

# International Investor

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## Inside International Investor

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International, United States, United Kingdom, Europe and Germany

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## World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical Performance (in US\$)			Share Index
						3 mths	6 mths	12 mths	
Australia	73%	Bullish	Bullish	Bullish	Neutral	+8.0%	+18.4%	+13.7%	4,733.77
Austria	64%	Bearish	Bullish	Bullish	Neutral	+18.2%	+37.1%	+34.9%	2,468.10
Belgium	68%	Bearish	Bullish	Bullish	Neutral	+8.6%	+22.5%	+23.6%	2,496.80
Canada	60%	Neutral	Bullish	Neutral	Bearish	+2.7%	+12.7%	+6.9%	12,602.18
Denmark	73%	Bearish	Bullish	Bullish	Neutral	+9.7%	+23.3%	+36.7%	523.48
Finland	80%	Bullish	Bullish	Bullish	Neutral	+14.5%	+29.7%	+14.9%	6,083.32
France	80%	Bullish	Bullish	Bullish	Neutral	+12.4%	+26.7%	+23.0%	2,780.30
Germany	71%	Neutral	Bullish	Bullish	Bearish	+9.9%	+28.2%	+32.1%	7,715.53
Ireland	73%	Bearish	Bullish	Bullish	Neutral	+10.6%	+19.1%	+25.0%	3,481.48
Italy	80%	Neutral	Bullish	Bullish	Neutral	+15.9%	+37.0%	+22.5%	18,461.26
Japan	63%	Neutral	Bullish	Bullish	Neutral	+11.3%	+9.9%	+9.6%	10,801.57
Netherlands	71%	Neutral	Bullish	Bullish	Bullish	+10.0%	+21.2%	+19.1%	350.13
New Zealand	67%	Bullish	Bullish	Neutral	Bearish	+12.0%	+23.6%	+27.1%	1,438.20
Norway	58%	Bullish	Bullish	Neutral	Neutral	+4.6%	+21.3%	+26.9%	423.15
Spain	76%	Neutral	Bullish	Bullish	Neutral	+17.6%	+42.4%	+9.5%	880.56
Sweden	70%	Bullish	Bullish	Bullish	Neutral	+11.4%	+20.0%	+20.4%	352.45
Switzerland	64%	Bearish	Bullish	Bullish	Bearish	+10.4%	+24.8%	+24.9%	7,188.22
Un. Kingdom	67%	Neutral	Bullish	Bullish	Neutral	+6.1%	+11.9%	+14.3%	6,121.58
USA	61%	Bearish	Bullish	Bullish	Bearish	+3.0%	+8.5%	+14.2%	1,472.05
Argentina	61%	Bearish	Bullish	Neutral	Bullish	+21.9%	+13.2%	-2.0%	10,649.20
Brazil	68%	Bullish	Bullish	Neutral	Bullish	+4.5%	+13.3%	-8.3%	61,497.43
Czech Rep.	79%	Bullish	Bullish	Bullish	Neutral	+7.6%	+26.1%	+24.6%	1,053.70
Chile	66%	Neutral	Bullish	Bullish	Neutral	+4.4%	+7.2%	+13.8%	21,676.41
China	63%	Bullish	Bullish	Bearish	Bullish	+15.8%	+13.1%	+18.9%	254.02
Greece	67%	Bearish	Bullish	Neutral	Bullish	+22.3%	+71.6%	+59.8%	979.72
Egypt	55%	Bearish	Bullish	Bearish	Neutral	-6.5%	+10.7%	+40.9%	5,754.51
Hong Kong	63%	Neutral	Bullish	Neutral	Bearish	+10.1%	+21.9%	+21.4%	23,264.07
Hungary	62%	Neutral	Bullish	Bullish	Bearish	-3.2%	+18.3%	+20.9%	18,999.53
India	67%	Bearish	Bullish	Neutral	Bullish	+1.4%	+14.9%	+14.4%	19,663.64
Indonesia	46%	Bearish	Bearish	Bullish	Bearish	-0.7%	+5.3%	+3.1%	4,305.91
Israel	72%	Bearish	Bullish	Bullish	Neutral	+3.4%	+18.1%	+9.0%	1,085.95
Korea	48%	Bearish	Neutral	Bullish	Neutral	+8.6%	+19.6%	+15.9%	1,996.67
Malaysia	50%	Neutral	Bullish	Bearish	Bearish	+3.0%	+9.0%	+14.6%	1,682.70
Mexico	45%	Bearish	Bullish	Bearish	Bearish	+9.7%	+16.6%	+32.1%	44,888.13
Philippines	83%	Bearish	Bullish	Bullish	Bullish	+15.1%	+19.6%	+41.2%	6,051.75
Poland	78%	Bullish	Bullish	Neutral	Bullish	+10.8%	+30.7%	+41.2%	47,440.80
Portugal	93%	Bullish	Bullish	Bullish	Bullish	+17.2%	+36.9%	+22.6%	2,523.88
Russia	60%	Bullish	Bullish	Bearish	Neutral	+9.0%	+21.0%	+14.7%	2,246.72
Singapore	79%	Neutral	Bullish	Bullish	Neutral	+5.5%	+10.8%	+21.6%	3,216.50
Sth Africa	69%	Bullish	Bullish	Bullish	Bearish	+10.8%	+12.9%	+14.1%	40,281.14
Taiwan	78%	Neutral	Bullish	Bullish	Bullish	+6.2%	+13.9%	+12.8%	7,819.15
Thailand	60%	Bearish	Bullish	Bullish	Bearish	+10.3%	+21.5%	+41.9%	1,412.06
Turkey	64%	Bearish	Bullish	Bullish	Bearish	+19.0%	+32.3%	+65.6%	81,033.53
Venezuela	50%	Bearish	Bullish	Bearish	Bearish	+31.2%	+90.1%	+302.6%	473,891.30

**One Year Forecasts** predict the probability that a stock-market will rise over the next year. Investors should seek to invest in markets with forecasts of 60-100%, while avoiding markets with forecasts of 0-40%. Bullish = Favourable. Bearish = Unfavourable.

# World Stockmarket Outlook

## Portfolio Performance for 2012

Our international investment fund portfolio rose 20.1% in NZ dollar terms over the last year.

In US dollar terms it was up 28.7%, compared with a gain of 13.6% by the MSCI World Developed Markets index.

Our portfolio rose 20.8% in 2010 and fell 17.8% in 2011, so over the last three years this has compounded to a gain of 19.3% (in NZ dollars).

Our biggest gains over the last year were Aberdeen Asian Smaller Companies up 51.8%, Scottish Oriental Smaller Companies up 44.7% and Aberforth Smaller Companies Trust up 37.5%.

Only two investments declined in value: Invesco Japanese Smaller Companies was down 9.3% while Fidelity Japanese Values slipped 1.0%.

## Japanese Monetary Policy: “Ultra-Easy”

The Liberal Democratic Party, who won the Japanese elections in December, believe that Japan's monetary policy has been “too cautious” over recent years. There is talk of making the Central Bank less independent but the Bank of Japan is now expected to adopt an “ultra-easy” monetary policy during 2013, expanding its balance sheet (and money supply) at twice the rate of the United States!

The stated aim is to fight deflation and lift the economy out of recession - and the inflation target of 1% (which has not been reached in recent years) has been raised to 2.0% (and may be increased further). The main result will be a significantly lower Yen. The Yen has fallen 6.4% against the US dollar over the last month and expected to depreciate further throughout 2013.

A falling Yen will, of course, *lower* the value of our Japanese investments (i.e. as measured in Pounds Sterling or NZ dollars), but that is only half the story as shares are a *natural hedge* against currency movements.

A lower Yen will boost Japanese exports and export profitability, so should boost economic growth and corporate profitability. Shares usually *rise* in response to a *decline* in the exchange rate - so these two movements tend to at least partially offset. This is the case with the Japanese stockmarket up 8.8% over the last month.

If the new monetary policy lifts economic activity, then share prices should rise further in response to growth and higher corporate profitability.

If the Bank of Japan purchases Yen bonds from domestic institutional investors (i.e. insurance companies) then that will also result in portfolio rebalancing by the institutions who would need to re-invest the proceeds in other financial assets (i.e. shares). This, plus a lower Yen, must eventually force up prices of real assets and financial assets.

## Global Monetary Policy to Inflate Share Prices

We have warned over recent years that monetary easing and low economic growth can lead to the inflation of financial asset prices. Stockmarkets, however, have risen only slightly as investors remain cautious about equities.

Continued monetary expansion, however, will eventually raise real asset prices. This is a major (if unstated) objective of monetary easing. Rising asset prices - “inflation” - will boost economic activity as consumers buy now rather than later at higher prices. Inflation will also encourage businesses to expand with the purchase of new plant, equipment and buildings before prices rise. Or to acquire competitors in mergers and acquisitions before purchase prices rise. And those acquisitions can be financed with low interest rate debt (which will depreciate in value in real terms).

Inflation will also reduce the real value of debt - allowing government's to “default by stealth”, which is probably the only way government debt levels will ever be reduced!

So, at some stage in the future, easy monetary conditions will lead to rising inflation and a very strong rise in share prices. The NZ stockmarket rose 6-fold from the start of 1983 until 1986 owing to easy monetary conditions. Quantitative easing over recent years far exceeds monetary expansion in the early 1980's!

When will this begin? Given that Japan has started to *accelerate* the rate of global monetary easing - and some in the US believe “monetary conditions are still too tight” - it is likely this stockmarket inflation that we anticipate is already underway. Remain fully invested in the recommended equity funds.

# Recommended International Investment Funds

## Fidelity Japanese Values Subscription Shares

Our Fidelity Japanese Value Subscription shares (code FJVS) will probably expire worthless on 28 February 2013 - but the company will appoint a trustee to exercise and sell these shares *if* they have any value. Investors need do nothing, and the net proceeds, if any, will be distributed to shareholders.

The exercise price is 55 pence, but the ordinary shares trade on-market at 52¾ pence. The net asset value, however, is 59.9 pence.

If the market price of the ordinary shares remains below 55 pence, then the subscription shares will expire worthless. But there are a couple of chances that the ordinary share price will rise by the end of February:

Firstly, current monetary easing in Japan may continue to lift the stockmarket (more than it depreciates the exchange rate) over the next seven weeks - lifting both the net asset value and market price of the ordinary shares.

Secondly, an improvement in sentiment could see the market price of the shares climb towards the net asset value.

We obtained these Subscription shares at no cost in November 2009. The company issued one bonus Subscription share (i.e. a warrant to buy new ordinary shares at 55 pence) for every five ordinary shares held.

## Share Issues

Over recent years, many listed investment trusts repurchased shares on-market at discounts to net asset values. Now that market prices have risen to a premium to net asset value, several of our funds are selling these "Treasury shares" on market. Repurchasing shares at a discount - or issuing shares at a premium - slightly increases the net asset value.

**Aberdeen Asian Smaller Companies Trust plc** has made 11 sales of treasury shares over the last five weeks, issuing 415,000 shares to raise £3,761,812.

**Scottish Oriental Smaller Companies Trust plc** issued 465,000 shares in just one trade to raise £3,720,000.

**Baillie Gifford Shin Nippon plc** made two sales, totalling 315,000 shares to raise £635,650.

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		
	<b>Europe</b>								
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-9%	1332.0p	2568.0	+99
BUY	JPM European Smaller Cos	JESC	15/01/02	226.5p	765.8	-14%	773.0p	1490.3	+95
	<b>United Kingdom</b>								
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-12%	723.5p	1394.8	+34
	<b>Asian Regional</b>								
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	+6%	928.5p	1790.1	+622
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		90.94p	175.3	+65
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		693.1p	1336.2	+19
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	+3%	796.25p	1535.1	+364
	<b>China</b>								
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		644.44p	1242.4	-12
	<b>India</b>								
BUY	First State Indian Sub-Cont.	*	13/12/10	209.2p	442.0		214.89p	414.3	-6
	<b>Japan</b>								
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	+3%	204.0p	393.3	-11
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-12%	52.75p	101.7	-68
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		44.79p	86.4	-53
	<b>Korea</b>								
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		268.7-284.5p	533.3	+155
	<b>International</b>								
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		581.71p	1121.5	+510
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-19%	537.0p	1035.3	+26
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-20%	179.5p	346.1	-18

\* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +113.8%. This is equal to an average annual rate of +10.0%, 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 +11.6%.

## *Other Shares and Warrants*

An alternative investment to those recommended above includes **Aberdeen Asian Smaller Companies Trust** 2019 convertible notes at 116¾ pence and **Fidelity Japanese Values** subscription shares (i.e. warrants) at 0.84 pence.

# Investment Fund Survey

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			
					36 mth	12 mth	3 mth						36 mth	12 mth	3 mth	
					<b><u>INTERNATIONAL</u></b>											
<b>AUSTRALIAN BASED UNIT TRUSTS</b>																
Buy	AMP FLI International	Medium	-1%	0.96	1	7	4	Avoid	Old Mutual Global Equity	High	+3%	0.96	16	12	4	
	Advance Int'l Share MB	Medium	+3%	0.94	11	6	4		R & M Global Equity	Medium	+0%	0.99	12	3	3	
	Advance International	High	+0%	0.96	3	10	3		R & M Global High Income	Medium	-3%	0.95	6	1	1	
	BT International	Medium	+2%	0.92	7	9	3		R & M Global Opportunities	High	-3%	0.98	8	2	2	
	Commonwealth Int'l Share	Low	-1%	0.74	-1	5	3		Rathbone Global Opportunities	Medium	+2%	0.95	8	4	4	
	Gold Sachs International	Medium	+2%	0.96	8	12	5		Royal B of S International Gth	Medium	+2%	0.94	4	7	1	
	Invesco Global Matrix	Very High	+8%	0.91	23	11	4		SJP Global	Low	+3%	0.93	15	12	5	
	MLC Aust - Platinum Gbl	Medium	-1%	0.89	-4	12	7		SJP International	High	-3%	0.97	-4	12	6	
	MLC MKey Global Share	Medium	+1%	0.95	5	10	4		SJP Worldwide Opportunities	High	+3%	0.96	12	12	4	
	Perpetual Fid. Intern'l	Medium	-2%	0.92	-3	4	2		SVM Global Opportunities	Very Low	-12%	0.67	-24	-7	3	
	Perpetual ICSav - Int'l	Medium	-2%	0.91	-3	4	2		SVM World Equity	High	+5%	0.94	20	5	5	
	Platinum International	Medium	-5%	0.86	-7	7	7		SWIP Global	Medium	-1%	0.95	2	11	5	
	<b>NEW ZEALAND BASED UNIT TRUSTS</b>															
	Buy	AMP International Share	Very High	+5%	0.88	15	13		1	SWIP MM Global Real Estate Sec	Medium	+7%	0.55	19	19	7
		One Path International	Medium	+3%	0.92	10	14		4	SWIP MM International	High	+2%	0.98	7	11	5
<b>UNITED KINGDOM BASED UNIT TRUSTS</b>																
Avoid	AXA Framlington Financial	Very High	-3%	0.94	-3	21	10	Santander Global Alpha Plus	High	-2%	0.97	5	4	5		
	AXA Framlington Global Opps	High	-0%	0.93	7	5	1	Schroder Global Climate Chg	High	-2%	0.97	-9	6	5		
	AXA Rosenberg Global	High	+1%	0.99	9	3	3	Schroder Global Equity Income	Medium	+2%	0.95	11	13	4		
	Aberdeen Ethical World	Medium	+1%	0.97	1	8	5	Schroder Global Property Sec.	Medium	+6%	0.87	21	20	8		
	Aberdeen World Equity	Medium	+1%	0.95	5	7	4	Scot Wid. Environmental Inv	Medium	-2%	0.92	-0	12	6		
	Aberdeen World Growth & Inc	Medium	-1%	0.92	1	2	2	Scot Wid. Global Growth	Medium	-0%	0.95	1	8	1		
	Allianz Global Eco Trends	High	-11%	0.88	-25	2	6	Scot Wid. Global Select Gth	Medium	-1%	0.95	2	11	5		
	Artemis Global Growth	High	+3%	0.97	18	15	8	Scot Wid. Stockmarket Gth	Medium	-1%	0.97	2	9	4		
	Aviva International Index	Medium	+1%	0.98	9	3	3	Skandia Global Property Sec.	Very High	+4%	0.47	1	18	8		
	Aviva Sustainable Global	Medium	+5%	0.93	11	3	1	Smith & Williamson MM Global	Medium	-3%	0.89	1	10	6		
	Aviva World Leaders	High	+3%	0.95	10	1	1	Stan Life Global Equity Uncon.	High	+4%	0.94	14	14	4		
	BG Global Alpha Growth	Medium	+1%	0.97	10	4	4	Threadneedle Global Ex Alpha	High	+4%	0.96	15	8	5		
	BG Global Income	Medium	-1%	0.97	4	2	2	Threadneedle Global Select	High	+1%	0.98	3	8	3		
	BG International	Medium	+3%	0.96	8	9	5	UBS Global Optimal	High	-0%	0.97	-3	9	4		
	Baring Global Growth	Medium	+1%	0.96	2	6	1	Vanguard FTSE Dev World Index	Medium	+2%	0.98	10	3	3		
	Blackrock Global Equity	High	-1%	0.88	1	13	10	Virgin Climate Change	High	+0%	0.91	3	13	7		
	Blackrock International Equity	Medium	+1%	0.94	5	10	4	<b>AUSTRALIAN LISTED INVESTMENT TRUSTS</b>								
	Blackrock Overseas	High	+1%	0.97	3	7	3	Platinum Capital	High	-12%	0.69	-35	11	9		
	Cazenove MM Global	Low	+1%	0.92	11	11	8	Templeton Global	Medium	-2%	0.76	-5	14	3		
	Cler Med International	Medium	+2%	0.95	7	13	4	<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>								
	Dimensional International	High	-2%	0.94	0	10	5	Absolute Return Trust	Very Low	-5%	0.40	-18	2	-8		
	F & C Int'l Heritage	Medium	+3%	0.96	12	20	8	Alliance Trust	Medium	+1%	0.93	2	9	3		
	F & C Stewardship Int'l	Medium	+2%	0.97	3	9	3	Ashmore Global Opps	Very Low	-29%	0.23	-18	14	14		
	Fidelity Global Focus	Medium	+3%	0.96	13	12	3	Bankers Investment	Medium	+2%	0.89	13	19	12		
	Fidelity Global Spec Sits	High	-2%	0.93	-4	13	4	Brit Empire Securities	High	-4%	0.79	2	13	10		
	Fidelity International	High	-0%	0.99	1	9	3	Brunner Invest. Trust	Medium	-0%	0.92	-1	4	2		
	First State Global Infrastr.	Low	+1%	0.87	10	5	3	Caledonia	High	-8%	0.69	-14	11	6		
	First State Global Opps	Medium	-0%	0.94	2	6	4	EP Global Opportunities	High	-4%	0.85	-10	4	8		
	HSBC Global Fund of Funds	Medium	+0%	0.97	2	11	5	Edinburgh Investment	Low	+5%	0.70	22	6	0		
	Henderson Global Care Growth	Medium	-1%	0.93	-3	7	5	Edinburgh Worldwide	Very High	+4%	0.76	10	21	9		
	Henderson Global Focus	High	-1%	0.95	-4	10	3	Establishment IT	Very Low	+3%	0.59	16	23	12		
	Henderson International	Medium	+2%	0.96	5	7	3	Foreign & Colonial	Medium	+0%	0.94	4	9	3		
	Ignis Asset Global Growth	Very High	-3%	0.92	-4	11	8	Invesco Perp Sel Global	Very Low	-4%	0.66	7	7			
	Invesc Perp Global Opport.	High	+2%	0.96	12	9	9	JPM Overseas	High	+0%	0.87	-1	8	4		
	Invesco Perp Global Equity	High	+2%	0.97	13	9	9	Jupiter Global Green	Low	-0%	0.62	2	15	2		
	Invesco Perp Global Equity Inc	Low	+5%	0.93	10	5	5	Jupiter Primadona	High	+2%	0.70	11	18	5		
	Investec Global Dynamic	High	+2%	0.98	11	5	5	Law Debenture Corp.	Medium	+8%	0.75	33	26	8		
	Investec Global Energy	Very High	-5%	0.77	-13	-3	-1	Majedie Investment	High	-10%	0.78	-29	-2	4		
	Investec Global Equity	High	+1%	0.97	7	8	4	Martin Currie Portfolio	Medium	+2%	0.90	7	9	4		
	Investec Global Free Enter.	High	+1%	0.97	6	12	5	Monks Investment	Medium	-2%	0.81	-6	-3	1		
	Investec Global Spec Sits	Low	-1%	0.95	-2	3	2	Murray International	Medium	+5%	0.82	21	12	2		
	JOHCM Global Select	Medium	-2%	0.91	8	2	2	New Star	Low	-8%	0.54	-17	-8	-0		
	JPM Global	High	-1%	0.97	-2	11	5	Pantheon International	Low	+20%	0.41	82	37	15		
	JPM Global Consumer Trends	High	+0%	0.94	-0	7	5	Personal Assets Trust	Very Low	+2%	0.61	9	1	-2		
	JPM Global Equity Income	Medium	+0%	0.94	2	11	3	RIT Capital Partners	Very Low	-3%	0.34	-3	-9	1		
JPM Global Financials	Very High	-4%	0.91	-12	23	11	Ruffer Investment Coy	Very Low	-2%	0.62	0	-1	2			
Jupiter Ecology	Medium	-2%	0.95	-5	4	3	SVM Global	Very Low	-9%	0.59	-17	-17	-5			
Jupiter Financial Opps	Medium	-9%	0.92	-22	17	8	Scottish American Inv.	Low	+2%	0.80	11	7	5			
Jupiter Fund of Invest Trusts	High	+1%	0.88	9	13	5	Scottish Invest. Trust	Medium	-2%	0.95	-3	7	4			
Jupiter Global Managed	High	-1%	0.96	5	11	6	Scottish Mortgage & Trt	Very High	+7%	0.90	24	26	9			
Jupiter Int'l Financials	Medium	+3%	0.84	21	11	11	Secs Trust of Scotland	Medium	+6%	0.86	23	11	2			
Jupiter Merlin Worldwide	Medium	-0%	0.98	5	3	3	Witan Investment Coy	High	-0%	0.97	1	11	5			
L & G Global 100 Index	Medium	-1%	0.95	-2	6	3	<b>INTERNATIONAL SMALLER COS</b>									
L & G Global Growth	Medium	-1%	0.97	2	11	4	<b>UNITED KINGDOM BASED UNIT TRUSTS</b>									
L & International Index	Medium	+1%	0.98	9	4	4	Invesco Perp Global Small Cos	High	-2%	0.88	16	15	9			
Lazard Global Equity Income	Medium	+2%	0.96	12	13	6	McIlroy & Wood Smaller Coys	Medium	-3%	0.85	15	9	5			
Legg Mason Global Equity Inc.	Low	+1%	0.94	8	8	6	Stan Life TM International	Medium	+1%	0.92	12	3	3			
M & G Global Basics	Very High	-1%	0.91	1	0	1	<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>									
M & G Global Dividend	Medium	+5%	0.97	10	5	5	F & C Global Small Cos	Medium	+3%	0.87	44	20	11			
M & G Global Growth	High	+0%	0.96	12	7	3	Oryx Int'l Growth	Medium	+2%	0.54	29	24	6			
M & G Global Leaders	Medium	-1%	0.94	-2	7	3	<b>UNITED STATES</b>									
MSDW Global Brands	Low	+7%	0.76	23	8	1	<b>AUSTRALIAN BASED UNIT TRUSTS</b>									
Marlborough ETF Global Growth	Low	-5%	0.89	7	7	7	BT American Growth	Medium	+1%	0.92	10	8	1			
Marlborough Global	Medium	-1%	0.98	10	5	5	<b>UNITED KINGDOM BASED UNIT TRUSTS</b>									
Martin Currie Global Equity	Low	+4%	0.72	8	2	2	AXA Framlington American Gth	Medium	+4%	0.79	26	6	-4			
Martin Currie Global Alpha	High	-2%	0.96	-2	13	5	Aberdeen American Growth	Medium	-2%	0.91	8	7	3			
NFU Mutual Global Growth	Medium	-2%	0.93	-5	10	5	Alliance North American	Medium	+0%	0.91	7	-2	-2			
Neptune Global Equity	High	-3%	0.91	-9	-0	-0	Allianz US Equity	Medium	-2%	0.90	4	1	-1			
Neptune Global Max Alpha	Medium	-5%	0.81	-12	-2	1	BG American	Medium	+2%	0.90	19	5	0			
Neptune Green Planet	Very High	-15%	0.81	-39	-5	1	Blackrock CIF Nth American	Medium	+0%	0.96	8	0	0			
Newton Global Higher Income	Very Low	-0%	0.87	5	1	1	Blackrock US Dynamic	High	-1%	0.89	8	5	-0			
Newton Global Opportunities	Medium	+0%	0.96	5	9	2										







Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	Threadneedle UK Mid 250	High	+7%	0.83	31	25	6
Buy	Threadneedle UK Smaller Cos	Very High	+7%	0.85	36	22	6
	UBS UK Smaller Companies	High	-5%	0.89	-9	12	4
Buy	Unicom UK Smaller Coys	Low	+7%	0.76	38	17	7
<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>							
	Aberdeen Sm Coy High In	High	+6%	0.63	41	15	
	Aberforth Smaller Coys	Very High	+3%	0.81	17	37	8
Avoid	Active Capital Trust	Low	-48%	0.08	-84	-46	-26
Buy	Blackrock Smaller Coys	Very High	+14%	0.76	71	26	7
Buy	Chelverton Growth Trust	Very Low	+13%	0.12	71	26	20
Buy	Dunedin Smaller Coys IT	High	+10%	0.66	60	42	14
Avoid	Henderson Fledgling Ind	Low	-9%	0.21	-16	10	9
	Henderson Opportunities	High	+6%	0.60	28	30	8
Buy	Henderson Smaller Cos	Very High	+14%	0.88	76	43	10
Buy	Invesco Perp UK Smaller	Medium	+7%	0.85	33	26	10
	JPM Smaller Coys	Very High	+5%	0.85	32	24	6
Buy	Montanaro UK Small Coys	Medium	+10%	0.63	55	30	9
Avoid	SVM UK Emerging Fund	Very Low	-14%	0.09	-35	-25	2
	Schroder UK Mid & Small	Very High	+6%	0.81	44	29	8
Buy	Std Life UK Small Coys	High	+13%	0.57	68	30	7
	The Mercantile IT plc	Very High	+0%	0.80	15	28	8

**Netherlands**



**France**



**Italy**



**Switzerland**



**Denmark**



**Spain**



**Sweden**





Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
					<b>EUROPE</b>		
<b>AUSTRALIAN BASED UNIT TRUSTS</b>							
Buy	BT Europe Growth	Low	+4%	0.79	1	16	8
	Platinum Europe	Very Low	+8%	0.39	9	12	10
<b>UNITED KINGDOM BASED UNIT TRUSTS</b>							
Buy	AXA Framlington European	Medium	+8%	0.91	16	26	10
	AXA Rosenberg European	High	+0%	0.94	16	8	
	Aberdeen European Frontiers	High	+2%	0.82	23	11	
	Aberdeen European Growth	Medium	+4%	0.90	-2	14	7
	Alliance European Equity	Medium	+6%	0.92	22	9	
Buy	Allianz Cont European	Medium	+8%	0.83	10	25	10
	Allianz European Equity Income	Low	+1%	0.90	11	7	
	Artemis European Growth	Very High	+2%	0.90	-5	20	13
	Aviva European	Medium	+4%	0.93	19	11	
	Aviva Sustainable European Gth	Medium	+4%	0.93	19	8	
Buy	BG Europe	Medium	+8%	0.89	11	19	9
Buy	Baring Euro Sel.	Medium	+8%	0.85	13	25	10
	Baring European Growth	Very High	+3%	0.92	-8	20	10
	Blackrock CIF Cont European	High	+3%	0.95	17	9	
Buy	Blackrock Cont'l Europe	High	+8%	0.87	7	22	10
Buy	Blackrock European Absolute	Very Low	+10%	0.01	3	3	
Buy	Blackrock European Dynamic	High	+11%	0.85	18	25	10
	CF Canlife European	High	+2%	0.91	-9	16	9
	CIS European	High	-0%	0.93	-18	13	7
	Cavendish Asia Pacific	Low	+3%	0.78	15	7	
	Cavendish European	High	-0%	0.93	19	8	
	Cazenove European Portfolio	Medium	+1%	0.87	-11	19	10
	F & C European 1	Medium	+5%	0.91	0	24	10
	Fidelity European	Medium	+5%	0.91	5	21	8
	Fidelity European Opps	High	+3%	0.88	-5	20	8
	GLG Esprit Cont Europe	High	+5%	0.92	23	10	
	HSBC European Growth	High	+0%	0.87	-10	9	9
	HSBC Eurotrack 100	High	-1%	0.94	-14	12	9
	HSBC FSAVC European Growth	High	-3%	0.82	-20	15	11
	HSBC PPUT European	High	-3%	0.81	-20	15	11
Buy	Henderson European Focus	Medium	+7%	0.87	11	20	8
	Henderson European Growth	Medium	+4%	0.92	15	8	
	Henderson European Sel Opps	Medium	+4%	0.90	-1	18	9
	Henderson European Spec Sits	Medium	+6%	0.91	20	8	
	Ignis Asset European Growth	High	+2%	0.93	-9	15	7
	Invesco Perp Euro Equity Inc.	Medium	+2%	0.88	-6	17	11
Buy	Invesco Perp Euro Opp.	Medium	+8%	0.76	9	14	8
	Invesco Perp European Equity	High	+1%	0.92	14	10	
	Investec European	Medium	+6%	0.91	5	23	9
	JOHCM Cont European	Medium	+2%	0.92	15	9	
	JOHCM European Return	Medium	+0%	0.92	12	10	
	JOHCM European Select Value	Low	+4%	0.92	15	8	
	JPM Europe	High	+2%	0.92	-7	17	9
	JPM European Dynamic	High	+4%	0.90	1	20	11
	JPM New Europe	High	+6%	0.67	-4	20	7
	Jupiter Emerging European	High	+1%	0.68	-16	15	10
Buy	Jupiter European	Medium	+10%	0.86	17	21	5
	Jupiter European Income	Medium	+1%	0.88	-8	14	6
	L & G Euro Index	High	+0%	0.93	-15	13	9
	L & G European	High	+1%	0.86	-10	21	12
	L & G European Absolute	Very Low	-4%	0.01	5	5	5
	Lazard European Growth	High	+1%	0.90	-9	16	7
	Legg Mason Cont European	Medium	+0%	0.93	-10	13	7
	Liontrust European Absolute	Very Low	-3%	0.23	-11	1	
	Liontrust European Growth	Medium	-1%	0.89	8	8	
	M & G European	Medium	+2%	0.91	-7	16	10
	M & G European Index Tracker	High	+2%	0.93	-8	17	9
	M & G European Strategic Val.	Medium	+2%	0.92	-8	10	7
	M & G Pan European	Medium	+1%	0.90	-12	13	10
	M & G Pan European Dividend	Medium	+1%	0.89	-8	11	6
	Marlborough European	Medium	+1%	0.85	15	5	
	Martin Currie European	Medium	+2%	0.89	-5	17	7
	Morgan Stanley Euro (ex UK)	Medium	+1%	0.89	-9	15	9
	Neptune European Income	Low	+6%	0.76	11	5	
	Neptune European Max Alpha	Very Low	+1%	0.62	-3	8	4
	Neptune European Opps	Very Low	-0%	0.68	-6	10	7
	Neptune Russia & Gtr Russia	High	+2%	0.53	-11	3	3
	Newton Continental European	Medium	-1%	0.89	-15	15	8
	Newton European Higher Income	Medium	-3%	0.84	9	7	
	Newton Pan-European	Medium	-1%	0.89	-15	11	5
	Old Mutual European Equity	High	+4%	0.91	-2	17	9
	Royal London European Income	High	-3%	0.90	-19	9	7
	Royal London European Gth	Very High	+2%	0.92	-14	14	8
	SJP Continental European	High	+4%	0.88	0	19	10
Buy	SJP Greater European Prog.	Low	+9%	0.88	12	18	8
	SSGA Europe Equity Tracker	Medium	+2%	0.85	-8	17	10
Buy	SVM All Europe	Medium	+9%	0.77	14	16	4
	SVM Continental European	Medium	+4%	0.86	1	18	9
	SWIP European	Medium	+4%	0.80	-3	21	10
	Santander Premium Europe	High	+2%	0.94	18	11	
	Schroder European Alpha	Medium	+5%	0.88	3	18	7
Buy	Scot Wid HIFML European Focus	Medium	+8%	0.86	25	8	
	Scot Wid HIFML European SS	Medium	+5%	0.91	17	8	

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
					<b>EUROPE</b>		
	Scot Wid HIFML European Strat.	High	+6%	0.94	22	9	
	Scot Wid. Euro Select Gth	Medium	+3%	0.84	-6	21	10
	Scot Wid. European Growth	Medium	+1%	0.87	-10	16	10
	Smith & Williamson European	High	+4%	0.81	-4	24	13
	Stan Life Euro Equity Gth	Medium	+5%	0.81	-1	23	9
	Stan Life European Equity Inc	Low	+2%	0.74	14	7	
	Stan Life European Ethical	Medium	+1%	0.83	-11	20	10
	Stan Life TM European	Medium	+5%	0.83	-2	22	9
	Stan Life TM Pan European	Medium	+4%	0.88	-1	20	8
	Templeton Europe	High	+1%	0.90	-8	18	10
	Threadneedle Euro Growth	Medium	+5%	0.90	1	21	8
Buy	Threadneedle Euro Sel Growth	Low	+10%	0.80	24	21	6
Buy	Threadneedle Pan Euro Gth	Medium	+8%	0.49	10	14	8
	UBS European Equity	High	+2%	0.87	-12	17	8
	Vanguard FTSE Dev Europe Index	High	-1%	0.96	12	7	

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
	3i Infrastructure	Very Low	+5%	0.00	6	0	-2
Buy	Artemis Alpha	Very Low	+7%	0.11	3	13	-1
Avoid	Aurora Russia	Very Low	-11%	0.08		-7	26
	Baring Emerging Europe	High	+3%	0.70	-13	15	7
	Blackrock Greater Euro.	Medium	+4%	0.73	-0	17	8
	Eastern European	High	+6%	0.67	-1	11	3
	European Assets	Low	+5%	0.51	6	25	10
	Henderson Eurotrust	Low	+3%	0.72	-3	22	12
	JPM European IT	Medium	+1%	0.81	-12	19	8
Buy	JPM Russia	Very High	+7%	0.52	-2	7	4
	JPMorgan European IT	Low	+1%	0.75		13	7
Buy	Jupiter European Opps	High	+24%	0.67	65	50	9
	The European IT	Medium	-1%	0.81	12	10	

**EUROPE SMALLER COS**

<b>UNITED KINGDOM BASED UNIT TRUSTS</b>							
Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
Buy	Aberdeen European Small Coys	Medium	+11%	0.81	18	19	8
	Henderson European Small Cos	Medium	+6%	0.73	2	16	6
Buy	Ignis Asset European Small Coy	Medium	+9%	0.81	11	25	7
	Invesco Perp Euro Smaller Cos	Medium	+6%	0.74	0	15	7
	JPM European Smaller Coys	Medium	+0%	0.83	-7	9	9
	Jupiter Euro Spec Sits	Medium	+4%	0.87	1	15	8
Buy	M & G European Smaller Coys	Medium	+8%	0.82	12	26	9
	Schroder Euro Small Coys	Medium	+4%	0.82	-2	17	8
Buy	Threadneedle Euro Small Cos	Very Low	+12%	0.70	35	28	9
Buy	Threadneedle Pan Euro Sm Coys	Low	+13%	0.74	36	26	8

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
	Fidelity Euro V.	Medium	+5%	0.79	-1	27	12
	JPM Euro Fledgling	Medium	+1%	0.52	-4	10	10
	Montanaro European SC	Very Low	+1%	0.52		21	7
	TR European	Medium	-3%	0.60	-24	23	8

**GERMANY**



**Next Issue:**

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