

International Investor

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World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical Performance (in US\$)			Share Index
						3 mths	6 mths	12 mths	
Australia _____	59%	Bearish	Bullish	Neutral	Bullish	+0.4%	+14.9%	+104.8%	4,773.40
Austria _____	43%	Neutral	Bearish	Neutral	Bullish	-12.8%	-4.4%	+78.1%	2,455.78
Belgium _____	53%	Bearish	Bullish	Neutral	Bullish	-5.7%	+5.8%	+65.3%	2,611.03
Canada _____	61%	Bearish	Bullish	Neutral	Neutral	+6.7%	+14.8%	+82.1%	11,975.14
Denmark _____	62%	Bearish	Bullish	Neutral	Bullish	+0.8%	+7.8%	+65.4%	371.10
Finland _____	59%	Neutral	Bullish	Neutral	Bullish	+2.9%	+7.4%	+70.3%	6,965.61
France _____	53%	Neutral	Neutral	Neutral	Neutral	-5.9%	+4.3%	+57.4%	2,796.42
Germany _____	48%	Neutral	Neutral	Neutral	Neutral	-7.4%	+4.2%	+64.3%	5,877.36
Ireland _____	46%	Bearish	Bearish	Neutral	Bullish	-7.6%	-5.3%	+56.0%	3,011.24
Italy _____	44%	Bearish	Bearish	Neutral	Neutral	-10.5%	-4.0%	+50.5%	22,769.70
Japan _____	48%	Bearish	Bullish	Bullish	Bearish	+3.8%	+4.8%	+48.0%	10,368.96
Netherlands _____	55%	Bearish	Bullish	Neutral	Bullish	-3.3%	+10.3%	+65.5%	338.68
New Zealand _____	49%	Neutral	Neutral	Bearish	Bullish	-4.5%	+1.7%	+60.6%	1,413.11
Norway _____	61%	Bearish	Bullish	Neutral	Bullish	-2.3%	+25.9%	+131.6%	335.72
Spain _____	50%	Bullish	Bearish	Neutral	Bullish	-16.5%	-6.9%	+52.9%	1,143.83
Sweden _____	61%	Bearish	Bullish	Neutral	Neutral	+1.9%	+15.8%	+101.7%	315.00
Switzerland _____	68%	Bearish	Bullish	Bullish	Neutral	-0.3%	+10.5%	+59.0%	6,847.78
Un. Kingdom _____	69%	Bearish	Bullish	Bullish	Bullish	-3.3%	+6.8%	+55.1%	5,599.76
USA _____	62%	Bearish	Bullish	Bullish	Neutral	+3.0%	+12.0%	+54.9%	1,138.70
Argentina _____	66%	Bearish	Bullish	Neutral	Bullish	+5.7%	+32.2%	+107.3%	8,172.23
Brazil _____	62%	Bearish	Bullish	Neutral	Bullish	-0.9%	+27.3%	+138.8%	68,846.50
Czech Rep. _____	61%	Bullish	Bullish	Bearish	Bullish	-7.9%	-4.1%	+112.6%	1,156.80
Chile _____	75%	Bearish	Bullish	Bullish	Bullish	+6.6%	+22.3%	+68.8%	17,632.64
China _____	49%	Bearish	Bullish	Bearish	Bearish	-1.3%	+28.9%	+92.3%	252.45
Greece _____	33%	Bearish	Bearish	Bearish	Bullish	-19.9%	-18.0%	+45.6%	2,082.06
Egypt _____	76%	Bullish	Bullish	Bullish	Bullish	+5.7%	+3.5%	+91.1%	6,783.83
Hong Kong _____	65%	Bearish	Bullish	Bullish	Neutral	-7.8%	+2.2%	+62.1%	20,787.97
Hungary _____	65%	Bearish	Bullish	Bullish	Bullish	-3.2%	+15.5%	+164.0%	22,193.70
India _____	60%	Bearish	Bullish	Bullish	Neutral	+0.8%	+16.1%	+113.1%	16,994.49
Indonesia _____	62%	Bearish	Bullish	Neutral	Bullish	+4.7%	+21.9%	+162.1%	2,578.77
Israel _____	65%	Bearish	Bullish	Bullish	Bullish	+9.4%	+25.1%	+107.5%	1,138.30
Korea _____	48%	Bearish	Bullish	Neutral	Bearish	+1.9%	+10.4%	+106.8%	1,634.57
Malaysia _____	54%	Bearish	Bullish	Neutral	Bearish	+2.9%	+15.9%	+60.7%	1,299.78
Mexico _____	57%	Bearish	Bullish	Neutral	Neutral	+1.3%	+22.1%	+120.6%	32,436.53
Philippines _____	72%	Neutral	Bullish	Bullish	Neutral	+0.8%	+14.7%	+73.9%	3,069.63
Poland _____	52%	Bearish	Bullish	Bearish	Neutral	-5.0%	+13.2%	+140.4%	40,354.28
Portugal _____	37%	Bearish	Bearish	Neutral	Neutral	-12.3%	-2.3%	+46.6%	2,731.93
Russia _____	67%	Bearish	Bullish	Bullish	Bullish	+3.1%	+44.6%	+190.7%	2,194.03
Singapore _____	57%	Bearish	Bullish	Neutral	Neutral	-0.7%	+9.4%	+93.7%	2,790.29
Sth Africa _____	53%	Bearish	Bullish	Bearish	Bullish	+2.1%	+16.6%	+106.8%	27,904.65
Taiwan _____	42%	Bearish	Bullish	Neutral	Bearish	+0.5%	+9.9%	+83.7%	7,666.26
Thailand _____	59%	Bearish	Bullish	Bullish	Bearish	+4.8%	+13.0%	+85.4%	723.96
Turkey _____	56%	Bearish	Bullish	Neutral	Bearish	+1.8%	+13.1%	+142.3%	52,625.63
Venezuela _____	51%	Bullish	Bearish	Bearish	Bullish	-46.3%	-44.5%	-23.6%	56,944.76

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.

Recommended Funds

Geographic Portfolio Spread

FundName	Size (Mil)	Leverage (% debt)	Top 10 Hldgs (%)	Portfolio invested in (%):-											
				Cash	HK	Australia	Malay	Taiwan	Korea	Sing.	Thail'd	Phil.	China	India	
Aberdeen Asian Sm Coys	£173	5	31.3	3.0	17.0		15.0		2.0	16.0	9.0	5.0		14.0	Indo 10.0%, Sri Lanka 5.0%
Baring Korea	£145	Nil	44.4	1.8					98.2						
Gartmore China Opps	£685	Nil	37.2	0.9	90.6									1.9	
Gartmore Pacific Opps	£96	Nil	29.7	1.8	26.5	30.8	2.4	12.8	15.7	4.4	1.3				Indonesia 4.1%
HSBC Asian Fund	£37	Nil	22.6	1.3	25.3		2.7	18.5	19.6	4.7	1.7		18.8		Indonesia 1.8%
Hend Asia Pacific Cap	£124	Nil	36.6	2.1	46.6	4.5		18.9	10.6	5.5				8.5	Indonesia 3.3%
Scottish Oriental Sm Coys	£144	Nil	19.7	7.0	10.0		8.0	10.0	12.0	13.0	11.0	6.0	10.0	2.0	Indo 7.0%, Sri Lanka 3.0%
				Cash	USA	UK	Europe	Japan	Other						
Aberforth Small Cos Trust	£630	8	24.3			100.0									
Baillie Gifford Shin Nippon	£56	18	29.3	1.8					98.2						
Fidelity European Values	£727	15	27.9	11.0				89.0							
Fidelity Japan Values plc	£60	Nil	19.3	2.6					97.4						
Herald Investment Trust	£417	14	25.0	8.3	21.7	59.3			10.7						
JPMorgan Euro Fledgling	£475	17	14.9	9.0				91.0							
Invesco English & Int'l	£51	Nil	19.9		3.0	97.0									
Invesco Perp Japan Small	£46	Nil	41.2	6.3					93.7						
Private Equity Investor plc	£74	Nil	25.9	24.0	76.0										
				Cash	Asia	Latin Amer	Africa	Europe & Middle East							
Aberdeen E/Markets	£1100	Nil	33.4	3.1	48.8	28.3	4.8	14.9							

Fidelity European Values plc continues to have its largest investments in France (25% of the portfolio), followed by Germany (19%) and Switzerland (12%). It has smaller holdings in Belgium (7%), Spain (5%), Italy, (5%), Netherlands (5%), UK (2%), Norway (2%), Luxembourg (2%), Denmark (1%), Portugal (1%), Israel (1%), Greece (1%) and Sweden (1%).

JPMorgan Fleming European Fledgling has its largest investments in Italy (15% of the portfolio), Netherlands (14%), Germany (13%), Switzerland (11%), Sweden (8%), France (8%), Denmark (6%), Spain (5%), Norway (3%), Belgium (3%), Ireland (2%) and Luxembourg (2%).

Recommended International Investment Funds

Fund Reports

Fidelity European Values plc will pay a 22.5 pence per share dividend for the year ended 31 December 2009. The shares traded ex-dividend on 3 March and payment will be on 31 March.

Aberforth Smaller Companies Trust plc is to pay an early interim dividend for the current year to December 2010. A dividend of 6.0 pence will be paid on 1 April, with the shares trading ex-dividend from 12 March. This interim dividend is usually paid in August.

Baillie Gifford Shin Nippon plc lifted net asset value 14.1% over the year to 31 January and its share price rose 20.4%. That significantly out-performed its benchmark index which was down 1.5% for the period.

The trust seeks capital growth - rather than income -

and Japanese dividend yields are low. So there is no net income (after interest on borrowings and operating expenses) and no dividend will be paid.

At the AGM the trust will seek shareholder approval to renew its authority to buy-back shares on-market at a discount to net asset value. It will also seek approval to be able to re-issue treasury shares or new shares on market, but only at a premium to net asset value. The trust would then be able to repurchase up to 15% of its capital and/or issue shares up to 5% of its capital each year.

The Fund Manager reports that Japanese companies are "benefiting from the recovery in global trade". Japanese shares have also "tended to lag the recovery in

global share prices” and “valuations remain low and attractive”.

Herald Investment Trust plc lifted net assets 66.5% over the year to 31 December 2009, while the share price rose 83.6%. Its benchmark index rose 55.8% for the year.

The trust seeks capital appreciation from investing in mainly smaller UK technology companies, so there is just a small income yield. A final dividend of 0.3 pence will be paid.

Share Buy-Backs

Fidelity European Values plc has repurchased a further 465,582 shares on-market in seven transactions

over the last month. This returns £4.73 million to investors - but also increases the net asset backing of the remaining shares by around £1.2 million (2.4 pence per share).

JPMorgan European Fledgling Investment Trust plc repurchased 150,000 shares on-market at 655.8 pence per share.

Aberdeen Asian Smaller Companies Investment Trust plc has made four on-market share buy-backs over the last four weeks. It acquired 87,069 shares at a total cost of £337,323.

Herald Investment Trust plc repurchased 230,000 shares on-market over the last month for £794,669.

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	-16%	1076.0p	2335.1	+81
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-20%	695.0p	1508.2	+97
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-16%	510.0p	1106.8	+6
HOLD	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-12%	209.0p	453.6	-35
Asian Regional									
BUY	Aberdeen Asian Sm Co WARRANTS AASW		09/09/03	75.3p	209.1		300.0p	651.0	+211
BUY	Gartmore China Opportunities	*	09/07/07	548.9p	1410.4		661.79p	1436.2	+2
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		400.32p	868.8	+725
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		87.09p	189.0	+78
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		603.1p	1308.8	+17
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-12%	422.0p	915.8	+177
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-4%	145.75p	316.3	-28
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-14%	53.0p	115.0	-64
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		51.08p	110.9	-39
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		211.1-223.3p	471.4	+125
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		441.23p	957.5	+420
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-21%	356.75p	774.2	-6
HOLD	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-45%	116.0p	251.7	-40

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +101.5%. This is equal to an average annual rate of +10.4%, 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 +11.2%.

Other Shares and Warrants

Alternative investments to those recommended above include **Aberdeen Asian Smaller Companies** shares at 407½ pence (trading at a 14% discount to net asset value) and **Fidelity Japanese Values** subscription shares (i.e. warrants) at 13 pence.

World Stockmarket Valuations

Country	Dividend Yield	Price/Earn. Ratio
Australia	3.1	39.3
Austria	2.8	NE
Belgium	1.9	NE
Canada	2.2	21.0
Denmark	1.1	18.0
Finland	3.4	15.9
France	3.2	21.1
Germany	3.1	19.0
Ireland	1.7	32.5
Italy	3.2	9.8
Japan	1.5	NE
Netherlands	2.3	37.5
New Zealand	4.8	NE
Norway	2.0	21.7
Spain	4.7	12.5
Sweden	2.3	37.2
Switzerland	1.8	34.6
Un. Kingdom	3.0	21.2
USA	1.7	NE
Argentina	1.4	13.6
Brazil	2.2	8.4
Czech Rep.	5.0	11.1

Country	Dividend Yield	Price/Earn. Ratio
Chile	2.2	18.8
China	1.6	8.5
Greece	2.9	12.0
Egypt	10.8	5.5
Hong Kong	2.4	27.0
Hungary	0.2	42.1
India	0.9	23.4
Indonesia	1.9	29.3
Israel	0.8	51.2
Korea	0.9	16.6
Malaysia	2.7	23.3
Mexico	1.3	22.9
Philippines	3.0	18.0
Poland	2.1	20.5
Portugal	3.6	17.7
Russia	0.5	8.0
Singapore	3.0	50.4
Sth Africa	2.1	19.5
Taiwan	2.2	45.3
Thailand	2.9	19.0
Turkey	1.8	14.8
Venezuela	7.1	6.5

United States Dividend Yield



United Kingdom Dividend Yield



Japan Dividend Yield



Canada Dividend Yield



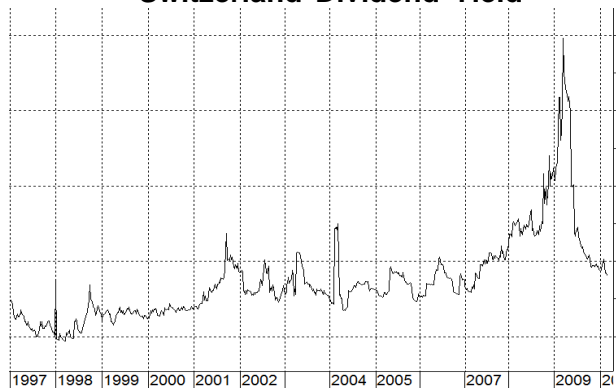
France Dividend Yield



China Dividend Yield



Switzerland Dividend Yield



Brazil Dividend Yield



Australia Dividend Yield



South Korea Dividend Yield



Germany Dividend Yield



Taiwan Dividend Yield



Listed Investment Trust

Warrant Analysis

Two warrants in the table opposite could be attractive as long term speculative investments, offering leveraged gains if stockmarkets continue to recover over the years ahead. We are not formally recommending these warrants, but will make a small investment in each.

Aberdeen Asian Income warrants (code AAIW) give investors the right to buy ordinary shares at 120 pence until 31 May 2013. At 32½ pence the warrants trade at their fair valuation, offer a high 3.5 times leverage and have a break-even rate of only 3%. There is over three years until the final exercise/expiry date, so if Asian stockmarkets grow over the next few years then these warrants could become very valuable.

At 141 pence, the shares trade at just a 2% discount to net assets. Major investments are in Singapore (24% of the portfolio), Malaysia (16%), Australia (15%), Thailand (15%) and Taiwan (10%).

If the shares rise 10% per annum over that period to 190½ pence, then the warrants would be worth 70½ pence - or a gain of 117%.

If the shares rise 20% per annum, then the warrants will grow to 131 pence - up over 300%.

There is, however, a fairly wide 17% spread between the bid and offer price of the warrants, which are quoted at 29-34 pence. So investors will have to pay around 34 pence to buy, but would only receive 29 pence if selling. This makes the warrants unattractive for *short term trading*, but a small holding in these warrants would be suitable as a long term leveraged investment.

RCM Technology “subscription” shares (code RTTS) give investors the right to buy an ordinary share at 267 pence until 10 April 2012. At 37 pence these subscription shares (which are effectively “warrants” by another name) trade at a small discount to fair value, offer 4.6 times leverage, with a break-even rate of just 4%. That is just over two years until the final exercise/expiry date.

At 278½ cents the ordinary shares trade at a 10% discount to its portfolio of technology shares. Most of the portfolio is invested in the United States (78% of assets), with smaller amounts in Asia (12%), the UK (3%) and Europe (2%). The portfolio is unleveraged and holds 5% in cash.

The top ten holdings - Microsoft, Google, Cisco Systems, Amazon.com, Salesforce.com, Intel, etc. - make up 35.3% of the portfolio.

A 10% per annum growth in the ordinary share price will lift the subscription shares to 70 pence, up 89%, while a 20% per annum growth in the ordinary shares would value the subscription shares at 134 pence, up 260%.

The bid/offer spread is 32-42 pence - a very high 31% - but the subscription shares still offer a highly leveraged way to profit from any recovery in Technology shares over the next two years.

Aberdeen Asian Income



RCM Technology



Warrant	Current Share Price	Warrant Exercise Price	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued(%)	Share Volatility	Warrant Leverage	Warrant Share Price appreciation of:	Return (%p.a.) from 5%pa	Return (%p.a.) from 10%pa	Return (%p.a.) from 20%pa	Break-Even Rate
<u>UNITED KINGDOM</u>													
Midas Income & Growth	109.0p	100.0p	0-5	9.75p	11.23p	-13	0.200	8.4	+40.6	+115.1	+312.9	+2%	
Perpetual Income & Growth	222.9p	218.9p	3-5	30.00p	24.18p	+24	0.121	6.4	+12.2	+37.8	+73.4	+3%	
<u>FAR EASTERN</u>													
Aberdeen Asian Income	141.0p	120.0p	3-2	32.50p	32.19p	+1	0.199	3.5	+10.5	+27.8	+55.4	+3%	
Aberdeen Asian Smaller	407.5p	100.0p	0-8	300.00p	307.93p	-3	0.217	1.3	+10.7	+17.6	+31.5	-3%	
Aberdeen New India	211.3p	100.0p	0-4	107.50p	111.47p	-4	0.267	1.9	+21.5	+32.5	+55.3	-5%	
<u>JAPAN</u>													
Fidelity Japan Values	53.0p	55.0p	2-11	13.00p	10.44p	+25	0.303	3.2	-22.8	+5.0	+40.7	+9%	
<u>INTERNATIONAL</u>													
Impax Environmental	120.0p	96.0p	0-3	19.75p	24.24p	-19	0.250	4.9	+223.6	+303.1	+495.8	-16%	
Jupiter Green	90.5p	100.0p	1-4	6.50p	5.47p	+19	0.210	7.9	-100.0	-47.3	+91.0	+13%	
<u>TECHNOLOGY</u>													
RCM Technology	278.5p	267.0p	2-0	36.00p	41.41p	-13	0.217	4.6	+6.2	+39.8	+92.5	+4%	

World Stockmarket Capitalisations

The world's total stockmarket capitalisation has been virtually unchanged over the last three months, down just US\$58 billion (0.2%) to US\$28,468 billion at the end of February 2010.

The United States stockmarket rose slightly, from 41.0% to 42.1% of the global total.

Country	Market Capitalisation (US\$ Billions)	Percentage of Total	Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States	11,991	42.12	Denmark	116	0.41
Japan	2,531	8.89	Norway	114	0.40
United Kingdom	2,303	8.09	Ireland	111	0.39
Canada	1,214	4.26	Israel	108	0.38
France	1,104	3.88	Malaysia	91	0.32
Switzerland	982	3.45	Chile	75	0.26
Australia	953	3.35	Indonesia	69	0.24
Germany	810	2.85	Luxembourg	60	0.21
China	610	2.14	Turkey	58	0.20
Brazil	571	2.01	Austria	53	0.19
South Korea	509	1.79	Thailand	51	0.18
Taiwan	464	1.63	Greece	51	0.18
Spain	422	1.48	Poland	47	0.17
Italy	391	1.37	Portugal	46	0.16
Hong Kong	337	1.18	Peru	23	0.08
Sweden	328	1.15	Egypt	22	0.08
India	324	1.14	Philippines	22	0.08
Netherlands	313	1.10	Morocco	20	0.07
Russia	264	0.93	New Zealand	17	0.06
South Africa	242	0.85	Hungary	17	0.06
Singapore	186	0.65	Czech Republic	16	0.06
Mexico	152	0.53			
Finland	147	0.52	TOTAL	\$28,468	100.00%
Belgium	130	0.46			

Next Issue:

The next issue of *International Investor* will be emailed in five weeks time on Monday April 12, 2010.

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