# International Investor

Issue No. 160 www.stockmarket.co.nz April 6, 2009

### Inside International Investor

Europe and Germany

Founder: James R Cornell (B.Com.)

### World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical 3 mths	Performance 6 mths	(in US\$) 12 mths	Share Index
Australia	71%	Bullish	Bearish	Bullish	Bullish	+9.7%	-35.9%	-47.0%	3,674.00
Austria		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
l Finland	78%	Bullish	Bearish	Bullish	Bullish	-11.2%	-37.8%	-57.3%	4,883.60
France Germany Ireland Italy	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
Japan 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		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		Bullish	Neutral	Bullish	Bullish	+29.5%	-26.7%	-42.2%	44,390.98
Czech Rep		Bullish	Bearish	Neutral	Bullish	-7.0%	-45.4%	-57.1%	823.70
Chile		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		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		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		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.

Page 2 International Investor

### 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 being 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 <u>not</u> 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!

April 6, 2009. Page 3

## 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

Currer Advice	<del></del>	EPIC Code	Initial Rec			Prem/ Disc to Net Assets	Recent F Bid-Offer or Last Sale	Price NZ Cents	Gain or Loss %
	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	SAASW	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	BaringKoreaTrust	*	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	d 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).

Page 4

swiftly and raw material import prices have declined significantly.

The Fund Manager believes the market's focus on bad news "has left many high quality, small companies with strong competitive positions trading at historically low valuation levels" where "long term growth potential is ignored".

**Fidelity Japanese Values plc** suffered a 19.6% decline in net asset value over the year to 31 December 2008 - hurt by its investments in technology and export companies.

### **Share Buy-Backs**

**Fidelity European Values plc** repurchased a further 408,040 shares over the last four weeks, returning almost £2.8 million to investors.

JPMorgan European Fledgling Investment Trust plc repurchased 75,000 shares on-market for £435,158.

**Herald Investment Trust plc** repurchased 100,000 shares on-market for £197,590 - a 25% discount to net asset values.

### Investment Fund Survey

			Superi-	Market		forma					Superi-	Market		forma	
Current Advice	Investment Fund	Risk Rating	ority Rating	Correla- tion	36 mth	12 mth	3 mth	Current Advice	Investment Fund	Risk Rating	ority Rating	Correla- tion	36 mth	12 mth	3 mth
Advice		Railing	Railing	lion	mun	mui	mui	Advice		Railiy	Railing	uon	mun	mui	mun
	<u>INTER</u>	NATIO	ΝΔΙ						New Star Active Portfolio	Medium	-1%	0.91	-36	-28	-5
	· · · · · · · · · · · · · · · · · · ·							Avoid	New Star Global Equity Ret A	Medium	-7%	0.92	-40	-16	-7
	Australian e	BASED ${\sf U}$ NI	t <b>T</b> rus	TS					New Star Global Financial	Medium	-4%	0.83	-41	-36	-9
	AMP FLI International	High	-5%	0.91	-46	-19	-6	Avoid	New Star Global Strategic Cap	Medium	-10%	0.85	-57	-49	-12
	AdvanceInt'IShareMB	Very High	+0%	0.95	-41	-29	-6		New Star Tactical Portfolio	Medium	-5%	0.76	-46	-39	-11
	Advance International	Medium	-4%	0.93	-39	-23	-10		Newton Global Opportunities	High	+4%	0.92	-28	-22	1
	BTInternational	Medium	-3%	0.94	-38	-17	-6		Newton International	High	+2%	0.97	-32	-21	-3
	Commonwealth Int'l Share	Medium	+1%	0.84	-33	-18	-10		Old Mutual Global Equity	High	+2%	0.97	-34	-22	-9
	Gold Sachs International	Medium	+2%	0.93	-29	-17	-7		Prudential Global Growth	Medium	-4%	0.97	-39	-26	-11
	Invesco Global Matrix	VeryHigh	-3%	0.87	-57	-46	-7		PrudentialInt'lGrowth	Medium	-3%	0.94	-37	-21	-10
	MLC Aust - Platinum Gbl	Medium	-5%	0.71	-43	-16	-2		Rathbone Global Companies	Medium	+3%	0.73	-31	-30	10
	MLCMKeyGlobalShare	High	-1%	0.96	-38	-24	-6		SJP International	Medium	+2%	0.95	-29	-22	-12
Buy	NAFM Inv Trt - Global	Low	+8%	0.74	2	6	1		SWIPGlobal	Medium	+0%	0.95	-28	-16	-3
Zuj	Perpetual Fid. Intern'l	Low	-2%	0.88	-28	-13	-12		SWIPGlobal SRI	Medium	-2%	0.95	-35	-21	-2
	Perpetual ICSav-Int'l	Low	-2%	0.57	-29	-13	-12		Scot Wid. Global Growth	Medium	-3%	0.96	-34	-17	-8
	Platinum International	Low	-4%	0.68	-26	1	-0		ScotWid. Global Select Gth	Medium	+1%	0.95	-28	-16	-6
	New Zealand						Ū		ScotWid.IntEquityTracker	High	+6%	0.75	-29	-19	-7
				818					ScotWid. StockmarketGth	Medium	-1%	0.96	-36	-24	-7
	AMP International Share	Very High	+4%	0.89	-41	-32	-5		ScotWid. StrategicGth	Low	-2%	0.95	-31	-19	-6
	AMP Passive Int'l Share	Medium	-1%	0.85	-31	-16	-9		Singer & Freidlander Global	Medium	+1%	0.92	-32	-17	-4
	ASB World Shares	High	+2%	0.91	-31	-26	-9		Solus MM International	Medium	+0%	0.96	-34	-19	-6
	ING International Share	Medium	-1%	0.90	-30	-16	-6		Threadneedle Global Select	Medium	+1%	0.97	-25	-15	-7
	NZGuardian Global	Very High	-2%	0.83	-47	-34	-4		UBS Global Optimal	Medium	-2%	0.94	-35	-17	-5
	Thoroughbred Int'l Equ.	Medium	+0%	0.94	-29	-16	-5		Australian Listei	D INVESTI	MENT I	RUSTS			
	United Kingdoi	M BASED L	JNIT TR	USTS					Platinum Capital	High	-5%	0.58	-42	-4	2
Avoid	AXA Framlington Financial	High	-9%	0.89	-57	-37	-14	Avoid	Templeton Global	High	-7%	0.81	-54	-25	-14
Avoid	AXAGlobalGrowth		+1%	0.89	-36	-31 -24	-14		New Zealand Lists						
	Aberdeen Ethical World	Medium	+1%	0.96	-28	-24 -21	-12								
	Aberdeen World Equity	High Medium	+5%	0.96	-26 -25	-21 -19	-8 -9		WorldIndexFund	Medium	-3%	0.88	-35	-16	-4
	. ,		+1%	0.98	-25 -41	-19	-9 -2		UNITED KINGDOM BASED	LISTED II	NVFSTM	IFNT <b>T</b> R	UST	S	
	Aegon Global Equity Artemis Global Growth	High High	+1%	0.92	-39	-32 -36	-2 -12		Absolute Return Trust	Low	-3%	0.37		-34	-0
	BGInternational	High	+5%	0.96	-24	-36 -16	-12		Alliance Trust	Medium	-3%	0.37	-39	-19	-0 -9
	Bank Ireland British & Oversea	Medium	-4%	0.92	-24	-18	-2 -10		Anglo & Overseas Trust	Medium	-3% -6%	0.92	-39 -41	-19	-9 -15
	Baring Global Growth	Medium	+4%	0.92	-26	-15	-10		Bankers Investment		+0%	0.79	-31	-21 -24	-15 -9
	Blackrock Overseas	Medium	+4%	0.96	-20	-13	-3 -7		Blue Planet W/wide Fin.	Medium	+0% -5%	0.36	-31 -80	-24 -69	-9 -25
	CFCanlife International Gth	Medium	+3%	0.97	-29 -21	-10	- <i>1</i> -6		Brit Empire Securities	Very High Medium	-1%	0.36	-35	-24	-25 2
	CSMMInternational Growth	Medium	+3%	0.97	-30	-17	-0 -1		BrunnerInvest.Trust	VeryHigh	+4%	0.79	-33 -40	-32	-8
	Cavendish Worldwide	Medium	+1%	0.95	-28	-20	-1 -2		Caledonia	Medium	-3%	0.93	-40 -41	-34	-0 -9
	Cazenove MM Global	Medium	+2%	0.97	-24	-13	-2 -7		Capital Gearing Trust	VeryLow	-1%	0.35	1	12	10
	Cler Med International	Medium	+2%	0.98	-24 -27	-13	-7 -6		EPGlobal Opportunities	Medium	-1%	0.80	-38	-7	-8
	F & C Global Growth	High	+2%	0.97	-32	-20	-3	Avoid	Edinburgh Investment	Low	-1%	0.65	-39	-7 -25	-o -11
	Fidelity International	Medium	+2% -0%	0.98	-32	-23	-3 -10	Buy	Edinburgh Worldwide	VeryHigh	+8%	0.03	-39 -45	-25	-11 -2
	First State Global Opps	Medium	+3%	0.94	-33	-17	-7	Duy	Electric & General	Medium	-1%	0.94	-39	-30	-16
	Gartmore Global Focus	Medium	+3%	0.93	-30	-19	-10	Avoid	Establishment IT	VeryLow	-7%	0.55	-39	-24	-10
	HSBC Global Fund of Funds	Medium	+1%	0.96	-28	-16	-6	Avoid	Foreign & Colonial	High	+2%	0.94	-30	-23	- <u>2</u>
	Halifax International Growth	Medium	+1%	0.97	-20	-17	-6		Gartmore Global	Medium	+2%	0.94	-20	-23 -15	-9 -2
	Henderson Global Care Growth	Medium	+5%	0.94	-25	-15	-0 -7	Avoid	IIMIA InvestTrust	Medium	-12%	0.53	-20	-40	- <u>-</u> 2
	Henderson Ind of the Future	Medium	+5%	0.94	-27 -25	-15	-7 -7	Avoid	JPMFOverseas	High	+3%	0.73	-35	-19	-1 -1
	Henderson International	Medium	+5%	0.96	-23	-18	- <i>1</i> -4		Jupiter Global Green	Low	-2%	0.50	-45	-41	-11
	Insight Global Equity	Medium	+1%	0.98	-28	-17	-7		Jupiter Primadona	Low	+2%	0.56	-30	-35	-9
	InvescoPerpInt'l Equity	Medium	-0%	0.98	-31	-22	-7 -5		LawDebenture Corp.	High	-3%	0.80	-43	-34	-11
	Invesco Perp World Growth	Medium	+1%	0.98	-30	-21	-3 -7	Avoid	Majedie Investment	Medium	-3% -16%	0.52	-43 -65	-59	-17
	InvestecGlobal(exUK)	Medium	+2%	0.96	-29	-17	-6	Avoid	Martin Currie Portfolio	High	+4%	0.95	-32	-28	-10
Buy	Investec Global Energy	VervHigh	+17%	0.90	-14	-11	8		MidWvndInvestTrust	Medium	+1%	0.95	-35	-26 -24	-10
ьuy	Investec Global Equity	Medium	+17%	0.77	-14	-18	-6	Buy	MonksInvestment	VervHigh	+1%	0.94	-34	-33	-2 -5
A) mid	JMP Global Financials		-8%	0.91	-59	-44	-13	Buy		Medium	+7%	0.83	-14	-14	-3
Avoid	JPMGlobal	Very High Medium	-0% -1%	0.96	-35	-19	-13 -7	Avoid	Murray International New Star	Low		0.44		-49	-s -8
Dis.	JupiterEcology	Medium	+7%	0.89	-25	-19	-7 -6	Avoid	PantheonInternational	VeryHigh	-19%	0.44	-67 -79	-49 -78	-o -20
Buy	Jupiter Financial Opps	VeryLow	-6%	0.30	-13	9	-0 -3	Avoid	Personal Assets Trust		-13%	0.83	-79		
		Medium		0.30	-13	-23				VeryLow	-3%		-20 -27	-10 -26	-4 10
	L&G (Barclays) Worldwide L&G Global 100 Index	Low	-0% -1%	0.98	-35 -27	-23 -15	-10 -12		RIT Capital Partners Ruffer Investment Coy	VeryLow VeryLow	+2% +6%	0.51 0.33	-21	-26 15	-10 -3
	L&GGlobal Troutnex			0.88		-15 -20	-12 -9		SVM Global	,		0.56	-10		-3 -10
	L&GWorldwide	Medium Medium	-1% +0%	0.96	-31 -34	-20 -21	-9 -7	المنحر	Scottish American Inv.	Low	-6% -8%		-46 -54	-51 -42	
								Avoid	Scottish Invest, Trust	High		0.85			-6
	Lincoln Global M&G Global Leaders	Medium	-3% +4%	0.97 0.97	-35 -36	-18 -25	-7 -5	Dis.	Scottish Invest. Trust Scottish Mortgage & Trt	Medium Von/High	+2% +11%	0.95 0.95	-26 -39	-19 -38	-6 -2
		High Modium	+4% -1%	0.97	-36 -36			Buy Avoid		Very High Medium	-10%	0.95	-59 -53	-36 -42	
	MLC Global Equity Martin Currie Global	Medium Medium	-1% +2%	0.98	-36 -31	-23 -21	-6 -7	AVOID	Secs Trust of Scotland Witan Investment Coy	Medium	-10% -1%	0.76	-53 -35	-42 -24	-20 -10
	NFUMutualGlobalGrowth	Low	+2% -4%	0.97	-31 -31	-21 -19	-7 -9		•						
	NatWestInternationalGrowth	Medium	-4% +0%	0.96	-31 -30	-19 -17	-9 -6	UNI	TED KINGDOM BASED INVE	STMENT	I RUSTS	S - Spli	ΓCA	NPIT/	٨L
Buy	Neptune Global Equity	High	+0%	0.96	-30 -26	-30	-6 -3	Buy	AssetManagement	VeryHigh	+28%	0.28	-38	-60	-65
Luy	. Top can to Grobban Equity	i iigii	1070	0.01	20	50	5	•	-						

Apri	16,2009.														Pag	e 5
Curren Advice	t Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	Per 36 mth	forma 12 mth	ance 3 mth	Current Advice		Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	36	orma 12 mth	nce 3 mth
	INTERNATIONA	L SM	ALLE	ER C	OS	;		Buy	Neptune US Oppor		Low	+7%	0.65	-4	12 -23	6
						-			New Star American Newton American	1 Portfolio	Low Medium	-5% +4%	0.76 0.74	-40 -20	-23 -5	-5 7
	United Kingdom	BASED (	JNIT I R	USTS					Old Mutual North A	merican	Medium	+3%	0.74	-34	-17	-8
	Invesco Perp Global Small Cos	Medium	+3%	0.88	-30	-23	-4		Prudential North Ar		High	-1%	0.93	-36	-15	-8
Buy	McIlroy & Wood Smaller Coys	Medium	+7%	0.86		-22	-2		SGAmerican Grow		Medium	+3%	0.80	-28	-8	-1
	United Kingdom based	LISTED I	NVESTM	ENT <b>T</b> F	RUST	S			SJP North America	an	High	-1%	0.79	-40	-17	-6
	F & C Global Small Cos	High	+5%	0.81	-44	-23	-12		SWIP North Americ	can	Low	-3%	0.74	-29	-9	-3
Avoid	OrvxInt'l Growth	Medium	-23%	0.68		-61	-18		ScotWid.American	•	Medium	+1%	0.85	-25	-7	-4
									ScotWid.America		Low	+1%	0.75	-21	-10	-4
	UNITED	) STA	TEC						Sing&FriedAmer	Growth	Medium	+1%	0.84	-28	-5	-1
	UNITED	JIA	<u> </u>						SkandiaAmerican		Medium	+1%	0.78	-29	-9	2
	AUSTRALIAN BA	SED UNI	T TRUS	TS					Skandia US Equity		Medium	-1%	0.83	-37	-14 -7	-5 -2
	BTAmerican Growth	Medium	+2%	0.81	-26	-11	-2		Threadneedle Ame		Low Medium	+2% +1%	0.84 0.85	-24 -24	-7 -4	-2 -1
					-20	-11	-2		UBSUS Equity	encarioelect	Medium	-0%	0.83	-24	-14	-1 -5
	United Kingdom		JNIT IR	USTS								-,-				-3
	AXAAmerican	Medium	+2%	0.84	-26	-10	-6			GDOM BASED	_ISTED I	NVESTN	IENT IR		S	
	AXA Framlington American Gth	Medium	+1%	0.81	-25	-1	1		Edinburgh USTrac	cker	Medium	+0%	0.86	-32	-14	-13
	Aberdeen American Growth	Medium	+3%	0.90	-21	-5	-4		JPMF American		Low	+2%	0.83	-22	-1	-8
	AegonAmerican	Medium	-1%	0.83	-37	-20	-2			United	l Stat	es				
	BG American	Medium	+3%	0.75	-26	-5	2		1						1	
	CFCanlife North American	Low	+1%	0.84	-21	0	1									1600
	CISUSGrowth	Medium	-1%	0.93	-35	-14	-5				٨م	M./N.			-	
	F&C North American 1	Medium	+0%	0.89	-30	-8	-7				ww	A A.	AA,			- 1400
	Fidelity American	Medium	+1%	0.88	-29	-6	-3			. /	~ "	V	h.M.J			1400
	FrankTempUSEquity	Low	+1%	0.87	-28	-8	-6			morham			Λ. /V		İ	
	GAMNorth America	Low	+0%	0.79	-20	14	-1		MAN	V\/				4		1200
	Gartmore US Growth	Low Medium	+2% -0%	0.84 0.87	-18 -37	-4 -21	-3 -14	Mns	M					1		
	Gartmore US Opportunities HSBC American Growth	High	-0%	0.87	-37 -36	-21 -19	-14 -9	, ,	W. 4						ı	
	HSBC American Index	Medium	-0%	0.93	-32	-19	-9 -7									- 1000
	Henderson North American	Medium	+2%	0.90	-32	-12	-7 -5							la l		1000
	Invesco Perp US Equity	Medium	-6%	0.88	-39	-10	-3							M. i		
	InvestecAmerican	Medium	+2%	0.87	-29	-10	-3 -2							· M	.	
	JPMUnited States Growth	Medium	+0%	0.86	-29	-10	- <u>-</u> 2 -5								\. <i>L</i> L	- 800
	Jupiter North America	Low	+2%	0.60	-19	-3	-0								$V \perp \Gamma$	300
	L&GNorth American	Medium	+0%	0.91	-26	-11	-6								VI	
	L&GUSIndex	Medium	-0%	0.93	-31	-12	-7								1	
Avoid	Legg Mason US Equity	High	-12%	0.85	-60	-33	-8									
	Lincoln North American	Medium	+1%	0.89	-30	-7	-6	2004	2005	2006	2007	·	008	- j	2009	
	1:15.4 : 110.0 4		00/	0.04				12004	12000	12000	12001	2	555	2		

### Investment Fund Survey Information.

-38 -47

-26

0.84 0.91

-3%

**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.

Very High

Liv Victoria US Growth

M&GNorth American Value

Martin Currie North American

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  $R^2$  ("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).

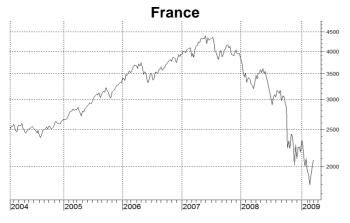
Page	6		0	Mantan	D	<b>.</b>						rnation			
Current Advice	t Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion		forma 12 mth	ance 3 mth	Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	36 mth	orma 12 mth	nce 3 mth
	UNITED STATE				<u>os</u>				L&GUK100Index L&GUKIndex	Medium Medium	+1% +1%	0.95 0.88	-39 -42	-28 -31	-12 -10
	UNITED KINGDOM	BASED <b>L</b>	Jnit Tr	USTS					Lazard UK Alpha Legg Mason UK Equity	Medium Medium	-1% -2%	0.86 0.90	-43 -43	-30 -26	-8 -10
المتحد ٨	F&CUS Smaller Coys	High	+1%	0.87	-36	-1	-8		LincolnGrowth	Medium	+1%	0.90	-37	-28	-8
Avoid	Fidelity American Spec Sits Gartmore US Smaller Coys	VeryLow High	-8% -3%	0.66 0.86	-39 -47	-13 -15	-6 -5		Lincoln Opportunties	Medium	-0%	0.70	-40 40	-31	-1
	JPMUS Smaller Companies	Medium	-1%	0.72	-37	-10	-3	Buy	M&GIndexTracker M&GRecovery	Medium Medium	-1% +7%	0.91 0.82	-48 -28	-29 -25	-10 -6
Buy	Legg Mason US Smaller Coys SWIP North American Small Cos	Medium Low	+13% -2%	0.74 0.71	-29 -28	-10 -5	-2 -3	,	M&GUKGrowth	Medium	+5%	0.90	-31	-23	-10
	Schroder US Small & Mid Cap	Low	+4%	0.81	-17	1	-2		MLC UK Equity Marlborough UK Equity Income	Medium High	-1% +5%	0.84 0.84	-45 -36	-35 -22	-8 -6
	Schroder US Smaller Coys Scot Wid. American Small Cos	Medium Low	+5% -2%	0.85 0.70	-20 -28	-5 -6	-4 -4		Marlborough UK Leading Cos	Medium	+5%	0.80	-34	-27	-11
	Threadneedle Amer Small Cos	Low	-2% -1%	0.70	-26 -25	-6 2	-4 4		Martin Currie UK Equity Inc Martin Currie UK Growth	Medium Medium	-6% +0%	0.84 0.87	-54 -45	-39 -26	-12 -10
	UNITED KINGDOM BASED I	LISTED IN	NVESTM	ENT TR	RUST	S		Avoid	McHattie Warrant Alert	Low	-9%	0.46	- <del>-</del> 43	-47	-15
	F&CUSSmallerCoys	High	+2%	0.81	-41	-8	-13		NFU Mutual UK Growth	Low	-3%	0.87	-42	-31	-12
Avoid Avoid	JPMFUS Discovery Renaissance U.S.	Medium VeryLow	-9% -18%	0.78 0.31	-54 -49	-22 -30	-3 1		NatWest Equity Income NatWest Growth	Medium Medium	-0% +3%	0.87 0.90	-41 -33	-25 -25	-14 -11
Avoid	Nerialssarice U.S.	VeryLow	-10/6	0.51	-43	-30	'		NatWestUKSpecialist Equity	Medium	+1%	0.79	-39	-30	-8
	UNITED	KING	DOM	1				Avoid	Neptune UK Equity New Star Hidden value	Medium High	+6% -12%	0.80 0.68	-29 -66	-18 -59	-8 -20
	UNITED KINGDOM							Avoid	New Star Select Opportunities	Medium	-16%	0.57	-63	-42	-2
	AXAEthical B	Medium	-5%	0.75	-47	-35	-9	Avoid	New Star UK Alpha New Star UK Growth	High High	+2% -9%	0.77 0.77	-45 -62	-41 -45	-8 -12
	AXA Framlington UK Growth	High	+4%	0.76	-36	-29	-7	Avoid	New Star UK Strategic Cap	Low	-15%	0.47	-60	-50	-10
	AXAUKOpportunities AXAUKTracker	Medium Medium	+1% +1%	0.84 0.95	-42 -42	-28 -31	-6 -11		NewtonGrowth NewtonUKOportunities	Low Low	+4% +5%	0.79 0.86	-26 -22	-21 -19	-11 -7
	Aberdeen UK Growth	Medium	+2%	0.91	-45	-34	-13		Old Mutual Equity Income	Medium	-4%	0.88	-22 -47	-33	-12
Avoid	Aberdeen UK Mid-Cap	Medium	-10%	0.68	-82 -45	-37 -33	-3 -11		Old Mutual Ethical	Medium	-5%	0.80	-50	-34	-10
	Aberdeen UK Opportunities Aegon UK Equity Growth	Medium Medium	-2% +6%	0.85 0.88	-45 -32	-33	-10		Old Mutual UK Select Equity Pru Equity Income	Medium Medium	-3% -2%	0.85 0.88	-46 -46	-31 -31	-7 -16
	Allianz Dres UK Growth	High	-0%	0.87	-47	-36	-10	Buy	PruGrowth	High	+10%	0.82	-23	-21	-4
	Allianz Dres UK Index Allianz UK Equity Income	Medium Medium	+1% -4%	0.94 0.88	-39 -50	-29 -36	-10 -16		Prudential UK Growth Prudential UK Index	Medium Medium	-1% +1%	0.94 0.95	-43 -45	-32 -28	-12 -11
	Allianz UK High Alpha	High	-1%	0.82	-46	-38	-5	Avoid	Rathbone Spec Situations	High	-23%	0.63	-75	-55	-16
	Artemis Capital Artemis UK Growth	Medium Medium	-3% -2%	0.84 0.76	-49 -43	-37 -28	-10 -5		Royal London UK Equity Royal London UK Growth	Medium Medium	+3% +3%	0.93 0.88	-35 -37	-28 -32	-9 -6
	Artemis UK Special Sits	Medium	+2%	0.88	-32	-21	-5		SGUK350	Very High	+1%	0.72	-50	-43	-11
	BG British 350	Medium	+0%	0.87	-41 -42	-29 -33	-8 -8		SGUKGrowth	High	-5%	0.85	-50	-37	-13 -6
	Baring UK Growth Blackrock Growth Portfolio	Medium Medium	+2% +2%	0.85 0.72	-33	-33 -25	-6		SG UK Special Opps SJP Equity Income	High Medium	-6% +2%	0.61 0.85	-51 -36	-39 -23	-6 -10
	BlackrockUK	Medium	-3%	0.67	-50	-36	-8		SJPRecovery	Medium	-1%	0.84	-38	-22	-9
	Blackrock UK Dynamic CF Canlife Growth	Medium Medium	+1% +1%	0.63 0.92	-39 -37	-37 -27	-8 -11		SJP Tracker SJP UK High Income	Medium Low	+2% +6%	0.94 0.83	-39 -21	-30 -16	-11 -13
	CISUKFTSE-4-GOODTracker	Medium	+0%	0.95	-40	-28	-12	Buy	SVMUK100 Select	Medium	+8%	0.79	-27	-25	-6
	CISUK Growth CS Alpha Growth	Medium Medium	+1% -1%	0.88 0.81	-39 -40	-31 -29	-12 -4		SVMUKAlpha SVMUKOpportunities	Medium Very High	+2% -1%	0.84 0.67	-37 -56	-32 -47	-13 3
	CS MM UK Growth	Low	-2%	0.72	-40	-26	-6		SWIPFinancial	Very High	-0%	0.78	-53	-40	-10
	Cazenove UK Growth & Income Cazenove UK Opportunities	Medium Medium	-4% +1%	0.77 0.78	-50 -39	-40 -31	-13 -12		SWIPUKOpportunities Schroder UKAlpha Plus	Medium High	+5% +5%	0.78 0.81	-34 -37	-28 -30	-4 -3
	Cler Med FTSE 100	Medium	+1%	0.95	-37	-29	-12		Schroder UK Mid 250	Very High	-1%	0.76	-51	-44	-13
	Dimension UK Value F & C Blue	High VervLow	-6% -2%	0.76 0.79	-55 -14	-42 -7	-12 -2		Scot Wid. UK All Share Track	Medium	-1%	0.88	-49	-29	-9
	F&CFTSE 100 Tracker	Medium	-2% +4%	0.79	-37	-29	-2 -12		ScotWid.UKGrowth ScotWid.UKTracker	Medium Medium	+2% +1%	0.81 0.90	-41 -38	-31 -28	-9 -10
	F&CFTSE All Share	Medium	+1%	0.94	-43	-32	-10	Avoid	SkandiaUKEquityBlend	Medium	-7%	0.81	-52	-37	-6
Avoid	F&C Progressive Growth F&C Special Situations	VeryLow Medium	-11% -1%	0.25 0.75	-39 -46	-31 -37	-5 -6		Solus UK Flagship Solus UK Special Situations	Medium High	+4% -0%	0.92 0.88	-33 -46	-28 -38	-10 -9
	F&CUK Equity 1	Medium	+0%	0.88	-41	-31	-8		Stan Life UK Equity Gth	Medium	+5%	0.78	-35	-29	-6
	F&CUK Opportunities Fidelity Growth & Income	High Medium	-1% -2%	0.71 0.90	-44 -42	-36 -28	-2 -10		StanLife UK Opportnities TU British	Medium High	+5% -1%	0.62 0.88	-37 -47	-32 -35	-5 -10
	Fidelity Special Situations	Medium	+4%	0.83	-31	-24	-7	Buy	Threadneedle UK Accel.	Medium	+9%	0.87	-27	-27	-8
	Fidelity UK Aggressive Fidelity UK Growth	Medium Medium	+4% +2%	0.87 0.79	-32 -39	-23 -27	-9 -2		Threadneedle UK Growth & Inc Threadneedle UK Overseas Earn.	Medium Medium	-0% +0%	0.91 0.92	-40 -39	-30 -28	-13 -13
	Frank Tem Growth	High	+5%	0.85	-33	-22	-11		Threadneedle UK Select	Medium	+3%	0.85	-34	-29	-8
	FrankTempUKEquity GAMUKDiversified	High Medium	-5% -0%	0.78 0.80	-50 -41	-37 -28	-6 -9		Tilney Growth Portfolio	Medium	+1% -1%	0.91 0.89	-35	-24 -20	-8 -6
	Gartmore UK Focus	Very High	-0% -5%	0.80	-59	-20 -51	-9 -11		TilneyIncome&Growth UNITED KINGDOM BASED L	Low .ISTED <b>[</b> 1			-33		-0
	Gartmore UK Growth Gartmore UK Index	High Medium	-2% +5%	0.86 0.89	-51 -33	-41 -29	-11 -10	Avoid	3iGroup	High	1VESTIVI -20%	0.19	-75	-69	-7
	Gartmore UK Tracker	Medium	+5%	0.89	-33 -38	-29 -29	-10 -12	Avoid	AdvanceUK	VeryLow	-13%	0.31	-59	-50	-12
	HSBCFTSE100Index	Medium	+1%	0.95	-38	-28	-11	Avoid	Albany Aurora Invest Trust	Medium High	-0% -14%	0.59 0.54	-40 -64	-28 -44	-6 1
	HSBC FTSE 250 Index HSBC FTSE All Share Index	Medium Medium	+0% -0%	0.72 0.94	-43 -43	-35 -32	-2 -10	Avoid	British American IT	VeryLow	-18%	0.09	-60	-37	-5
	HSBC Growth Fund of Funds	Low	+2%	0.79	-27	-18	-5		British Assets British Portfolio Trt	High High	-2% -5%	0.84 0.81	-48 -54	-33 -43	-11 -12
	HSBC UK Freestyle HSBC UK Gth & Inc	Medium Medium	+1% -2%	0.85 0.92	-36 -45	-33 -30	-10 -10	Avoid	City Merchants High Yld	Low	-5% -15%	0.50	-57	-39	-12
	Halifax Special Situations	High	+0%	0.89	-45	-34	-10		City of London	Low	-2%	0.76	-38	-28	-14
	Halifax UK All-Share Index Halifax UK Equity Income	Medium Medium	+1% +1%	0.92 0.95	-40 -38	-30 -25	-11 -12		Dunedin Income Growth Edinburgh UK Tracker	High Medium	-5% +0%	0.76 0.87	-42	-40 -32	-18 -12
	HalifaxUKFTSE100Index	High	+3%	0.90	-40	-29	-12		F&C Capital & Income	Medium	+0%	0.72	-45	-32	-15
	HalifaxUKGrowth HendersonMainstreamUK	Medium Medium	+0% +1%	0.94 0.91	-40 -39	-29 -31	-10 -12		F & C UK Select Trust Fidelity Special Values	High VeryHigh	-4% +4%	0.57 0.79	-39	-42 -27	-1 -15
	Henderson UK Equity	Medium	-2%	0.91	-39 -46	-34	-12		Finsbury Growth	Medium	-6%	0.80	-50	-30	-11
	InsightUKDiscretionary	High	-1%	0.87	-45	-33	-8	Avoid Avoid	Gartmore Growth Opps Glasgow Income Trust	VeryLow VeryHigh	-16% -20%	0.01 0.50	-35 -79	-21 -65	7 -33
	Insight UK Dynamic Managed Invesco Perp UK Aggressive	Medium Low	+2% +0%	0.81 0.71	-40 -37	-30 -21	-6 -13		Hansa Trust	Medium	+0%	0.26	-43	-33	7
	Invesco Perp UK Growth	Medium	-2%	0.86	-45	-33	-15	Avoid Avoid	Henderson High Income Independent Invest Trt	Medium Low	-13% -12%	0.68 0.25	-60	-35 -38	-15 7
	InvestecUKAlpha InvestecUKBlueChip	Medium Medium	+4% +2%	0.79 0.87	-37 -37	-31 -27	-5 -8	Avulu	InvescoIncome Growth	Medium	-2%	0.74	-47	-36	-21
	JPMUKActive350	Medium	-2%	0.92	-44	-31	-10		JPMFClaverhouse	High	-1%	0.82	-49	-36	-12
	JPM UK Dynamic Jupiter Environmental	Medium Medium	+3% -1%	0.88 0.60	-39 -40	-32 -33	-10 -4		JPMF Mid Cap London & StLawrence	VeryHigh VeryLow	-3% -6%	0.67 0.44	-58 -33	-46 -16	-6 1
	Jupiter Growth & Income	Low	+2%	0.62	-33	-23	-3	Avoid	LowlandInvestmentCo	High	-10%	0.59	-60	-50	-7
	Jupiter UK Growth	Low	-3%	0.58	-45	-38	-1		Manchester & London Merchants Trust	VeryLow High	+0% -5%	0.34 0.79	-56	-24 -41	2 -19
	Jupiter UK Special Situations Jupiter Undervalued Assets	VeryLow Low	+1% -5%	0.57 0.56	-32 -46	-22 -36	-4 -7		Murray Income Trust	Medium	-4%	0.66	-47	-34	-13
Avoid	L&G (Barclays) 500	Medium	-10%	0.64	-55	-39	-3	Avoid	Principal Capital SVMUKActive	VeryLow Low	-79% -3%	0.11 0.48	-45	-53 -33	80 -3
	L&G (Barclays) Mkt Tracker L&G Growth	Medium Medium	+0% +6%	0.92 0.84	-42 -28	-31 -25	-11 -6		SchroderIncome & Grwth	VeryLow	-3% -4%	0.48	-40	-33 -19	-12
								n.	SchroderUKGrowth	Very High	+1%	0.75	-50	-44	-7

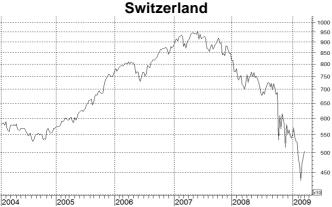
Proceedings	A nei	16 2000													Doo	
September   Sept	-			Superi-		Per	forma							Per	forma	nce
According				ority Rating						Investment Fund		ority Rating				mtl
March   Marc	Avoid					-69			Avoid					-83		-12
Light Name		Strategic Equity Cap.	VeryLow	-55%	0.00		-63	66		•	,		0.49		-26	6
Control   Cont						-66				<u>E</u> (	<u>UROPE</u>					
March   Part	_		_		_	_										
United Kingdom  Towostopurseases  AAAFarconardown  AAAFar																-10 -9
Marie   Mari	Avoid				0.12	-71	-65	-34		New Zealand	BASED UN	NIT TRU	ISTS			
### AASHERONO HIGH ### 60 03 35 38 38 38 40 40 40 40 40 40 40 40 40 40 40 40 40	ļ	United	Killyu	OIII			‡	7000						-38	-26	-11
## Activate Noting Construction			M	1A				- 6500						-38	-35	-17
## Activate Noting Construction			~~ <del>`</del> ~	M 0.1	Λ			- 6000								-17 -18
BGSLarge    Medium   +3%   0.00   0		Ju Mu		V	V ) ,					AegonEuropean	Very High	+3%	0.89	-42	-40	-17
## Spring Europen Growth   19		M			., M	٨		- 5500		BGEurope	•	+4%		-30	-26	-16 -10
Biodynoic Configures   Modum   49%   078   24   20						-		5000								-8 -13
WINTED KINGDOM SMALLER COS	.4. 4	M '						4500		Blackrock Cont'l Europe	Medium	+6%	0.78	-24	-20	-14
## Committee   Com	100	W				1 NW	\	4000	ьuy	CF Canlife European		+2%	0.87	-40	-34	-14 -14
VINITED KINGDOM SMALLER COS   UNITED KINGDO						. ¥¥.	4,	4000	Buv							-15 -1
## FACEURPOINT High ## 95 03 22 28 29 30 20 27 20 27 20 27 20 27 27 20 2						' Y	1		,	CSEuropean	Very High	+3%	0.90	-41	-36	-16
WINTED KINGDOM SMALLER COS							!	- 3500		F&CEuropean1	High	+4%	0.91	-32	-28	-12 -14
### UNITED KINGDOM SMALLER COS  UNITED KINGDOM BASED UNIT TRUSTS  UNITED KINGDOM BASED UNIT TRUSTS  AVAIFRINGENDIK SmallCoys Medium - 1% 026 -88 -82 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2	2004	2005 2006	2007	2	800		2009									-15 -2
With the properties										FrankTempEurope	High	+6%	0.90	-33	-29	-17
No.		IINITED KINGDO	OM CM	ΙΔΙΙ	FD /	200	S			Gartmore European Sel Opps	Medium	+6%	0.94	-22	-22	-16 -14
Martingpin ( Marting )						<i>,</i>	<u> </u>									-12 -15
Abardsen UKE-melgrig						-58	-12	-2		HalifaxEuropean	High	+4%	0.94	-35	-30	-15
By Allanez Des UK Mick Cap   Medium   49%   909   40   34   30   By	_	Aberdeen UK Emerging	Low	-2%	0.86	-53	-36	-5								-12 -10
Anternic Mc Smaller Coys																-17 4
Bas		Artemis New Enterprises		+8%		-29		-3	Buy	Jupiter Emerging European	Very High	+8%	0.52	-43	-49	4
CF Carifiel UK Smaller Companies Medium +9% 080 e41 35 44	Buy	BG British Smaller Coys	Low	+8%	0.90	-36	-28	-5	Buy							-1 -15
By   CSSmallerCompanies   Medum   +9%   0.88   3.84   5.55   4.94   1.95   1.00n  European   High   +9%   0.92   3.44   3.94																-15 -14
CavendshAMM		CSSmallerCompanies	Medium	+9%	0.88	-38	-35			LeggMason Cont European	High	+0%	0.92	-40	-31	-15
Day   Cazenove UK Smaller Corps	Buy					-55	-43	1	Buy							-16 -13
Dimensional UK Smaller Coys	Buv								Riv							-11 -15
Pick   Fa Culk Smallar Companies   Medium	Buy	Dimensional UK Smaller Coys	Medium	+7%	0.92	-42	-32	-3	Buy	Martin Currie European	High	+7%	0.91	-32	-27	-11
HSBCUKSmallerCompanies					0.91	-44										-10 19
HalfaxSnaller Companies									Buy							-9 -15
Insight UK Small Cap	D. v.	Halifax Smaller Companies	Low	+3%	0.88	-48	-37	-10		Newton Continental European	Low	+4%	0.86	-24	-24	-12
Invesco Perp UKSmall Cos Equ.   Medium   -2%   0.30   -59   -45   -1   Byy   Premier European Growth   Very High   +7%   0.76   -53   -46   -48   -49   -49   -45   -40   -50   -45   -40   -50   -40   -50   -45   -40   -50   -40   -40   -50   -40   -40   -50   -4	Buy	Insight UK Small Cap		+3%		-47	-37	-9								-10 -15
Invester UK Smaller Cos   Medium   +11%   0.82   3-4   3-0   6   By   Prudential European   High   +7%   0.92   2-77   22	Buv								Buy	Premier European Growth						-22 -14
Jupiter UK Small Coys   Medium   +8%   0.93   44   -34   58   58   54   -40   58   58   58   58   58   58   58   5		InvestecUKSmallerCos	Medium	+11%	0.82	-34	-30	6	Buy	Prudential European	High	+7%	0.92	-27	-22	-14
Buy   L&GUK Smallcr Companies   High   +8%   0.93   44   -31   4   4   5   5   4   5   5   4   5   5							-40									-13 -12
Acid   LiontrustIntellectualCapital   VeryLow   1-10%   0.25   2-29   -7   SWIPPanEuropeanSRI   Medium   1-4%   0.82   2-26   2-26   2-26   2-26   2-27   2-28   2-27   2-28   2-27   2-29   2-27											High	+6%	0.84	-26	-28	-9 -9
Buy   Marlborough Special Situations   Low   +8%   0.81   -34   -31   3   Schroder European Alpha   Medium   +6%   0.99   -24   -24   -24   Marlborough UK Micro Cap Gth   Low   +6%   0.86   -31   -22   8   Buy   ScotWid EuroSelect Gth   High   +7%   0.83   -27   -29   -29   -29   -29   -29   -24	Avoid	Liontrust Intellectual Capital	VeryLow	-10%	0.25		-29	-7		SWIPPanEuropeanSRI	Medium	+4%	0.82	-28	-26	-9
Martborough UK Micro Cap Gth	-	Marlborough Special Situations	Low	+8%	0.81	-34	-31	3								-15 -11
Buy   Old Mutual LIK Select Small Cos   Medium   +12%   0.84   -30   -30   -30   -30   -30   Buy   Prudential Smaller Corpananies   Medium   +8%   0.94   -44   -39   0.94   -34   -39   0.95   -37   -38   -30   SGUK Smaller Corpananies   Medium   +2%   0.77   -53   -40   -7   Buy   SWIPUK Smaller Corpananies   Medium   +2%   0.77   -53   -40   -7   Buy   SWIPUK Smaller Corpananies   Medium   +2%   0.77   -53   -37   -3   -37   -3   -30   -30   -32   -38   -30   -										ScotWid. Euro SelectGth	High	+7%	0.83	-27	-29	-9 -7
Rathbone Smaller Coys   Low   +1%   0.84   -47   -38   -3   Skandia European Equity Blend   Medium   +2%   0.89   -34   -29   SG UK Smaller Companies   Medium   +2%   0.77   -53   -40   -7   Buy   Stan Life Euro Equity Gth   High   +12%   0.72   -24   -25   Standia European Equity Blend   Medium   +2%   0.89   -34   -29   -25   -25   Standia European Equity Blend   High   +12%   0.72   -24   -25   -25   Standia European Equity Blend   High   +1%   0.72   -24   -25	Buy	Old Mutual UK Select Small Cos	Medium	+12%	0.84	-30	-30	-2	,	ScotWid.EuropeanGrowth	Medium	+7%	0.84	-25	-27	-9
SG UK Smaller Companies   Medium   +2%   0.77   -53   -40   -7   Buy   Stan Life Euro Equity Gth   High   +12%   0.72   -24   -25   -25   Stan Standard Companies   Medium   +8%   0.90   -37   3   TU European   Medium   +0%   0.93   -40   -32   -24   -25   Standard LK Smaller Covys   Low   +2%   0.84   -49   -37   -44   Threadneedle Euro Sel Growth   Medium   +3%   0.92   -26   -24   -25   Standard LK Smaller Covys   Medium   +17%   0.78   -30   -29   1   Threadneedle Euro Sel Growth   Medium   +2%   0.86   -26   -20   1   Threadneedle Euro Sel Growth   Medium   +2%   0.86   -26   -20   1   Threadneedle Euro Sel Growth   Medium   +2%   0.86   -26   -20   1   Threadneedle Euro Sel Growth   Medium   +2%   0.86   -26   -20   1   Threadneedle Euro Sel Growth   Medium   +2%   0.86   -26   -20   1   Threadneedle Euro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -26   -20   Threadneedle Uro Sel Growth   Medium   +2%   0.86   -37   -38   Threadneedle Pan Euro Gth   Low   +2%   0.74   -23   -19   USS European Equity   High   +4%   0.87   -37   -38   UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS   Buy   Biackrock Smaller Coys   Very High   +4%   0.87   -35	Buy			+1%	0.84	-47	-38	-3								-14 -12
Schroder UK Smaller Coys	Ви	SGUKSmallerCompanies				-53		-7	Buy	Stan Life Euro Equity Gth	High	+12%	0.72	-24	-25	-20
Buy   StanLife UK Smaller Cos   Medium   +17%   0.78   -30   -29   1   Threadneedle UK Mid250   Medium   +13%   0.85   -26   -26   1   UBS European Equity   High   +4%   0.87   -37   -28   UBS UK Smaller Cos   Medium   +18%   0.95   -44   -35   -4   UBS UK Smaller Companies   Medium   +1%   0.75   -56   -47   3   Unicorn UK Smaller Coys   VeryLow   -2%   0.73   -50   -33   -4   UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS   UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS   Aberforth Smaller Coys   Medium   +4%   0.85   -51   -33   2   Attentis Alpha   VeryLow   -6%   0.13   -33   -32   Attentis Alpha   VeryLow   -6%   0.13   -33   -35   -51   Avoid   Chelverton Growth Trust   VeryLow   -27%   0.01   -73   -59   -23   Buy   Eastern European   VeryHigh   +11%   0.80   -27   -27   -28   Avoid   Honderson Opportunities   High   +7%   0.71   -57   -44   5   Buy   Eastern European   VeryHigh   +11%   0.83   -58   -46   -61   Gartmore Fledgling Indx   Medium   -2%   0.80   -58   -40   -3   European Assets   VeryHigh   +1%   0.83   -58   -46   -61   European   VeryHigh   -7%   0.89   -48	Duy	Schroder UK Smaller Coys	Low	+2%	0.84		-37	-4		Threadneedle Euro Growth	Medium	+3%	0.92	-26	-24	-15 -12
Buy   Threadneedle UK Smaller Cos   Medium   +13%   0.85   -26   -26   1	Buy															-8 -9
UBSUKSmallerCompanies	Buy	Threadneedle UKMid 250					-26			UBS European Equity	High	+4%	0.87	-37	-28	-13
United Kingdom Based Listed Investment Trusts   Buy   BaringEmergingEurope   ArtemisAlpha   VeryHigh   H3%   0.61   -45   -51   -33   -25	Juy	UBSUK Smaller Companies	Medium	+1%	0.75	-56	-47	3						RUST		_
Aberforth Smaller Coys   Medium   +4%   0.85   -51   -33   2   Blackrock Greater Euro.   Medium   +0%   0.76   -36   -30								-4		Artemis Alpha	VeryLow	-6%	0.13		-25	-2 12
Buy   Blackrock Smaller Coys   Very High   +20%   0.88   -48   -39   4   Avoid   Blue Planet Euro Fin.   Very High   -9%   0.24   -76   -68								2	Buy							-5 -16
Dunedin Smaller Coys   T   Medium   +6%   0.81   -53   -36   1   Avoid   Close European Accel.   Very High   -11%   0.33   -75		Blackrock Smaller Coys	Very High	+20%	0.88	-48	-39	4		Blue Planet Euro Fin.	VeryHigh	-9%	0.24	-76	-68	-24
Gartmore Fledgling Indx   Medium   -2%   0.80   -58   -40   -3   European Assets   Very High   +1%   0.83   -58   -46		Dunedin Smaller Coys IT	Medium	+6%	0.81	-53	-36	1		Close European Accel.	Very High	-11%			-75	-9 -20
Avoid         Henderson Opportunities         High         -18%         0.55         -61         -2         Avoid         F & C Eurotrust plc         Very High         -7%         0.89         -48           Buy         Henderson Smaller Cos         Very High         +18%         0.82         -56         -50         6         Buy         Gartmore European         High         +10%         0.90         -22         -21           Invesco England         Very High         +6%         0.69         -60         -50         10         Gartmore Irish Small         Very High         -2%         0.73         -57         -53	Buy								Buy	Eastern European	Very High	+8%				-4 -14
InvescoEngland VeryHigh +6% 0.69 -60 -50 10 Gartmore Irish Small VeryHigh -2% 0.73 -57 -53		Henderson Opportunities	High	-18%	0.55		-61	-2		F&C Eurotrust plc	Very High	-7%	0.89		-48	-19
		Invesco England	Very High	+6%	0.69	-60	-50	10	Buy		Very High		0.73	-57	-53	-15 -20
To a series of the series of t	Buy Buy	Invesco Perp UK Smaller JPMF Smaller Cos	VeryHigh High	+17% +11%	0.90 0.82	-42 -57	-33 -45	-2 -7			Medium	+7%				-9 -16
Buy Montanaro UK Small Coys Medium +7% 0.73 -48 -34 5 Buy JPMF Russia Very High +19% 0.43 -54 -66		Montanaro UK Small Coys	Medium	+7%	0.73	-48	-34	5	Buy	JPMF Russia	Very High	+19%	0.43	-54	-66	11
Buy SVMÚKEmerging Fund VeryLow +11% 0.16 -39 -53 -4 SREurope Medium -1% 0.54 -44 -34		SVM UK Emerging Fund	VeryLow	+11%	0.16	-39	-53	-4	Buy							-11 -5
Buy Schroder UK Mid & Small High +16% 0.73 -40 -29 -8  Comparish the Second December 1 to the second December 2 to the second December 3 to the se	Buy	Schroder UK Mid & Small	High						ъ	1.0						

Page 8 International Investor

Current Investment Fund Risk

Superi- Market <u>Performand</u>
isk ority Correla- 36 12
tting Rating tion mth mth n





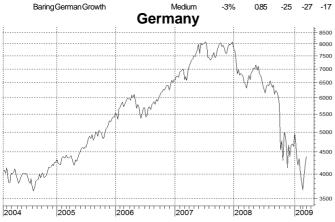
#### **EUROPE SMALLER COS**

#### UNITED KINGDOM BASED UNIT TRUSTS

	•						
	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	VeryHigh	+3%	0.76	-56	-53	-13
	JPMEuropean 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	SWIPPan-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 I	LISTED IN	VESTME	ENT <b>T</b> F	RUST	S	
	FidelityEuro V.	High	+5%	0.79	-35	-31	-17
Buy	JPMF Euro Fledgling	Medium	+9%	0.64	-38	-32	-16
Buy	TREuropean	Very High	+8%	0.80	-47	-41	-9

#### **GERMANY**

United Kingdom based Unit Trusts



# 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 Fledgeling	£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 Coy	/s £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 <u>not</u> 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.

INTERNATIONAL INVESTOR is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Auckland. Subscribe online at <a href="https://www.stockmarket.co.nz">www.stockmarket.co.nz</a> or <a href="https://www.stockmarket.co.nz">www.australia-stockmarket.co.nz</a> or <a href="mailto:realth-state-at-realth-state-

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