%	0.87	-23	-36	-24

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Blackrock Growth Portfolio	Medium	+2%	0.72	-14	-31	-18
	Blackrock UK	Medium	-2%	0.57	-33	-38	-25
	Blackrock UK Dynamic	Medium	+3%	0.63	-17	-37	-26
	CF Canlife Growth	Medium	+1%	0.93	-18	-29	-16
	CIS UK FTSE-4-GOOD Tracker	Medium	+0%	0.94	-18	-31	-18
	CIS UK Growth	High	+1%	0.92	-16	-32	-19
	CS Alpha Growth	High	-3%	0.86	-33	-21	
	CS MM UK Growth	Low	-1%	0.75	-21	-31	-20
	Cazenove UK Growth & Income	Medium	-2%	0.77	-31	-41	-30
	Cazenove UK Opportunities	Medium	+1%	0.80	-34	-34	-24
	Cler Med FTSE 100	Medium	+1%	0.96	-31	-18	
	Dimension UK Value	High	-6%	0.74	-44	-26	
	F & C Blue	Very Low	-1%	0.74	2	-11	-11
	F & C FTSE 100 Tracker	Medium	+4%	0.95	-14	-30	-18
	F & C FTSE All Share	Medium	+1%	0.95	-22	-34	-21
Avoid	F & C Progressive Growth	Very Low	-9%	0.29	-32	-25	
	F & C Special Situations	High	-1%	0.78	-42	-29	
	F & C UK Equity 1	Medium	-0%	0.90	-22	-34	-20
	F & C UK Opportunities	High	-2%	0.76	-44	-29	
	Fidelity Growth & Income	Medium	-3%	0.91	-32	-15	
	Fidelity Special Situations	Medium	+3%	0.82	-9	-26	-17
	Fidelity UK Aggressive	Medium	+3%	0.87	-9	-26	-16
	Fidelity UK Growth	High	+1%	0.84	-24	-32	-21
	Frank Temp Growth	High	+2%	0.86	-25	-11	
Avoid	Frank Temp UK Equity	Very High	-7%	0.79	-42	-25	
	GAM UK Diversified	Medium	-0%	0.82	-22	-32	-21
	Gartmore UK Focus	Very High	-5%	0.81	-43	-51	-34
	Gartmore UK Growth	High	-1%	0.86	-32	-40	-27
	Gartmore UK Index	High	+5%	0.88	-9	-31	-19
	Gartmore UK Tracker	Medium	+1%	0.95	-15	-31	-18
	HSBC FTSE 100 Index	Medium	+1%	0.95	-15	-30	-18
	HSBC FTSE 250 Index	High	-0%	0.78	-27	-40	-26
	HSBC FTSE All Share Index	Medium	-0%	0.95	-22	-34	-21
	HSBC Growth Fund of Funds	Low	+1%	0.78	-23	-14	
	HSBC UK Freestyle	Medium	+1%	0.86	-34	-19	
	HSBC UK Gth & Inc	Medium	-2%	0.92	-27	-33	-18
	Halifax Special Situations	High	-0%	0.90	-28	-37	-23
	Halifax UK All-Share Index	High	+1%	0.94	-19	-32	-19
	Halifax UK Equity Income	Medium	+0%	0.95	-28	-16	
	Halifax UK FTSE 100 Index	High	+3%	0.90	-31	-18	
	Halifax UK Growth	Medium	+0%	0.94	-32	-19	
	Henderson Mainstream UK	Medium	+1%	0.91	-33	-19	
	Henderson UK Equity	Medium	-2%	0.91	-36	-21	
	Insight UK Discretionary	High	-1%	0.89	-28	-36	-23
	Insight UK Dynamic Managed	High	+2%	0.83	-21	-33	-23
	Invesco Perp UK Aggressive	Medium	+0%	0.72	-12	-25	-8
	Invesco Perp UK Growth	Medium	-2%	0.88	-22	-32	-14
	Investec UK Alpha	High	+4%	0.83	-34	-20	
	Investec UK Blue Chip	Medium	+2%	0.90	-17	-30	-17
	JPM UK Active 350	High	-2%	0.93	-34	-21	
	JPM UK Dynamic	Medium	+5%	0.89	-13	-34	-20
	JPM UK Strategic Value	High	+0%	0.87	-35	-21	
	Jupiter Environmental	Medium	-1%	0.71	-23	-41	-30
	Jupiter Growth & Income	Medium	+2%	0.72	-32	-22	
	Jupiter UK Growth	Medium	+0%	0.66	-28	-45	-29
	Jupiter UK Special Situations	Low	+2%	0.67	-10	-29	-21
	Jupiter Undervalued Assets	Medium	-3%	0.64	-28	-40	-27
Avoid	L & G (Barclays) 500	Medium	-8%	0.75	-43	-47	-32
	L & G (Barclays) Mkt Tracker	High	+0%	0.92	-33	-20	
	L & G Growth	High	+6%	0.88	-31	-19	
	L & G UK 100 Index	Medium	+0%	0.95	-30	-17	
	L & G UK Index	Medium	+1%	0.88	-21	-34	-20
	Lazard UK Alpha	High	-1%	0.89	-35	-20	
	Legg Mason UK Equity	Medium	-3%	0.92	-31	-17	
	Lincoln Growth	High	+1%	0.91	-17	-32	-19
	Lincoln Opportunities	High	-1%	0.75	-37	-27	
	Liv Victoria Growth	Very High	+4%	0.85	-19	-35	-21
	M & G Growth Portfolio	Medium	+1%	0.77	-30	-17	
	M & G Index Tracker	Medium	-2%	0.76	-30	-31	-19
	M & G Recovery	Medium	+7%	0.84	-3	-29	-18
Buy	M & G UK Growth	Medium	+5%	0.91	-3	-25	-15
	M & G UK Growth Portfolio	Medium	-0%	0.76	-32	-20	
	MLC UK Equity	High	-1%	0.88	-28	-39	-25
	MSDW UK Index Linked	Very Low	+1%	0.04	16	1	-7
	Marlborough UK Equity Income	High	+3%	0.86	-33	-18	
	Marlborough UK Leading Cos	High	+4%	0.80	-27	-14	
	Martin Currie UK Equity Inc	High	-6%	0.85	-40	-24	
	Martin Currie UK Growth	High	-1%	0.90	-23	-30	-20
	McHattie Warrant Alert	Low	-4%	0.44	-32	-43	-28
	NFU Mutual UK Growth	Low	-1%	0.85	-22	-33	-19
	NatWest Equity Income	Medium	-1%	0.90	-26	-13	
	NatWest Growth	Medium	+3%	0.90	-9	-27	-15
	NatWest UK Specialist Equity	Medium	+1%	0.80	-35	-22	
	Neptune UK Equity	Medium	+4%	0.82	-22	-14	
Avoid	New Star Hidden Value	High	-7%	0.66	-45	-56	-38
Avoid	New Star Select Opportunities	Medium	-15%	0.67	-54	-49	-34
	New Star UK Alpha	Very High	+3%	0.80	-25	-40	-29
Avoid	New Star UK Growth	Very High	-9%	0.78	-46	-47	-30
Avoid	New Star UK Strategic Cap	Medium	-11%	0.52	-52	-39	
	Newton Growth	Low	+3%	0.87	-2	-23	-17
	Newton UK Opportunities	Medium	+5%	0.91	0	-23	-14
	Norwich Blue Chip Tracking	Medium	-0%	0.74	-20	-32	-19
	Norwich UK Equity	Medium	+1%	0.68	-12	-29	-17
	Norwich UK Ethical	Medium	+0%	0.39	-18	-36	-27
	Norwich UK Focus	High	+2%	0.59	-38	-27	
	Norwich UK Growth	Medium	-1%	0.60	-22	-32	-19

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
	Norwich UK Inc & Gth	Medium	-1%	0.59	-28	-18		Artemis New Enterprises	Low	+6%	0.82	-14	-26	-20	
	Norwich UK Index	Medium	-1%	0.71	-21	-33	Buy	Artemis UK Smaller Coys	High	+7%	0.87	-39	-50	-37	
	Old Mutual Equity Income	Medium	-3%	0.90	-27	-36	Buy	BG British Smaller Coys	Low	+9%	0.90	-15	-29	-25	
	Old Mutual Ethical	High	-5%	0.80	-32	-37	Buy	Baring UK Small Cos	Medium	+7%	0.91	-22	-33	-26	
	Old Mutual UK Select Equity	Medium	-3%	0.89	-28	-36	Buy	CF Canlife UK Small Coys	Medium	-2%	0.84	-50	-41	-29	
Buy	Pru Equity Income	Medium	-3%	0.87	-30	-15	Buy	CS Smaller Companies	Medium	+9%	0.93	-19	-38	-29	
	Pru Growth	High	+8%	0.84	-25	-17	Buy	CS UK Mid 250	Low	+7%	0.82	-17	-31	-19	
	Prudential UK Growth	High	-1%	0.94	-22	-34	Buy	Cavendish AIM	Low	-3%	0.66	-47	-50	-36	
	Prudential UK Index	Medium	-0%	0.85	-25	-30	Buy	Cavendish Opportunities	Medium	+1%	0.83	-50	-52	-42	
Avoid	Rathbone Spec Situations	High	-21%	0.61	-62	-52	Buy	Cazenove UK Smaller Coys	Medium	+9%	0.81	-25	-43	-36	
	Royal London UK Equity	Medium	+3%	0.95	-13	-32	Buy	Dimensional UK Smaller Coys	Medium	+6%	0.89	-37	-26	-26	
	Royal London UK Growth	High	+3%	0.91	-18	-35	Buy	F & C UK Mid-Cap	Medium	+7%	0.87	-36	-26	-26	
	SG UK 350	Very High	+1%	0.72	-32	-43	Buy	F & C UK Smaller Companies	Medium	+8%	0.92	-28	-41	-33	
	SG UK Growth	High	-5%	0.85	-31	-39	Buy	Gartmore UK & Irish Small Cos	Medium	+1%	0.87	-41	-46	-38	
Avoid	SG UK Special Opps	High	-7%	0.63	-38	-46	Buy	HSBC UK Smaller Companies	Medium	-1%	0.93	-45	-45	-31	
	SJP Equity Income	Medium	+1%	0.86	-27	-18	Buy	Halifax Smaller Companies	Low	+4%	0.90	-29	-37	-27	
	SJP Recovery	Medium	-3%	0.84	-23	-14	Buy	Henderson UK Small Coys	High	+7%	0.93	-31	-43	-31	
	SJP Tracker	Medium	+2%	0.94	-32	-19	Buy	Insight UK Small Cap	Low	+4%	0.90	-29	-37	-27	
	SJP UK High Income	Low	+5%	0.88	-19	-10	Buy	Invesco Perp UK Small Coys	Medium	-1%	0.84	-48	-52	-37	
Buy	SVM UK 100 Select	Medium	+8%	0.81	-3	-28	Buy	Invesco Perp UK Small Cos Equ.	Medium	+10%	0.94	-16	-34	-25	
	SVM UK Alpha	Medium	+3%	0.84	-33	-13	Buy	Investec UK Smaller Cos	Medium	+11%	0.84	-20	-36	-32	
	SVM UK Opportunities	Very High	-2%	0.76	-44	-56	Buy	JPM UK Smaller Companies	Medium	+7%	0.92	-34	-46	-36	
	SWIP Financial	Very High	+0%	0.84	-31	-45	Buy	Jupiter UK Small Cos	Low	+3%	0.61	-40	-50	-40	
	SWIP UK Opportunities	Medium	+6%	0.78	-12	-30	Buy	L & G UK Small Coys	Medium	+8%	0.94	-26	-34	-29	
	Schroder UK Alpha Plus	High	+4%	0.86	-37	-26	Buy	Lazard UK Smaller Companies	High	+7%	0.95	-44	-44	-33	
	Schroder UK Mid 250	Very High	-1%	0.76	-29	-42	Buy	Liontrust Intellectual Capital	Very Low	-4%	0.15	-29	-21	-21	
	Schroder UK Select Growth	High	-4%	0.88	-42	-26	Buy	M & G Smaller Companies	Medium	+10%	0.88	-28	-43	-33	
	Scot Wid. UK All Share Track	Medium	-2%	0.68	-32	-32	Buy	Marlborough Special Situations	Low	+8%	0.82	-18	-40	-29	
	Scot Wid. UK Growth	Medium	+2%	0.82	-19	-32	Buy	Marlborough UK Micro Cap Gth	Low	+4%	0.74	-20	-39	-29	
	Scot Wid. UK Tracker	Medium	+1%	0.90	-16	-31	Buy	Norwich UK Smaller Cos	Medium	+4%	0.93	-33	-39	-30	
Avoid	Skandia UK Equity Blend	High	-7%	0.86	-39	-43	Buy	Old Mutual UK Select Mid Cap	Low	+9%	0.78	-11	-36	-20	
	Solus UK Flagship	Medium	+4%	0.92	-29	-18	Buy	Old Mutual UK Select Small Cos	Medium	+12%	0.84	-8	-36	-25	
	Solus UK Special Situations	High	+1%	0.89	-26	-40	Buy	Prudential Smaller Companies	Medium	+8%	0.93	-30	-43	-33	
	StanLife UK Equity Gth	High	+5%	0.83	-15	-33	Buy	Rathbone Smaller Coys	Low	+2%	0.82	-32	-40	-30	
	StanLife UK Opportunities	High	+5%	0.63	-18	-34	Buy	SG UK Smaller Companies	Medium	+2%	0.84	-39	-42	-28	
Buy	TU British	High	-1%	0.90	-30	-39	Buy	SWIP UK Smaller Companies	Medium	+8%	0.92	-44	-44	-32	
	Threadneedle UK Accel.	High	+9%	0.89	-30	-18	Buy	Schroder UK Smaller Coys	Low	+3%	0.88	-33	-43	-32	
	Threadneedle UK Growth & Inc	Medium	+0%	0.94	-31	-17	Buy	Scot Wid. UK Smaller Coys	High	+4%	0.95	-39	-46	-32	
	Threadneedle UK Overseas Earn.	Medium	+0%	0.94	-30	-17	Buy	StanLife UK Smaller Cos	Medium	+18%	0.80	-8	-35	-30	
	Threadneedle UK Select	Medium	+3%	0.91	-32	-18	Buy	Threadneedle UK Mid 250	Medium	+11%	0.83	-32	-23	-23	
	Tilney Growth Portfolio	Medium	+1%	0.91	-27	-16	Buy	Threadneedle UK Smaller Cos	Medium	+8%	0.94	-25	-38	-29	
	Tilney Income & Growth	Low	-1%	0.89	-24	-14	Buy	UBS UK Smaller Companies	Medium	+3%	0.81	-43	-54	-41	
								Unicom UK Smaller Coys	Low	+0%	0.75	-32	-38	-27	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid	3i Group	Low	-11%	0.14	-67	-73	-67
Avoid	Advance UK	Very Low	-7%	0.38	-42	-47	-38
	Albany	Medium	+0%	0.69	-20	-33	-23
Avoid	Aurora Invest Trust	Very High	-13%	0.59	-56	-51	-38
Avoid	British American IT	Very Low	-13%	0.25	-47	-41	-33
	British Assets	High	-3%	0.85	-31	-33	-19
	British Portfolio Trt	High	-3%	0.81	-36	-44	-31
Avoid	City Merchants High Yld	Low	-13%	0.51	-44	-41	-32
	City of London	Low	-2%	0.72	-15	-25	-14
	Dunedin Income Growth	High	-6%	0.75	-37	-21	-21
	Edinburgh UK Tracker	High	+0%	0.88	-20	-31	-18
	F & C Capital & Income	High	+1%	0.78	-22	-32	-20
	F & C UK Select Trust	High	-4%	0.60	-46	-31	-20
	Fidelity Special Values	High	+2%	0.76	-11	-23	-10
Avoid	Finsbury Growth	Medium	-7%	0.79	-32	-34	-16
Avoid	Gartmore Growth Opps	Very Low	-12%	0.00	-24	-30	-26
Avoid	Glasgow Income Trust	Very High	-16%	0.51	-61	-58	-44
	Hansa Trust	High	+2%	0.38	-31	-40	-39
Avoid	Henderson High Income	Medium	-13%	0.65	-36	-20	-20
Avoid	Independent Invest Trt	Medium	-9%	0.43	-52	-50	-39
	Invesco Income Growth	Medium	-2%	0.73	-19	-33	-20
	JPMF Claverhouse	Very High	-0%	0.86	-30	-38	-22
	JPMF Mid Cap	Very High	-3%	0.73	-43	-48	-34
	London & St Lawrence	Very Low	-5%	0.57	-18	-25	-18
Avoid	Lowland Investment Co	Very High	-8%	0.67	-49	-54	-39
	Manchester & London	Medium	-1%	0.50	-30	-26	-26
	Merchants Trust	High	-4%	0.81	-32	-37	-23
	Murray Income Trust	Medium	-4%	0.65	-26	-31	-21
Avoid	Principal Capital	Very Low	-63%	0.01	-80	-67	-67
	SVM UK Active	Medium	-1%	0.59	-22	-37	-23
	Schroder Income & Grwth	Very Low	-5%	0.62	-18	-20	-9
	Schroder UK Growth	Very High	+0%	0.79	-35	-49	-36
Avoid	Shires Income	Medium	-16%	0.57	-54	-47	-33
	Standard Life Eq Inc	Medium	-2%	0.75	-26	-14	-14
Avoid	Strategic Equity Cap.	Low	-40%	0.11	-79	-72	-72
Avoid	Value & Income Trust	High	-9%	0.55	-42	-41	-27
Avoid	Welsh Industrial	Very Low	-28%	0.11	-55	-39	-39

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Buy	Ecofin Water & Power(c)	Very High	+35%	0.32	70	-40	-24
Avoid	Equity Partnership	Very Low	-15%	0.07	-52	-63	-54
Avoid	M & G Equity Trust -Cap	Very High	-27%	0.67	-86	-84	-60
Avoid	Rights & Issues	Very Low	-15%	0.25	-44	-61	-37

UNITED KINGDOM SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

	AXA Framlington UK Small Coys	Medium	+0%	0.91	-46	-50	-36
	Aberdeen UK Emerging	Low	-1%	0.88	-37	-39	-29
	Aberforth UK Small Coys	Medium	+6%	0.97	-28	-36	-26
Buy	Allianz Dres UK Mid-Cap	Medium	+9%	0.89	-21	-38	-26

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Aberforth Smaller Coys	Medium	+2%	0.91	-43	-40	-30
Avoid	Active Capital Trust	Very High	-9%	0.72	-77	-77	-63
Buy	Blackrock Smaller Coys	Very High	+18%	0.88	-34	-44	-41
Avoid	Chelverton Growth Trust	Very Low	-19%	0.04	-54	-59	-25
	Dunedin Smaller Coys IT	High	+5%	0.81	-38	-36	-30
	Eaglet Investment Trust	Very Low	-4%	0.49	-35	-41	-22
Buy	Framlington Innovation	Very High	+7%	0.80	-50	-53	-47
	Gartmore Fledgling Indx	Medium	-3%	0.87	-50	-45	-36
	Gartmore Small Coys	Low	-3%	0.55	-48	-47	-38
Avoid	Henderson Opportunities	Medium	-13%	0.53	-62	-53	-53
Buy	Henderson Smaller Cos	Very High	+14%	0.84	-46	-52	-45
	Invesco England	Very High	+5%	0.84	-54	-61	-47
Buy	Invesco Perp UK Smaller	Very High	+14%	0.90	-26	-39	-30
Buy	JPMF Smaller Cos	Very High	+13%	0.86	-40	-48	-39
Buy	Montanaro UK Small Coys	Medium	+7%	0.78	-37	-40	-37
	Osprey Small Cos Income	Medium	-3%	0.45	-47	-50	-39
Buy	SVM UK Emerging Fund	Very Low	+22%	0.21	-7	-55	-55
Buy	Schroder UK Mid & Small	Very High	+14%	0.81	-17	-31	-23
Avoid	Shires Smaller Coys	Medium	-19%	0.46	-77	-70	-54
	Std Life UK Small Coys	Very Low	+3%	0.40	-23	-29	-29
Avoid	Third Advance Value	Very Low	-23%	0.01	-33	-10	-10

United Kingdom



EUROPE

AUSTRALIAN BASED UNIT TRUSTS

BT Europe Growth	Medium	+2%	0.88	-6	-27	-17
Platinum Europe	Medium	-4%	0.71	-19	-21	-17

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
NEW ZEALAND BASED UNIT TRUSTS							
	TowerSpotlightEurope	VeryHigh	+1%	0.70	-17	-27	-22
UNITED KINGDOM BASED UNIT TRUSTS							
	AXA European Growth	High	+3%	0.93	-7	-29	-12
	AXA Framlington European	High	+5%	0.87	3	-24	-10
	Aberdeen European Opps	High	+3%	0.89		-28	-14
	Aegon European	Very High	+3%	0.89	-13	-38	-17
	Artemis European Growth	Very High	+2%	0.90	-20	-41	-19
	BG Europe	Medium	+3%	0.91	-2	-25	-16
Buy	Baring Euro Sel.	High	+8%	0.84	11	-24	-10
Buy	Baring European Growth	Very High	+7%	0.93	1	-30	-15
	Blackrock Cont'l Europe	Medium	+6%	0.76	12	-19	-7
Buy	Blackrock European Dynamic	Medium	+8%	0.75	11	-22	-8
	CF Canlife European	High	+2%	0.87		-31	-17
	CISE European	Medium	-0%	0.93	-8	-26	-13
Buy	CS Euro Frontiers	Very High	+11%	0.66	-31	-58	-41
	CS European	Very High	+1%	0.89	-12	-33	-14
	Cazenove European Portfolio	Medium	+6%	0.91	24	-13	-6
	F & C European 1	High	+3%	0.92	-2	-27	-14
	Fidelity European	Medium	+5%	0.91	3	-22	-12
	Fidelity European Opps	High	+6%	0.91	-2	-32	-17
	Frank Temp Europe	High	+5%	0.89		-25	-12
	Gartmore European Focus	High	+2%	0.92	-8	-28	-13
	Gartmore European Sel Opps	Medium	+6%	0.94	15	-20	-5
	HSBC European Growth	High	+2%	0.93	-6	-28	-9
	HSBC Eurotrack 100	High	+3%	0.94	-2	-27	-12
	Halifax European	High	+2%	0.94		-27	-12
	Invesco Perp European Equity	Medium	+5%	0.89	9	-20	-7
	Investec European	High	+3%	0.89	-8	-32	-13
	Investec Pan European	High	+1%	0.90	-11	-33	-15
Buy	JPM European Dynamic	High	+8%	0.87	15	-28	-11
Buy	JPM New Europe	Very High	+17%	0.63	-26	-61	-46
Buy	Jupiter Emerging European	Very High	+10%	0.59	-31	-60	-45
	Jupiter European	High	+6%	0.71	1	-25	-17
	L & G Euro Index	High	+3%	0.94	-3	-28	-12
	L & G European	High	+2%	0.88	-5	-24	-10
	Lazard European Growth	High	+4%	0.91	3	-23	-11
	Legg Mason Cont'l European	High	+0%	0.92	-10	-28	-14
	Lincoln European	High	+3%	0.91	-3	-26	-12
Buy	Liv Victoria European	High	+7%	0.93	13	-23	-11
	M & G European	High	+4%	0.91	-2	-30	-13
	M & G European Index Tracker	High	+6%	0.94	4	-26	-12
	Martin Currie European	High	+6%	0.93	-2	-30	-14
Buy	Neptune European Opps	High	+11%	0.86		-22	-13
Buy	Neptune Russia & Gtr Russia	Very High	+17%	0.55	-11	-58	-39
Buy	New Star European Growth	High	+7%	0.90	4	-23	-13
	New Star European Leaders	High	+4%	0.91	-4	-27	-11
	New Star European Portfolio	Medium	+2%	0.86	-3	-25	-11
	Newton Continental European	Medium	+4%	0.87	10	-20	-9
	Newton Pan-European	Medium	+5%	0.88	6	-21	-12
	Norwich European Equity	Medium	+4%	0.89		-20	-8
	Old Mutual European Equity	High	+4%	0.88	-2	-25	-11
	Premier European Growth	Very High	+6%	0.77	-21	-40	-24
	Prudential Euro Index	Medium	+0%	0.92	-13	-27	-14
	Prudential European	High	+5%	0.92	6	-22	-7
	Royal London European Gth	Medium	+3%	0.74	3	-23	-8
	SVM Continental European	High	+6%	0.89	2	-32	-15
	SWIP European	High	+6%	0.87	3	-29	-19
	SWIP Pan Euro Equity	High	+2%	0.81	-6	-28	-19
	SWIP Pan European SRI	High	+3%	0.85	-5	-27	-18
	Schroder European	High	+2%	0.91	-8	-28	-12
	Schroder European Alpha	Medium	+5%	0.91		-22	-12
Buy	Scot Wid. Euro Select Gth	High	+7%	0.85	3	-30	-19
Buy	Scot Wid. Euroland	High	+7%	0.85	3	-29	-19
Buy	Scot Wid. European Growth	High	+7%	0.87	3	-29	-17
	Sing & Fried European Growth	Medium	+3%	0.93	2	-27	-9
	Skandia European Equity Blend	High	+2%	0.92	-8	-29	-14
Buy	Stan Life Euro Equity Gth	High	+11%	0.74	23	-18	-6
	TU European	High	+0%	0.94	-14	-30	-16
	Threadneedle Euro Growth	Medium	+3%	0.92	7	-22	-8
	Threadneedle Euro Sel Growth	Medium	+1%	0.93	1	-25	-7
	Threadneedle Pan Euro Gth	Medium	+2%	0.96	7	-22	-10
	UBS European Equity	High	+2%	0.87	-9	-28	-12
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
	3i Infrastructure	VeryLow	+1%	0.06		-22	-31
Buy	Artemis Alpha	Low	-4%	0.33	-28	-31	-29
	Baring Emerging Europe	Very High	+16%	0.60	-24	-55	-38
	Blackrock Greater Euro.	Medium	+1%	0.89	-3	-29	-12
Buy	Blue Planet Euro Fin.	Very High	-3%	0.24	-55	-65	-45
	Charter Pan European	Very High	+8%	0.82	-3	-27	-18
	Close European Accel.	Very High	-2%	0.29		-72	-65
Buy	Eastern European	Very High	+9%	0.67	-51	-68	-49
	European Assets	Very High	+1%	0.82	-34	-47	-31
Buy	F & C Eurotrust plc	High	-6%	0.86		-43	-23
	Gartmore European	High	+8%	0.90	18	-19	-3
	Gartmore Irish Small	Very High	-3%	0.70	-32	-43	-29
	Henderson Eurotrust	Medium	+6%	0.74	11	-10	-7
Avoid	Invesco Perp European	Low	-11%	0.53	-37	-40	-34
Buy	JPMF Russia	Very High	+26%	0.52	-40	-73	-58
Buy	Jupiter European Opps	Very High	+8%	0.82	-20	-44	-32
	SR Europe	Medium	+2%	0.64	-16	-38	-21

France



Switzerland



Italy



Spain



Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth

EUROPE SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen European Small Coys	Very High	+3%	0.81	-38	-18
	BGEuro Small Coys	Medium	-1%	0.77	-11	-30
Buy	Henderson European Small Cos	Very High	+9%	0.83	-13	-42
Buy	Insight European Small Cap	Very High	+7%	0.87	-1	-36
	Invesco Perp Euro Smaller Cos	Very High	+4%	0.77	-31	-54
Buy	JPM European Smaller Coys	Very High	+7%	0.84	-8	-37
Buy	Jupiter Euro Spec Sits	Medium	+7%	0.80	13	-23
	Lazard European Smaller Coys	Very High	+1%	0.86	-37	-22
Buy	SWIPPan-Euro Small Companies	Very High	+8%	0.82	-1	-33
	Schroder Euro Small Coys	High	+3%	0.84	-4	-30
Buy	Threadneedle Euro Small Cos	High	+10%	0.83	14	-25

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Fidelity Euro V.	High	+5%	0.87	-8	-26
Buy	JPMF Euro Fledgling	Very High	+11%	0.70	6	-26
Buy	TR European	Very High	+7%	0.83	-21	-44

GERMANY

UNITED KINGDOM BASED UNIT TRUSTS

Baring German Growth	High	-2%	0.89	17	-25	-9
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Germany



Next Issue:

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