

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	63%	Bullish	Neutral	Bullish	Bullish	+4.4%	+1.2%	-5.3%	4,300.50
Austria	58%	Bullish	Neutral	Bullish	Bearish	+14.4%	+1.5%	-27.0%	2,162.07
Belgium	54%	Neutral	Neutral	Bullish	Neutral	+7.6%	+3.5%	-18.8%	2,281.90
Canada	48%	Neutral	Neutral	Neutral	Bearish	+6.5%	+1.6%	-10.3%	12,503.60
Denmark	62%	Bearish	Bullish	Bullish	Neutral	+17.8%	+26.5%	-6.5%	456.17
Finland	56%	Bullish	Bearish	Bullish	Bearish	+11.7%	+8.8%	-21.2%	6,087.71
France	68%	Bullish	Bullish	Bullish	Bearish	+8.9%	+11.6%	-14.6%	2,608.02
Germany	71%	Bullish	Bullish	Bullish	Bearish	+12.6%	+27.3%	-7.0%	6,880.21
Ireland	73%	Bearish	Bullish	Bullish	Bullish	+16.8%	+28.4%	+8.3%	3,266.85
Italy	61%	Bullish	Neutral	Bullish	Neutral	+5.5%	+12.6%	-26.7%	17,479.70
Japan	61%	Neutral	Bullish	Neutral	Bearish	+9.5%	+7.0%	-3.9%	9,929.74
Netherlands	68%	Neutral	Bullish	Bullish	Neutral	+4.9%	+13.4%	-14.4%	326.03
New Zealand	58%	Bullish	Bullish	Bullish	Bearish	+10.6%	+3.5%	+2.1%	1,232.82
Norway	65%	Bullish	Bullish	Neutral	Bearish	+12.9%	+15.6%	-2.5%	393.63
Spain	58%	Bullish	Bearish	Bullish	Neutral	-5.6%	+0.5%	-25.9%	835.41
Sweden	66%	Bullish	Bullish	Bullish	Neutral	+13.7%	+17.4%	-9.7%	342.59
Switzerland	72%	Bullish	Bullish	Bullish	Bearish	+7.3%	+9.6%	-1.5%	6,188.51
Un. Kingdom	64%	Neutral	Bullish	Neutral	Neutral	+6.5%	+11.4%	-1.6%	5,887.49
USA	70%	Bearish	Bullish	Bullish	Bearish	+9.2%	+18.8%	+5.1%	1,370.87
Argentina	30%	Bearish	Bearish	Bearish	Bullish	+1.7%	-3.8%	-28.9%	9,231.82
Brazil	85%	Bullish	Bullish	Bullish	Bullish	+16.0%	+12.2%	-6.5%	66,704.00
Czech Rep.	53%	Bullish	Neutral	Neutral	Bearish	+15.6%	-3.5%	-23.7%	997.90
Chile	62%	Neutral	Bullish	Neutral	Neutral	+12.5%	+6.0%	+2.8%	21,503.80
China	49%	Neutral	Neutral	Bearish	Neutral	+10.9%	-2.1%	-19.5%	246.99
Greece	39%	Neutral	Bearish	Bearish	Bullish	+9.1%	-18.5%	-55.1%	752.35
Egypt	47%	Neutral	Bullish	Bearish	Bullish	+35.4%	+12.5%	-6.3%	5,396.85
Hong Kong	62%	Neutral	Bullish	Bullish	Bearish	+13.8%	+6.7%	-9.0%	21,086.00
Hungary	24%	Bearish	Bearish	Bearish	Bearish	+12.1%	+1.8%	-25.5%	18,803.40
India	48%	Neutral	Neutral	Bearish	Bullish	+12.6%	-3.1%	-12.8%	17,503.20
Indonesia	61%	Bearish	Bullish	Neutral	Bullish	+5.1%	-6.4%	+8.3%	3,991.54
Israel	29%	Bearish	Bearish	Bearish	Neutral	+0.8%	+0.7%	-19.5%	988.17
Korea	43%	Bearish	Neutral	Neutral	Bearish	+10.4%	+7.4%	+3.9%	2,018.30
Malaysia	69%	Neutral	Bullish	Bullish	Bearish	+13.2%	+7.4%	+6.7%	1,579.00
Mexico	39%	Bearish	Bullish	Bearish	Bearish	+8.8%	+12.0%	-1.5%	37,691.00
Philippines	84%	Bearish	Bullish	Bullish	Bullish	+18.4%	+14.5%	+30.1%	4,980.71
Poland	49%	Bullish	Neutral	Neutral	Bearish	+15.3%	+7.3%	-20.2%	41,236.50
Portugal	53%	Bullish	Bearish	Neutral	Bullish	+0.8%	-8.7%	-25.6%	2,227.40
Russia	42%	Bearish	Bullish	Bearish	Bearish	+28.8%	+8.4%	-13.5%	2,398.04
Singapore	80%	Bullish	Bullish	Bullish	Bullish	+13.3%	+2.7%	-1.6%	2,963.15
Sth Africa	66%	Neutral	Bullish	Bullish	Bearish	+11.8%	+7.3%	-1.0%	33,926.20
Taiwan	68%	Bullish	Bullish	Bullish	Neutral	+19.4%	+4.6%	-5.9%	8,016.01
Thailand	82%	Bullish	Bullish	Bullish	Bullish	+13.1%	+7.3%	+14.6%	1,158.71
Turkey	41%	Neutral	Bullish	Bearish	Bearish	+13.4%	+6.2%	-17.7%	59,280.40
Venezuela	58%	Bearish	Bullish	Neutral	Neutral	+38.9%	+62.2%	+138.3%	161,735.00

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 International Investment Funds

New Issue

Aberdeen Asian Smaller Companies Investment Trust plc is “exploring the possibility” of raising additional capital for investment from the issue of convertible, unsecured loan stock.

If the company proceeds with this issue, then the convertible loan stock would be an alternative way to invest in the trust. The convertible loan stock would probably offer lower risk (i.e. have a cash repayment option) but lower growth potential (i.e. convert to ordinary shares at a premium to the current share price).

Share Repurchases

Fidelity European Values plc repurchased a further 195,188 shares on-market over the last four weeks for £2.15 million.

During 2011 the fund repurchased just over 10% of its capital on-market. Repurchases are designed to prevent the shares trading at a large discount to net assets, but also increase the net assets of the remaining shares.

JPMorgan European Smaller Companies Trust plc made three on-market share repurchases, acquiring 130,000 shares for £944,960.

Fund Report

Fidelity European Values plc's net assets fell 11.5% during 2011 but outperformed its benchmark index which was down 14.7%. A narrowing of the discount saw the share price fall just 8.6%.

The fund's objective is long term capital growth, but higher investment income will allow the trust to pay a 68.3% higher dividend of 26.5 pence - to yield 2.4%. The shares will trade ex-entitlement to the dividend on 14 March and be paid on 25 May.

The directors point out that European shares have fallen, while earnings and dividend growth have remained positive, which has lifted the yield on European equities to 4.4%. The new portfolio manager, appointed at the start of 2011, “focuses upon companies able to grow their dividends” as a factor in share selection. So future income yields may rise further.

Recommended Funds Geographic Portfolio Spread

Fund Name	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 Coy	£238	5	33.4	0.1	15.7	1.7	19.0	-	1.0	11.8	12.5	6.7	-	13.3	Indo 8.5	
Baring Korea	£183	Nil	41.9	2.5							97.5					
First State Indian Sub-Cont	£239	Nil	42.6	6.2										92.8	Sri Lanka 1.0	
Henderson China Opps	£633	Nil	57.0		85.3					1.6			6.8		US 6.3	
HSBC Asian Fund	£40	Nil	30.7	2.8	16.9		2.8	14.0	24.2	5.2	5.0		15.8		Indo 4.1	
Hend Asian Pacific Cap	£221	Nil	39.0	1.6	20.5		4.1	9.8	17.4	0.8	5.6		25.1	2.5	Indo 5.7, US 7.0	
Scottish Oriental Sm Coys	£217	10	18.4	11.0	9.0		9.0	12.0	11.0	16.0	6.0	3.0	14.0	1.0	Indo 5.0	
				Cash	USA	UK	Europe	Japan	Other							
Aberforth Small Cos Trust	£783	9	28.5			100.0										
Baillie Gifford Shin Nippon	£65	16	31.5	2.6				97.4								
Fidelity European Small Co	£579	Nil	36.0	3.0			97.0									
Fidelity Japan Values plc	£62	Nil	26.9	5.0				95.0								
Herald Investment Trust	£550	10	24.3	8.0	23.0	60.0	2.0		7.0							
JPMorgan Euro Small Coys	£384	9	33.1	8.0			92.0									
Invesco Perp Japan Small	£37	Nil	35.4	4.0				96.0								
Private Equity Investor plc	£64	Nil	-	25.0	75.0											
				Cash	Asia	Latin Amer	Africa	Europe & Middle East								
Aberdeen E/Markets	£3000	Nil	34.6	2.5	51.2	29.1	5.2	11.9								

Fidelity European Values plc's largest country investments are in Switzerland (19% of the portfolio), France (17%) and Germany (14%), with smaller holdings in Denmark (6%), Sweden (6%), UK (6%), Norway (6%), Belgium (5%), Netherlands (5%), Italy (3%), Finland (2%), Spain (2%), Turkey (1%), Czech Republic (1%), Portugal (1%), Luxembourg (1%), Brazil (1%) and Israel (1%).

JPMorgan European Smaller Companies has its largest investments in France (19% of the portfolio), the Netherlands (12%) and Switzerland (10%). It also has holdings in Sweden (9%), Germany (9%), Denmark (7%), Norway (6%), Spain (6%), Italy (6%), Finland (3%), Austria (2%), Ireland (2%) and the UK (1%).

Fidelity European Values plc



Herald Investment Trust plc's net assets fell 5.1% over the year to 31 December 2011. The portfolio seeks long term capital growth, so income yields are low, but a 1.0 pence dividend will be paid.

The Fund Manager reports that the portfolio shares

trade at around 12 times analysts forecast earnings for the coming year. The Manager expects “a more difficult year for profit growth, but a better year for share prices, because there is fundamental value”.

Herald Investment Trust plc



Current Advice	Investment Fund	EPIC Code	Initial Recommendation --- Date ---	Offer Price		Prem/Disc to Net Assets	Recent Price		Gain or Loss %
				Foreign	NZ Cents		Bid-Offer or Last Sale	NZ Cents	
Europe									
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-14%	1122.0p	2140.4	+66
BUY	JPM European Smaller Cos	JESC	15/01/02	226.5p	765.8	-16%	730.0p	1392.6	+82
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-15%	634.0p	1209.5	+16
Asian Regional									
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	-3%	686.0p	1308.7	+428
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		94.01p	179.3	+69
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		656.1p	1251.6	+11
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-2%	645.0p	1230.4	+272
China									
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		640.07p	1221.0	-13
India									
BUY	First State Indian Sub-Cont.	*	13/12/10	209.2p	442.0		195.57p	373.1	-16
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-1%	177.75p	339.1	-23
HOLD	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-15%	53.88p	102.8	-68
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		47.02p	89.7	-51
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		260.6-275.9p	511.7	+144
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		535.55p	1021.7	+455
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-19%	514.0p	980.5	+20
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-30%	169.5p	323.3	-23

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +85.6%. This is equal to an average annual rate of +8.1%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 16 current and 48 closed out) is +10.9%.

Other Shares and Warrants

An alternative investment to those recommended above includes **Fidelity Japanese Values** subscription shares (i.e. warrants) at 6.38 pence.

World Stockmarket Valuations

Country	Dividend Yield	Price/Earn. Ratio
Australia	3.7	16.1
Austria	1.2	16.5
Belgium	2.7	14.0
Canada	1.9	17.6
Denmark	1.5	18.2
Finland	2.7	17.9
France	3.8	14.0
Germany	2.1	15.9
Ireland	2.4	15.3
Italy	3.5	15.7
Japan	1.1	20.7
Netherlands	2.7	10.4
New Zealand	3.8	21.2
Norway	2.3	14.8
Spain	2.8	14.3
Sweden	2.4	14.0
Switzerland	1.7	18.7
Un. Kingdom	3.6	16.8
USA	1.6	18.2
Argentina	0.7	14.0
Brazil	1.7	9.7
Czech Rep.	3.6	18.2

Country	Dividend Yield	Price/Earn. Ratio
Chile	2.0	21.2
China	1.5	15.8
Greece	2.3	21.5
Egypt	1.2	49.7
Hong Kong	2.5	12.6
Hungary	1.8	10.8
India	1.0	22.7
Indonesia	2.2	19.7
Israel	1.0	41.7
Korea	1.5	12.2
Malaysia	3.2	15.3
Mexico	2.2	15.2
Philippines	2.1	16.9
Poland	3.5	16.0
Portugal	3.2	14.9
Russia	0.7	15.5
Singapore	3.0	16.6
Sth Africa	3.4	11.6
Taiwan	3.5	19.7
Thailand	3.5	7.9
Turkey	2.4	12.0
Venezuela	7.9	13.4

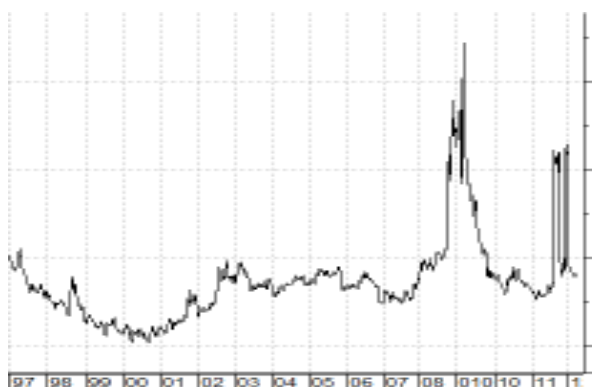
United States Dividend Yield



United Kingdom Dividend Yield



Japan Dividend Yield



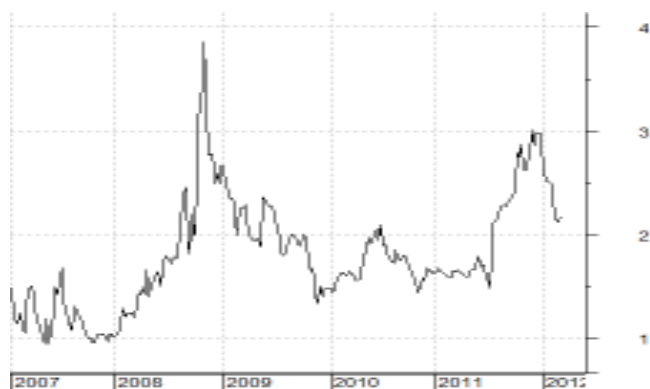
Canada Dividend Yield



France Dividend Yield



China Dividend Yield



Switzerland Dividend Yield



Brazil Dividend Yield



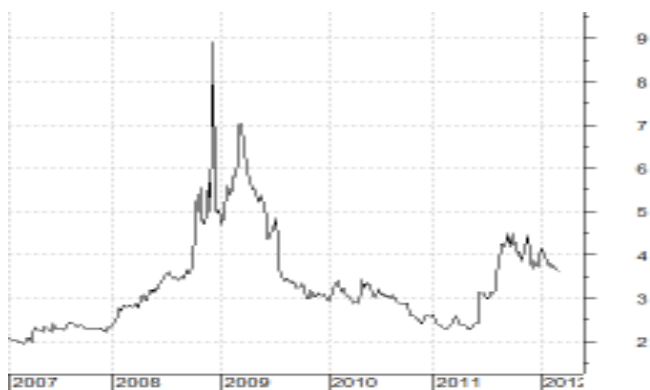
Australia Dividend Yield



South Korea Dividend Yield



Germany Dividend Yield



India Dividend Yield



Listed Investment Trust

Warrant Analysis

Review of Existing Warrants

Aberdeen Asian Income shares rose 11.7% to 186½ pence over the last three months, lifting the warrants (code AAIW) 39.2% to 45¼ pence.

These warrants continue to offer a high leverage and low *Break-Even* rate, so remain an attractive speculation. The final exercise/expiry date is 31 May 2013 - giving another 14 months for Asian stockmarkets to rally and create further value in these warrants. “Hold”.

Aberdeen Asian Income



RCM Technology subscription shares reach their final exercise/expire date on 10 April 2012. As the shares (at 336 pence) trade *above* the exercise price (of 267 pence) the subscription shares have value. Investors owning these shares therefore have three choices:

1. Sell the subscription shares on-market before the expiry date which will yield about 57 pence. Note: Stock exchange trading usually ends about a week *ahead* of the final exercise date.
2. Exercise the subscription shares by paying 267

pence. This will give you an ordinary share worth 336 pence (so has a value of about 69 pence) and with a diluted net asset value of 365 pence. If the shares are held in a broker nominee account *and* you have sufficient cash in that account, just instruct your broker to exercise the subscription shares.

3. Usually a company will appoint a trustee to exercise any subscription shares (or warrants) that are not exercised, then sell the ordinary shares on-market and distribute the net proceeds to investors. If that is the case (i.e. check the notice that the company will send out to shareholders in the near future), then doing nothing and letting the trustee deal with the subscription shares would realise around 69 pence (subject to market fluctuations) at no brokerage cost.

We originally reviewed RCM Technology in March 2010 when the ordinary shares were 278½ pence and the subscription shares 36 pence. So the ordinary shares are up 20.6% and the leveraged subscription shares up 58.3%.

RCM Technology



Warrant	Current Share Price	Warrant Exercise Prices	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued (%)	Share Volatility	Warrant Leverage	Warrant Share Price 5%pa	Warrant Share Price 10%pa	Warrant Share Price 20%pa	Return(%p.a.) from Break-Even Rate
<u>GOLD & MINING</u>												
BlackRock New Energy	32.0p	50.0p	0-9	0.40p	0.06p	+544	0.247	22.7	-100.0	-100.0	-100.0	+83%
BlackRock New Energy	32.0p	59.0p	2-4	0.40p	0.41p	-2	0.247	8.5	-100.0	-100.0	-100.0	+30%
<u>INTERNATIONAL</u>												
Henderson International	98.5p	100.0p	2-5	6.25p	12.65p	-51	0.200	4.9	+25.5	+74.5	+142.3	+3%
JPMorgan Emerging Mkts	570.0p	460.0p	0-4	109.75p	114.56p	-4	0.269	4.8	+28.6	+60.1	+134.0	-0%
JPMorgan Emerging Mkts	570.0p	543.0p	2-4	109.75p	111.32p	-1	0.269	3.5	-5.7	+20.3	+60.1	+6%
<u>LATIN AMERICA</u>												
Aberdeen Latin American	103.6p	120.0p	3-9	12.25p	10.09p	+21	0.181	5.2	-23.7	+24.8	+67.8	+7%
JPMorgan Brazil	101.9p	100.0p	1-3	22.50p	11.83p	+90	0.227	5.8	-55.0	-28.6	+19.0	+16%
<u>UNITED KINGDOM</u>												
Artemis Alpha	277.0p	345.0p	5-9	40.50p	40.53p	-0	0.216	3.6	-10.3	+23.2	+51.7	+6%
Henderson Opportunities	451.5p	936.0p	1-11	1.51p	12.24p	-88	0.374	5.6	-100.0	-100.0	-100.0	+48%
Perpetual Income & Growth	268.0p	218.9p	1-5	44.00p	53.38p	-18	0.121	4.9	+36.3	+62.9	+112.6	-1%
Schroder UK Growth	129.5p	129.0p	0-4	5.38p	8.82p	-39	0.281	9.7	-88.4	-34.1	+310.6	+12%
<u>FAR EASTERN</u>												
Aberdeen Asian Income	186.5p	120.0p	1-2	63.00p	68.10p	-7	0.181	2.7	+19.3	+33.7	+62.1	-2%
Fidelity Asian Values	194.3p	191.0p	1-2	14.25p	25.70p	-45	0.277	5.0	+2.3	+68.0	+189.7	+5%
Fidelity Japan Values	53.9p	55.0p	0-11	6.38p	5.30p	+20	0.271	6.2	-81.7	-43.2	+39.9	+15%
JPMorgan Asian	203.0p	203.0p	2-0	22.00p	36.93p	-40	0.309	3.6	-2.7	+39.2	+101.5	+5%
Schroder AsiaPacific	240.3p	245.0p	0-9	10.50p	21.12p	-50	0.270	6.9	-70.5	+33.7	+313.6	+9%
<u>HONG KONG / CHINA REGION</u>												
JPMorgan Chinese	139.0p	168.0p	1-2	6.75p	10.82p	-38	0.333	5.5	-100.0	-100.0	-36.9	+22%
<u>THAILAND</u>												
Aberdeen New Thai	313.3p	200.0p	0-10	111.50p	115.80p	-4	0.270	2.7	+16.1	+30.4	+59.6	-1%
<u>INDIA</u>												
JPMorgan Indian	383.0p	291.0p	1-9	88.00p	116.63p	-25	0.314	2.8	+22.8	+41.5	+75.7	-1%
<u>TECHNOLOGY</u>												
RCM Technology	336.0p	267.0p	0-1	57.00p	69.24p	-18	0.195	4.9	+99.9	+99.9	+99.9	-35%

World Stockmarket Capitalisations

The world's total stockmarket capitalisation rose slightly - up US\$779 billion or 1.5% - over the three months to the end of January 2012.

The United States rose 6.1%, lifting its share of the world's total from 30.64% to 33.03%. China slipped 8.4%, so its share of the total *fell* from 7.41% to 6.69%, dropping it to third position behind Japan at 7.05%.

Country	Market Capitalisation (US\$ Billions)	Percentage of Total	Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States	16,778	32.03	Norway	229	0.44
Japan	3,691	7.05	Colombia	222	0.42
China	3,502	6.69	Belgium ²	208	0.40
United Kingdom ¹	3,033	5.79	Philippines	176	0.34
Hong Kong	2,480	4.74	Israel	168	0.32
India	2,426	4.63	Poland	159	0.30
Canada	2,014	3.85	Ireland	118	0.23
France ²	1,770	3.38	Austria	93	0.18
Brazil	1,394	2.66	Peru	87	0.17
Germany	1,304	2.49	Luxembourg	71	0.14
Australia	1,304	2.49	Morocco	61	0.12
Switzerland	1,123	2.14	Portugal ²	61	0.12
Spain	1,096	2.09	Egypt	57	0.11
South Korea	1,092	2.09	New Zealand	47	0.09
Nordic Exchanges ³	905	1.73	Argentina	46	0.09
Russia	877	1.67	Czech Republic	40	0.08
South Africa	852	1.63	Greece	39	0.07
Taiwan	744	1.42	Jordan	26	0.05
Singapore	666	1.27	Hungary	22	0.04
Netherlands ²	523	1.00	Sri Lanka	18	0.03
Mexico	441	0.84	Romania	16	0.03
Malaysia	431	0.82	Bulgaria	9	0.02
Indonesia	408	0.78	Mauritius	8	0.02
Italy ¹	364	0.70	Slovenia	6	0.01
Saudi Arabia	347	0.66	Slovakia	6	0.01
Chile	290	0.55	Cyprus	4	0.01
Thailand	290	0.55	Malta	3	0.01
Turkey	232	0.44			
			TOTAL	\$52,377	100.00%

Notes:

1. Estimated split of LSE data between United Kingdom and Italy.
2. Estimated split of EuroNext data between France, Netherlands, Belgium and Portugal.
3. Mainly Denmark, Sweden and Finland.

Next Issue:

The next issue of *International Investor* will be emailed in five weeks time on Monday April 16, 2012.

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

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