

International Investor

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Inside International Investor

Sentiment (and new cash) lifts Stockmarkets 2

Investment Fund Survey: 4 - 8

International Investments Rise Strongly 3

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	71%	Bullish	Bearish	Bullish	Bullish	+9.7%	-35.9%	-47.0%	3,674.00
Austria	67%	Bullish	Bearish	Bullish	Bullish	+1.4%	-43.8%	-59.3%	1,824.54
Belgium	67%	Bullish	Bearish	Bullish	Bullish	-6.1%	-40.7%	-58.3%	1,808.37
Canada	68%	Neutral	Neutral	Bullish	Bullish	+8.4%	-37.3%	-43.0%	9,065.76
Denmark	59%	Bullish	Bearish	Bullish	Bullish	-6.7%	-41.7%	-52.3%	238.66
Finland	78%	Bullish	Bearish	Bullish	Bullish	-11.2%	-37.8%	-57.3%	4,883.60
France	69%	Bullish	Bearish	Bullish	Bullish	-8.3%	-34.3%	-46.4%	2,085.71
Germany	71%	Bullish	Neutral	Bullish	Bullish	-9.1%	-33.3%	-42.9%	4,384.99
Ireland	76%	Bullish	Bearish	Bullish	Bullish	-4.4%	-43.2%	-67.7%	2,330.36
Italy	71%	Bullish	Bearish	Bullish	Bullish	-12.6%	-39.3%	-52.2%	13,548.00
Japan	65%	Neutral	Bearish	Bullish	Bullish	-9.4%	-22.2%	-32.4%	8,749.84
Netherlands	71%	Bullish	Bearish	Bullish	Bullish	-8.5%	-39.9%	-55.3%	230.76
New Zealand	66%	Bullish	Bearish	Bullish	Bullish	-6.7%	-35.2%	-52.2%	1,266.51
Norway	74%	Bullish	Bearish	Bullish	Bullish	+20.5%	-37.9%	-54.1%	209.01
Spain	74%	Bullish	Neutral	Bullish	Bullish	-13.1%	-33.8%	-48.8%	874.02
Sweden	82%	Bullish	Neutral	Bullish	Bullish	+7.9%	-31.1%	-48.5%	217.05
Switzerland	69%	Bullish	Neutral	Bullish	Bullish	-11.5%	-28.6%	-38.7%	5,042.99
Un. Kingdom	77%	Bullish	Bearish	Bullish	Bullish	-3.0%	-36.3%	-47.4%	4,029.67
USA	69%	Neutral	Neutral	Bullish	Bullish	-3.5%	-30.6%	-35.9%	842.50
Argentina	71%	Bullish	Bearish	Bullish	Bullish	-0.2%	-42.2%	-52.8%	4,249.28
Brazil	81%	Bullish	Neutral	Bullish	Bullish	+29.5%	-26.7%	-42.2%	44,390.98
Czech Rep.	64%	Bullish	Bearish	Neutral	Bullish	-7.0%	-45.4%	-57.1%	823.70
Chile	83%	Bullish	Bullish	Bullish	Bullish	+17.9%	-12.9%	-30.3%	12,166.91
China	83%	Bearish	Bullish	Bullish	Bullish	+44.8%	+20.3%	-37.5%	159.36
Greece	73%	Bullish	Bearish	Bullish	Bullish	-2.3%	-46.3%	-62.3%	1,754.62
Egypt	68%	Bullish	Bearish	Bullish	Neutral	-2.0%	-39.1%	-61.8%	4,363.69
Hong Kong	67%	Bullish	Neutral	Bullish	Bullish	+2.6%	-21.9%	-37.2%	14,545.69
Hungary	60%	Bullish	Bearish	Neutral	Bullish	-16.4%	-53.5%	-59.6%	12,056.11
India	70%	Neutral	Neutral	Bullish	Bullish	+7.6%	-26.4%	-49.5%	10,348.83
Indonesia	62%	Neutral	Bearish	Bullish	Bullish	+9.3%	-33.1%	-51.2%	1,500.36
Israel	73%	Bearish	Neutral	Bullish	Bullish	+17.1%	-29.1%	-37.7%	699.94
Korea	78%	Neutral	Neutral	Bullish	Bullish	+14.4%	-24.3%	-43.7%	1,283.75
Malaysia	78%	Bullish	Neutral	Bullish	Bullish	+1.0%	-14.5%	-35.3%	907.01
Mexico	68%	Neutral	Neutral	Bullish	Bullish	-7.8%	-35.0%	-45.1%	20,933.78
Philippines	81%	Bullish	Neutral	Bullish	Bullish	+8.3%	-23.4%	-39.7%	2,028.59
Poland	69%	Bullish	Bearish	Bullish	Bullish	-15.3%	-53.7%	-64.1%	26,152.04
Portugal	62%	Bearish	Neutral	Bullish	Bullish	+1.2%	-26.4%	-45.2%	2,153.39
Russia	45%	Bearish	Bearish	Neutral	Bullish	+1.7%	-53.9%	-71.4%	1,219.53
Singapore	76%	Bullish	Neutral	Bullish	Bullish	+1.4%	-28.5%	-44.9%	1,820.87
Sth Africa	66%	Bullish	Neutral	Bullish	Bullish	+7.7%	-22.8%	-37.1%	21,195.49
Taiwan	83%	Bullish	Bullish	Bullish	Bullish	+24.6%	-9.7%	-41.1%	5,529.63
Thailand	71%	Bullish	Bearish	Bullish	Bullish	-1.5%	-30.8%	-51.8%	446.04
Turkey	75%	Bullish	Bearish	Bullish	Bullish	-4.0%	-43.0%	-44.6%	26,631.06
Venezuela	83%	Bullish	Bullish	Neutral	Bullish	+28.1%	+15.6%	+24.5%	43,959.40

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

What a difference a few weeks can make to investor sentiment! A month ago this newsletter was daily receiving emails asking “Should I be selling my shares and buying back at the bottom” or informing us “I am selling all my shares to avoid further losses”.

What has changed? A few things, but mainly just investor sentiment.

Last week the G20 meeting ended with political leaders posing with big smiles on their faces. The public - and the media - don't understand Economics, so let's not confuse and bore the public with facts. If our world leaders appear grinning like idiots then it sends a clear message: Everything must be alright with the world! (Or, perhaps . . . no, we won't go there!)

At the risk of confusing and boring *our* readers with Economics, we might point out that the US Federal Reserve has been pouring new cash into the financial system. Being a Central Bank has a few special advantages . . . the main one being that it can increase its own overdraft facility - which effectively creates new money! The US Federal Reserve will increase its own overdraft to enable it to purchase US\$300 billion of Treasury Bills and US\$750 billion of mortgage backed securities. If it buys *new* Treasury Bills, the US government will have an extra \$300 billion in cash to spend (or to simply deposit in the banking system, where it is available for the banks to on lend) and if it buys existing mortgage backed securities then banks and institutions will have an extra \$750 billion in cash to re-invest elsewhere.

The G20 also agreed to the International Monetary Fund (IMF) increasing its rescue fund by US\$750 billion - although at this stage there are only commitments for US\$250 billion from Japan, European countries and China and this is not new money in the global financial system. Given the state of the Japanese economy, one could also argue that perhaps that country should be *receiving* rescue funds, not *contributing* to that fund!

The IMF can also act like a central bank through the issue of Special Drawing Rights (SDR) which will be increased by US\$250 billion. In this case the IMF is increasing the overdraft facility of its member countries - which if drawn down will create US\$250 billion in new cash.

Increasing the money supply is the correct action in response to both a recession/depression and the failure of the banking system to allocate liquidity. With Central Banks adding new money - and prepared to add more if necessary - commercial banks will not need to hoard cash in case of future liquidity problems and will gradually resume their normal lending to companies and consumers.

Share prices have been extremely low over the last year . . . mainly as investors worried about the ability of companies to rollover or refinance loans that fall due and the impact of the recession. Pumping new cash into the global financial system will allow loans to be refinanced and keep consumers spending . . . solving both the liquidity risk and recession/depression risk! Consequently, investor sentiment should improve and share prices

should jump sharply as investors react to the actions of central banks.

So everything is alright with the world? Well, we don't think that is *ever* the case! In fact, there are actually some people that believe it was excess liquidity (to bail out the world economy from previous crises) that caused many of the *current* problems. Those people believe that plentiful, cheap cash fuelled debt-funded property inflation, unsound growth in investment banking, derivatives and hedge funds, and the growth in sub-prime lending.

But that is a complex story - difficult to explain to the public (or the media) - and our G20 leaders have a simpler explanation. The current world problems are all the fault of the following scapegoats: over-paid corporate executives, hedge funds, tax havens and the credit rating agencies!

Cash and liquidity will “solve” the short term problems but lead to further long term problems! At the moment liquidity flows badly through the financial system owing to the breakdown of global banking activities. As that improves, central banks plan to remove liquidity (i.e. sell the Treasuries and Mortgage securities, take cash out of the system and cancel their overdraft) but it is impossible to manage this accurately. So there is a risk of *excess liquidity* in the financial system at some stage over the next few years. With slow economic growth, that money will not be going to finance new home construction, building new factories or new manufacturing capacity. Excess liquidity at a time of low economic growth leads to financial asset inflation. That means - in the not too distant future - cash rich investors and institutions will be looking to buy *existing* shares, bonds and property investments - aggressively bidding up their values! Shares and property would be particularly attractive investment options as they offer protection against the general price inflation that excess liquidity can also cause. Share prices could move from their current level of extreme under-valuation to one of extreme over-valuation.

So the boom/bust cycle in world stockmarkets is likely to continue. Share price indices could *double* back to previous highs and then *double* again as liquidity pushes financial asset values to levels of over-valuation.

We are happy to be fully invested in shares simply because current valuations are too low. From these low valuations, shares should produce far above average *future* returns - even if the recession dragged on for longer than expected. In fact, there is potential for the stockmarket to overshoot and move to an over-valued level over the next several years. The potential for significant investment gains is just *another* reason to be fully invested in shares!

The upturn in share prices has improved the Technical indicators - while Fundamental, Monetary and Economic stockmarket indicators have been favourable for awhile. This is tipping our Stockmarket Forecasts in favour of higher share prices ahead!

Recommended International Investment Funds

Fund Reports

Aberdeen Asian Companies Investment Trust plc suffered a 10.8% decline in net assets over the six months to 31 January 2009 - but outperformed its two benchmark indices which were down 23.5% and 32.8% over the period.

The fund's weighting towards consumer-related businesses avoided exposure to the cyclical export sectors. The portfolio also favours companies with strong net cashflows, low debt or with a net cash position - which are the types of shares likely to hold up well in a downturn.

The Manager believes that falling food and energy costs "which account for a large proportion of Asian household budgets" will "boost consumers' purchasing power" and continue to favour its portfolio of consumer-related company shares.

Baillie Gifford Shin Nippon plc's net asset value fell 15.3% over the year to 31 January, despite a 14.9% rise (in Pounds Sterling terms) by its benchmark index! The Fund Manager believes the index was "distorted by the strong performance of highly illiquid stocks with low levels of foreign ownership". The Manager also notes "the financial crisis forced foreign funds to sell Japanese shares aggressively to repay loans or to meet redemptions" while "domestic individual investors were net purchasers of Japanese equities for the first time in 18 years".

Japan is in a "severe recession" owing to the slump in overseas demand for its exports. On the positive side, corporates have reduced debt over the last decade and now have relatively strong balance sheets. Consumer debt levels are low, so "long term retrenchment in spending seems unlikely". Companies are restructuring

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	-8%	890.0p	2249.7	+74
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-20%	456.5p	1153.9	+51
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-11%	388.5p	982.1	-6
HOLD	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-15%	138.0p	348.8	-50
Asian Regional									
BUY	Aberdeen Asian Sm Co WARRANTS AASW		09/09/03	75.3p	209.1		131.5p	332.4	+59
BUY	Gartmore China Opportunities	*	09/07/07	548.9p	1410.4		451.92p	1142.4	-19
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		267.9p	677.2	+543
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		61.05p	154.3	+45
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		398.4p	1007.1	-10
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-15%	221.25p	559.3	+69
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-22%	80.0p	202.2	-54
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-24%	36.0p	91.0	-72
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		37.99p	96.0	-47
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		142.1-150.1p	369.3	+76
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		262.2p	662.8	+260
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-25%	202.5p	511.9	-38
HOLD	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-53%	109.5p	276.8	-34

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +49.8%. This is equal to an average annual rate of +5.6%, 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 +9.2%.

Other Shares and Warrants

Alternative investments in the UK listed investment trust warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 230 pence (trading at a 13% discount to net asset value).

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
INTERNATIONAL SMALLER COS							
UNITED KINGDOM BASED UNIT TRUSTS							
Buy	Invesco Perp Global Small Cos	Medium	+3%	0.88	-30	-23	-4
	McIlroy & Wood Smaller Coys	Medium	+7%	0.86		-22	-2
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
Avoid	F & C Global Small Cos	High	+5%	0.81	-44	-23	-12
	Oryx Intl Growth	Medium	-23%	0.68		-61	-18

UNITED STATES

AUSTRALIAN BASED UNIT TRUSTS							
	BT American Growth	Medium	+2%	0.81	-26	-11	-2
UNITED KINGDOM BASED UNIT TRUSTS							
	AXA American	Medium	+2%	0.84	-26	-10	-6
	AXA Framlington American Gth	Medium	+1%	0.81	-25	-1	1
	Aberdeen American Growth	Medium	+3%	0.90	-21	-5	-4
	Aegon American	Medium	-1%	0.83	-37	-20	-2
	BG American	Medium	+3%	0.75	-26	-5	2
	CF Canlife North American	Low	+1%	0.84	-21	0	1
	CIS US Growth	Medium	-1%	0.93	-35	-14	-5
	F & C North American 1	Medium	+0%	0.89	-30	-8	-7
	Fidelity American	Medium	+1%	0.88	-29	-6	-3
	Frank Temp USEquity	Low	+1%	0.87	-28	-8	-6
	GAM North America	Low	+0%	0.79	-20	14	-1
	Gartmore US Growth	Low	+2%	0.84	-18	-4	-3
	Gartmore US Opportunities	Medium	-0%	0.87	-37	-21	-14
	HSBC American Growth	High	-0%	0.93	-36	-19	-9
	HSBC American Index	Medium	-0%	0.83	-32	-12	-7
	Henderson North American	Medium	+2%	0.90	-28	-11	-5
	Invesco Perp US Equity	Medium	-6%	0.88	-39	-10	-3
	Investec American	Medium	+2%	0.87	-29	-10	-2
	JPM United States Growth	Medium	+0%	0.86	-29	-8	-5
	Jupiter North America	Low	+2%	0.60	-19	-3	0
	L & G North American	Medium	+0%	0.91	-26	-11	-6
	L & G US Index	Medium	-0%	0.93	-31	-12	-7
Avoid	Legg Mason US Equity	High	-12%	0.85	-60	-33	-8
	Lincoln North American	Medium	+1%	0.89	-30	-7	-6
	Liv Victoria US Growth	Medium	-2%	0.84	-38	-19	-11
	M & G North American Value	Very High	-3%	0.91	-47	-26	-9
	Martin Currie North American	Medium	+6%	0.75	-27	-16	-4

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	Neptune US Opportunities	Low	+7%	0.65	-4	12	6
	New Star American Portfolio	Low	-5%	0.76	-40	-23	-5
	Newton American	Medium	+4%	0.74	-20	-5	7
	Old Mutual North American	Medium	+3%	0.82	-34	-17	-8
	Prudential North American	High	-1%	0.93	-36	-15	-8
	SG American Growth	Medium	+3%	0.80	-28	-8	-1
	SJP North American	High	-1%	0.79	-40	-17	-6
	SWIP North American	Low	-3%	0.74	-29	-9	-3
	Scot Wid. American	Medium	+1%	0.85	-25	-7	-4
	Scot Wid. American Sel Gth	Low	+1%	0.75	-21	-10	-4
	Sing & Fried Amer Growth	Medium	+1%	0.84	-28	-5	-1
	Skandia American	Medium	+1%	0.78	-29	-9	2
	Skandia USEquity Blend	Medium	-1%	0.83	-37	-14	-5
	Threadneedle American Gth	Low	+2%	0.84	-24	-7	-2
	Threadneedle American Select	Medium	+1%	0.85	-24	-4	-1
	UBS US Equity	Medium	-0%	0.93	-35	-14	-5
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
	Edinburgh US Tracker	Medium	+0%	0.86	-32	-14	-13
	JPMF American	Low	+2%	0.83	-22	-1	-8

United States



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 just how 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% x 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).

Current Investment Fund Advice

Risk Rating	Superiority Rating	Market Correlation	Performance 36 mth	12 mth	3 mth
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France



Switzerland



EUROPE SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Trust Name	Risk Rating	Superiority Rating	Market Correlation	Performance 36 mth	12 mth	3 mth
	Aberdeen European Small Coys	High	+2%	0.80	-45	-43	-16
	BG Euro Small Coys	Low	-2%	0.63	-35	-26	0
Buy	Henderson European Small Cos	Very High	+9%	0.79	-46	-44	-14
Buy	Insight European Small Cap	High	+7%	0.83	-32	-35	-9
	Invesco Perp Euro Smaller Cos	Very High	+3%	0.76	-56	-53	-13
	JPM European Smaller Coys	High	+6%	0.80	-44	-41	-15
Buy	Jupiter Euro Spec Sits	Medium	+7%	0.71	-19	-18	-4
	Lazard European Smaller Coys	High	+2%	0.75	-41	-35	-6
Buy	SWIP Pan-Euro Small Companies	High	+8%	0.72	-32	-34	-7
	Schroder Euro Small Coys	Medium	+2%	0.78	-36	-31	-10
Buy	Threadneedle Euro Small Cos	Medium	+9%	0.78	-25	-28	-10

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Trust Name	Risk Rating	Superiority Rating	Market Correlation	Performance 36 mth	12 mth	3 mth
	Fidelity Euro V.	High	+5%	0.79	-35	-31	-17
Buy	JPMF Euro Fledgling	Medium	+9%	0.64	-38	-32	-16
Buy	TR European	Very High	+8%	0.80	-47	-41	-9

GERMANY

UNITED KINGDOM BASED UNIT TRUSTS

	Baring German Growth	Medium	-3%	0.85	-25	-27	-17
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Germany



New Zealand's “Fair Dividend” Tax

This tax is based upon the market value of international investments held at the start of each year (i.e. on 1st April).

Here are the values of our *Recommended Funds* as at the 1st April 2009:

Fund	Market Value 1/4/2008
Fidelity European Values	£8.48
JFM Fleming Euro Fledgling	£4.57
Aberforth Smaller Companies	£3.665
Invesco English & International	£1.36
Aberdeen Asian Small Companies Warrants	£1.20
Gartmore China Opportunities	£4.3768
Gartmore Pacific Growth	£2.5715
HSBC Asian Fund	£0.619
Henderson Asia Pacific Capital	£3.90
Scottish Oriental Smaller Coys	£2.14
Baillie Gifford Shin Nippon	£0.755
Fidelity Japan Values	£0.325
Invesco Perp Japan Smaller Coys	£0.4046
Baring Korea	£1.333
Aberdeen Emerging Markets	£2.5544
Herald Investment Trust	£1.98
Private Equity Investor	£1.09

The exchange rate for converting Pounds Sterling to NZ dollars was 0.3968.

Actual dividends or income distributions are not taxable income under the new law which instead will assess a “fair dividend” amount equal to 5% of the market value of investments as at 1st April each year. This “fair dividend” is then taxable at an investor's marginal income tax rate.

If, however, an investor's *total return* (i.e. actual income received and realised and unrealised capital gains) is *negative* in any income year - which is likely about one-third of the time - then no tax is payable in that year.

Next Issue:

The next issue of *International Investor* will be emailed in five weeks time on Monday May 11, 2009.

The print version will be delivered later that week, depending upon printing and postal delivery times.