

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	72%	Bullish	Bullish	Bullish	Neutral	+4.9%	+2.3%	-1.7%	5,368.50
Austria	47%	Bearish	Bullish	Neutral	Bearish	+1.9%	+3.2%	+17.6%	2,581.47
Belgium	73%	Bullish	Bullish	Neutral	Bearish	+9.3%	+13.2%	+31.3%	3,149.35
Canada	56%	Neutral	Bullish	Neutral	Bearish	+2.9%	+5.8%	+7.8%	14,393.10
Denmark	74%	Bearish	Bullish	Bullish	Neutral	+13.5%	+26.5%	+41.3%	707.29
Finland	63%	Neutral	Bullish	Neutral	Neutral	+3.0%	+10.6%	+31.4%	7,510.54
France	65%	Bullish	Bullish	Neutral	Bearish	+7.2%	+10.4%	+31.8%	3,438.70
Germany	55%	Bearish	Bullish	Neutral	Bearish	+3.6%	+13.7%	+34.2%	9,695.77
Ireland	65%	Bearish	Bullish	Neutral	Neutral	+12.5%	+20.9%	+42.4%	5,116.33
Italy	63%	Bearish	Bullish	Bullish	Bearish	+17.0%	+23.6%	+53.8%	23,639.37
Japan	54%	Bearish	Neutral	Bullish	Bearish	-6.2%	+1.3%	+10.8%	15,063.77
Netherlands	68%	Neutral	Bullish	Bullish	Bearish	+2.2%	+9.5%	+26.8%	407.46
New Zealand	41%	Neutral	Bullish	Bearish	Bearish	+4.1%	+5.2%	+5.8%	1,501.89
Norway	59%	Neutral	Bullish	Bearish	Bearish	+6.2%	+11.4%	+16.8%	622.96
Spain	60%	Neutral	Bullish	Neutral	Bearish	+10.0%	+14.7%	+47.1%	1,091.27
Sweden	76%	Bullish	Bullish	Bullish	Bearish	+5.4%	+10.1%	+21.4%	696.64
Switzerland	65%	Bearish	Bullish	Bullish	Bearish	+4.3%	+8.9%	+17.4%	8,503.00
Un. Kingdom	54%	Bearish	Bullish	Bullish	Bearish	+0.6%	+7.4%	+16.7%	6,695.55
USA	65%	Bullish	Bullish	Bullish	Bearish	+1.8%	+10.3%	+20.1%	1,865.09
Argentina	41%	Bearish	Bullish	Bearish	Bullish	-2.8%	-4.4%	+23.8%	6,386.85
Brazil	50%	Bullish	Bullish	Bearish	Neutral	+6.6%	-4.4%	-17.6%	51,081.78
Czech Rep.	63%	Bullish	Bullish	Bullish	Bearish	+3.8%	-0.3%	+6.5%	1,018.19
Chile	35%	Bearish	Neutral	Bearish	Neutral	-3.1%	-11.7%	-25.5%	18,527.12
China	43%	Bullish	Bearish	Bearish	Bullish	-3.7%	-6.7%	-7.5%	2,058.83
Greece	57%	Bearish	Bullish	Neutral	Bearish	+9.9%	+24.5%	+69.4%	1,314.74
Egypt	61%	Bearish	Bullish	Bullish	Neutral	+11.1%	+32.9%	+51.6%	7,701.11
Hong Kong	55%	Bullish	Neutral	Bullish	Bearish	-1.4%	-2.7%	+3.7%	22,510.08
Hungary	54%	Bullish	Neutral	Neutral	Bearish	-4.8%	-4.8%	+2.7%	17,990.04
India	55%	Bearish	Bullish	Bearish	Bullish	+11.4%	+15.1%	+10.9%	22,359.50
Indonesia	49%	Bearish	Bullish	Bearish	Neutral	+22.6%	+13.1%	-14.8%	4,857.94
Israel	65%	Bearish	Bullish	Bullish	Neutral	+8.5%	+14.9%	+23.9%	1,300.56
Korea	60%	Bullish	Bullish	Bullish	Neutral	+2.3%	+1.2%	+10.6%	1,988.09
Malaysia	55%	Bullish	Bullish	Neutral	Bearish	+1.4%	+1.3%	+2.5%	1,856.61
Mexico	50%	Bullish	Neutral	Neutral	Bearish	-2.8%	-0.2%	-12.1%	40,598.34
Philippines	54%	Bearish	Bullish	Bullish	Neutral	+9.6%	-1.5%	-10.7%	6,561.20
Poland	66%	Bullish	Bullish	Bullish	Bearish	+3.2%	+6.1%	+25.7%	52,660.68
Portugal	59%	Neutral	Bullish	Neutral	Bearish	+13.8%	+23.5%	+39.4%	3,118.23
Russia	29%	Bullish	Bearish	Bearish	Bearish	-13.6%	-14.5%	-11.1%	1,382.41
Singapore	74%	Bullish	Bullish	Bullish	Neutral	+3.3%	+1.4%	-4.0%	3,212.72
Sth Africa	59%	Neutral	Bullish	Neutral	Bearish	+5.5%	+4.2%	+9.0%	48,347.75
Taiwan	67%	Bearish	Bullish	Bullish	Bullish	+3.2%	+3.1%	+10.9%	8,888.54
Thailand	60%	Bullish	Neutral	Bullish	Bullish	+15.6%	-6.1%	-15.7%	1,392.01
Turkey	30%	Neutral	Bullish	Bearish	Bearish	+13.2%	-10.4%	-25.0%	72,582.86
Venezuela	43%	Bearish	Bullish	Neutral	Bearish	-7.6%	+44.4%	+298.8%	2,523.56

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.

Company Review:

UK Listed Gresham Computing plc

Gresham Computing plc (code GHT).

Sometimes you find a company where just about everything is going right: Gresham Computing is in the early stages of commercialising a unique software product for Financial Services companies with the potential for significant growth in high margin, recurring software licensing and usage fees. Despite development and marketing costs, the company is *already* cashflow positive and profitable owing to its other products . . . and the shares trade at a modest valuation.

The company has been involved in providing financial software to major financial institutions for over three decades, but re-invented itself in 2010 after identifying a “gap in the market for matching and reconciliation software”, developing its *Clareti Transaction Control* software. This real-time reconciliation product is just beginning to have a major impact on revenues (i.e. up 1650% to £3.5 million, or 25% of group revenues) and net profits . . . with “the real benefit in 2014 and beyond”.

Clareti Transaction Control (CTC)

Gresham Computing identified the need for CTC software in July 2010 to fill a market gap for financial transaction matching and reconciliation. A dedicated software development centre was created in the UK and staffed with “a new expert team of highly experienced matching and reconciliation software engineers”.

In July 2011 the company won its first major customer for an early version, while development continued. Concurrently the company built global support for CTC, including regional management, implementation teams, 24/7 software support and a CTC graduate intake program as well as recruiting additional experienced programmers.

This project currently has 30 specialist software developers, with sales, marketing and implementation teams based in London and Sydney. New sales offices were recently opened in New York and Singapore which will increase revenues in 2014.

The company has a strategic alliance with **FDM Group** (an international IT services provider) who can provide CTC trained skilled technical resources “on demand” to help with installations.

The software is sold either under the traditional model (i.e. with an up-front licence fee plus annual support and maintenance fees) or an annuity licence (i.e. annual licence fees), typically for at least three years with automatic continuation. The annuity licence - building recurring annual revenues - is the preferred business model. Fees are scaled for usage volumes (i.e. so will increase as a customer grows) and indexed for inflation.

Gresham Computing estimates that 80% of financial institutions rely on in-house User Developed Applications (UDAs) for matching and reconciling transactions, usually in “batch operation” and sometimes

with a “large backlog of reconciliations”. This is a “very large market” (i.e. thousands of banks and thousands of other financial services businesses) with no other similar competing external solution providers.

CTC operates in real-time (i.e. verifying transactions and identifying problems *before* they become errors), is “scalable to extreme volumes” (i.e. tested to 500,000 transactions per second, or 1.8 billion per hour) built on Gigaspaces XAP “in memory” software platform, and flexible enough to handle all data types in a simplified process.

Major CTC Sales

January 2013: **Jones Lang La Salle** bought CTC to automate and allocate receipts for its UK property management business. May 2013: A major Asia Pacific financial services company. June 2013: A Tier 1 investment bank for real-time intersystems matching and reconciliation of its global business which is expected to generate £3 million in revenues for Gresham Computing over five years. July 2013: A Tier 1 bank bought CTC for its global wholesale banking business, expected to generate revenues of US\$15 million (£10 million) over the initial 20 year contract term (i.e. about £3 million over the next five years and £7 million over the next 15 years). August 2013: A London fixed income investment manager. November 2013: A leading UK insurance broker to automate reconciling transactions with counter-party insurers. December 2013: One of the UK's largest and longest established investment houses purchased CTC for its buy-side business and a major UK financial derivatives dealer replaced an existing vendor for CTC's real-time matching and reconciliation solution. In January 2014, a major bank purchased CTC.

The company has a “backlog of secured CTC work to deliver well into 2014” with “the real benefit of which will be seen in 2014 and beyond”.

Other Real-Time Financial Reporting Revenues

Gresham Computing provides *Clareti Virtual Bank Accounts* (CVBA), a real-time cash management solution in partnership with **CashFac's Virtual Bank Technology**. This is hosted with **Barclays Bank** in the UK and **ANZ Banking Group** in Australia and New Zealand, who offer this service to their customers. Gresham Computing receives an annuity, mainly based upon per transaction fees for usage. This could expand to new geographies and customers.

Recent Results

For the year to 31 December 2013, total revenues rose 36.0% to £14.0 million, with net profits (before a small loss on a discontinued business) up 29.3% to £2,578,000 (4.26 pence per share).

There was a net operating cash surplus of £1.2 million (up 22%).

Gresham Computing has (Continued on Page 8)

Recommended International Investment Funds

Bonus Issue of Subscription Shares

Fidelity Japanese Values plc is considering a 1 for 5 bonus issue of “subscription shares” (i.e. warrants to buy ordinary shares at a fixed price in the future).

Lower Management Fee

Fidelity Japanese Values plc has agreed with its manager to reduce the annual management fee from 1.0% to 0.85%, effective from 1 January 2014. The Manager continues to earn a fairly high 20% performance fee for any return above its benchmark index.

Share Repurchases

Fidelity European Values plc has made 12 on-market share repurchases over the last four weeks, acquiring 330,444 shares and returning just over £5.0 million to investors.

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									
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-10%	1549.5p	2987.3	+131
BUY	JPM European Smaller Cos	JESC	15/01/02	226.5p	765.8	-10%	1226.0p	2363.6	+209
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-8%	1130.0p	2178.5	+109
Asian Regional									
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	-3%	85.25p	1648.8	+565
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		85.66p	165.1	+55
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		690.6p	1331.4	+19
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-8%	757.75p	1460.9	+342
China									
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		715.3p	1379.0	-2
India									
HOLD	First State Indian Sub-Cont.	*	13/12/10	209.2p	442.0		230.61p	444.6	+1
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	+4%	305.63p	589.2	+34
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-10%	69.25p	133.5	-59
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		67.44p	130.0	-29
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		254.2-269.0p	504.3	+141
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		525.58p	1013.3	+451
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-16%	704.0p	1357.2	+65
BUY	Private Equity Investor plc	PEQ	11/12/01	117.9p	404.5	-22%	182.5p	351.8	-13

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +126.2%. 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

An alternative investment to those recommended above includes **Aberdeen Asian Smaller Companies Trust 2019** convertible notes at 112 pence.

“Clean” unit prices are: Henderson Asia Pacific Capital 741.2 pence, Henderson China Opportunities 99.02 pence, First State Indian Sub-Continent 113.11 pence, Invesco Perpetual Japanese Smaller Companies 308.05 pence and Aberdeen Emerging Markets 560.54 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
<u>INTERNATIONAL</u>															
AUSTRALIAN BASED UNIT TRUSTS															
	AMP FI International	Medium	-1%	0.93	8	12	-4		Martin Currie Global Alpha	High	-2%	0.98	0	8	-8
	Advance Int'l Share MB	Medium	+1%	0.91	8	11	-4		Martin Currie Global Equity	Low	+2%	0.75	7	7	-5
	Advance International	High	-0%	0.93	6	13	-4		Morgan Stanley Global Brands	Low	+4%	0.77	21	5	-6
	BT International	Medium	+2%	0.91	17	15	-4	Buy	NFU Mutual Global Growth	Medium	-3%	0.89	-8	5	-6
	Commonwealth Int'l Share	Very Low	+1%	0.38	11	14	1		Neptune Global Equity	High	-6%	0.90	-17	8	-12
	Gold Sachs International	Medium	+2%	0.87	15	18	-6		Newton Global Equity	Medium	-0%	0.93	10	10	-5
	Invesco Global Matrix	High	-6%	0.69	-5	-14	-2	Buy	Old Mutual Global Equity	Medium	+7%	0.88	34	24	-3
	MLC Aust - Platinum Gbl	Medium	+0%	0.80	11	14	-4		PSigma Global Equity	Medium	-5%	0.78	5	7	-7
	MLC MKey Global Share	Medium	+0%	0.88	10	11	-4		Pictet Global Megatrend	Medium	+5%	0.60	14	14	-5
	Perpetual Fid. Intern'l	Medium	-2%	0.88	8	9	-4		Polar Financial Opportunities	High	-1%	0.71	9	9	-6
	Perpetual ICSav - Int'l	Medium	-2%	0.88	7	9	-5		Polar Global Insurance	Very Low	+14%	0.17	26	8	-8
	Platinum International	Low	-2%	0.83	3	12	-5		R & M Global Equity	Medium	-0%	0.94	7	7	-7
									R & M Global High Income	Medium	-4%	0.87	2	6	-6
									R & M Global Opportunities	Medium	-3%	0.93	5	8	-8
									Rathbone Global Opportunies	Medium	+1%	0.81	17	6	-6
									Royal B of S International Gth	Medium	+0%	0.90	8	14	-5
									SJP Global	Low	+5%	0.93	32	17	-5
									SJP Global Equity	High	-1%	0.97	10	4	-4
									SJP Global Equity Income	Medium	+5%	0.83	15	4	-4
									SJP International	Very High	-31%	0.21	-73	11	-6
									SJP UK & International Income	High	+1%	0.89	17	6	-6
									SJP Worldwide Opportunities	Medium	+3%	0.95	11	13	-5
									SVM Global Opportunities	Very Low	-17%	0.67	-35	-5	-3
									SVM World Equity	Medium	+4%	0.92	15	3	-3
									SWIP Global	Medium	+2%	0.95	13	14	-7
									SWIP MM Global Real Estate Sec	Medium	-1%	0.65	2	-3	-3
									SWIP MM International	Medium	+1%	0.99	8	10	-6
									Schroder Global Alpha Plus	High	-1%	0.88	13	8	-8
									Schroder Global Climate Chg	Medium	+0%	0.90	5	18	-5
									Schroder Global Equity Income	Medium	+2%	0.96	12	12	-4
									Schroder Global Property Sec.	Medium	-3%	0.78	0	-3	-3
									Schroder ISF Global Eq. Alpha	High	-2%	0.89	10	8	-8
									Schroder ISF Global Eq. Yield	Medium	-4%	0.94	9	4	-4
									Scot Wid Environmental Inv	Medium	+2%	0.88	12	19	-5
									Scot Wid Global Growth	Medium	+0%	0.95	8	12	-7
									Scot Wid Global Select Gth	Medium	+2%	0.94	15	16	-7
									Scot Wid Int Equity Tracker	Medium	+1%	0.92	5	10	-6
									Scot Wid Stockmarket Gth	Medium	-1%	0.97	6	13	-6
									Smith & Williamson MM Global	Low	-2%	0.84	1	11	-3
									Stan Life Global Equity Income	Medium	+1%	0.94	15	5	-5
									Stan Life Global Equity Uncon.	High	+3%	0.95	19	20	-3
									Stan Life TM Global Equity	Low	+4%	0.58	16	16	-5
									Threadneedle Global Ex Alpha	High	+4%	0.96	18	15	-8
									Threadneedle Global Select	High	+1%	0.97	7	11	-7
									UBS Global Optimal	High	-1%	0.98	4	14	-6
									Vanguard FTSE Dev World Index	Medium	+2%	0.98	13	5	-5
									Vanguard Global Small-Cap Ind.	High	+4%	0.89	17	4	-4
									Virgin Climate Change	High	+2%	0.95	17	20	-5
AUSTRALIAN LISTED INVESTMENT TRUSTS															
									Platinum Capital	Medium	+1%	0.54	14	26	9
								Buy	Templeton Global	High	+8%	0.72	29	27	-12
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS															
									Alliance Trust	Medium	+1%	0.94	13	12	-4
								Avoid	Ashmore Global Opps	Very Low	-22%	0.15	-18	-5	
								Avoid	Brit Empire Securities	High	-7%	0.78	-13	3	-5
									Brunner Invest. Trust	High	+2%	0.89	14	17	-3
									Caledonia	High	-3%	0.67	-1	11	-2
									EP Global Opportunities	High	+2%	0.80	9	18	-8
									Edinburgh Investment	Medium	+4%	0.63	20	11	-6
								Buy	Edinburgh Worldwide	High	+7%	0.67	23	40	-3
								Avoid	Establishment IT	Low	-8%	0.41	-18	-13	-12
									Foreign & Colonial	Medium	-0%	0.95	5	10	-7
									Invesco Perp Sel Global	Low	+5%	0.70	15	4	-4
									JPM Overseas	High	-3%	0.92	-3	13	-6
									Jupiter Primadona	Medium	+3%	0.56	15	26	-4
								Buy	Law Debenture Corp.	Medium	+8%	0.78	35	20	-6
									Majedie Investment	Medium	-5%	0.56	-1	30	3
									Martin Currie Portfolio	Medium	+2%	0.87	16	13	-6
									Monks Investment	Medium	-1%	0.74	-1	17	-4
									Murray International	High	-5%	0.65	-3	7	-6
								Avoid	New Star	Very Low	-8%	0.37	-20	4	-2
								Buy	Pantheon International	Very Low	+12%	0.32	34	8	1
									Personal Assets Trust	Very Low	-6%	0.57	-4	-3	-1
									RIT Capital Partners	Low	-5%	0.51	-9	15	-1
									Ruffer Investment Coy	Very Low	-4%	0.68	-9	0	-6
									Scottish American Inv.	Medium	-4%	0.79	-12	5	-11
									Scottish Invest. Trust	Medium	-1%	0.95	4	12	-6
								Buy	Scottish Mortgage & Trt	Very High	+7%	0.82	24	32	-5
									Secs Trust of Scotland	Medium	+2%	0.82	16	3	-7
									Witan Investment Coy	Very High	+2%	0.96	18	22	-3
<u>INTERNATIONAL SMALLER COS</u>															
UNITED KINGDOM BASED UNIT TRUSTS															
									Invesco Perp Global Small Cos	High	-3%	0.89	13	15	-5
									Mclroy & Wood Smaller Coys	Medium	-3%	0.80	12	16	-6
									Stan Life Global Small Coys	Medium	+2%	0.70	21	7	-7
									Stan Life TM International	Medium	-0%	0.83	19	5	-5
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS															
									F & C Global Small Cos	Medium	+3%	0.88	35	16	-4
								Buy	Oryx Int'l Growth	Medium	+8%	0.52	65	51	5
<u>UNITED STATES</u>															
AUSTRALIAN BASED UNIT TRUSTS															
									BT American Growth	High	+1%	0.93	23	14	-5

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			
UNITED KINGDOM BASED UNIT TRUSTS																		
	AXA Framlington American Gth	Medium	+2%	0.71	19	18	-6	Buy	Barclays UK Alpha	Low	+10%	0.88		24	-5			
	AXA Rosenberg American	Very Low	+5%	0.54		16	-4	Buy	Barclays UK Alpha S2	Low	+10%	0.86		24	-5			
	Allianz US Equity	Medium	-2%	0.91	8	11	-4		Barclays UK Core	Medium	+4%	0.95		15	-5			
	Aviva US Equity Income	Medium	+2%	0.83		11	-6	Buy	Barclays UK Equity Income	Low	+3%	0.91		20	-4			
	BG American	Medium	+2%	0.90	20	14	-3		Barclays UK Equity Income S2	Low	+7%	0.90		20	-4			
	BNY Mellon US Equity	Low	+6%	0.50		22	-7		Barclays UK Opportunities	Low	+6%	0.89		21	-4			
	Barclays US Alpha	High	-0%	0.88		15	-6		Baring UK Growth	High	+2%	0.94	5	10	-7			
	Blackrock CIF Nth American	Medium	+1%	0.86		15	-5	Buy	Blackrock 100 UK Tracker	Medium	+2%	0.93		11	-6			
	Blackrock US Dynamic	High	-1%	0.90	18	16	-5		Blackrock Growth & Recovery	Low	+12%	0.52		31	-2			
	Blackrock US Equity Tracker	Medium	+1%	0.91		15	-5	Avoid	Blackrock UK	Medium	+3%	0.92		9	19	-3		
	CF Canlife North American	Medium	-1%	0.83	15	12	-6		Blackrock UK Absolute Alpha	Very Low	-8%	0.11	-15	11	-5			
	CIS US Growth	Medium	+0%	0.87	19	17	-4		Blackrock UK Focus	Low	+4%	0.83		17	-3			
	Cap Int US Gth & Inc	Medium	+1%	0.85		16	-4	Buy	Blackrock UK Income	Medium	+1%	0.90		15	-4			
	F & C North American 1	Medium	-1%	0.92	19	18	-4		Blackrock UK Special Sits	Medium	+7%	0.91	14	15	-6			
	Fidelity American	High	-2%	0.91	13	18	-3	Buy	Blackrock UK Specialist	Low	-0%	0.65	0	9	-1			
	Franklin US Opportunities	Medium	+3%	0.78		19	-7	Buy	Blackrock US Opportunites	Medium	+7%	0.74	10	19	-5			
	GAM North America	Low	+4%	0.78	26	12	-9		CIS UK FTSE-4-GOOD Tracker	Medium	+3%	0.94	11	14	-6			
	GLG American Growth	Medium	-0%	0.86		15	-5	Buy	CIS UK Growth	Medium	+4%	0.90	15	18	-6			
Buy	HSBC American Index	Medium	+0%	0.95	21	14	-5		Cavendish North American	Low	+2%	0.70		9	-6			
	Halifax North American	High	+8%	0.48		16	-4	Buy	Cavendish UK Select	High	+8%	0.87		24	-3			
	Henderson US Growth	Medium	-0%	0.84	17	16	-7		Cler Med FTSE 100	Medium	+3%	0.92	7	11	-7			
	Ignis American Growth	Medium	+1%	0.86	19	13	-6		Dimensional UK Core Equity	Low	+5%	0.74	17	16	-6			
	Invesco Perp US Equity	Medium	+0%	0.90	23	18	-3		F & C FTSE All Share	Medium	+1%	0.95	2	11	-6			
Avoid	Investec American	Very High	-8%	0.89	-8	10	-4		F & C UK Equity 1	Medium	-1%	0.87	-9	4	-10			
	JPM US Select	Medium	+2%	0.83	29	19	-5	Buy	F & C UK Equity Income	Medium	+2%	0.94		9	-6			
	JPM United States Growth	Medium	+1%	0.91	22	14	-6		Fidelity Special Situations	Medium	+9%	0.85	23	20	-7			
	Jupiter North America	Low	-0%	0.88	16	10	-5	Buy	Fidelity UK Growth	High	+4%	0.86	10	17	-4			
	Kames American Equity	Medium	+0%	0.87		15	-5	Buy	GAM UK Diversified	Low	+9%	0.79	27	24	-5			
	L & G North American	Medium	-3%	0.85	6	7	-5	Buy	GLG UK Select	High	+7%	0.90		26	-4			
	L & G US Index	Medium	+0%	0.94	21	15	-4	Buy	HSBC FTSE 100 Index	Medium	+3%	0.89	9	12	-6			
	Legg Mason US Equity	Medium	+0%	0.83	22	20	-3		HSBC FTSE 250 Index	Medium	+8%	0.86	23	23	-3			
	Legg Mason US Equity Income	Very Low	-0%	0.71		8	-5		HSBC FTSE All Share Index	Medium	+1%	0.95	3	12	-6			
	M & G American	Medium	-1%	0.91	10	11	-6		HSBC UK Freestyle	Medium	+4%	0.87	11	13	-6			
	M & G North American Value	High	-0%	0.90	21	22	-2		HSBC UK Gth & Inc	Medium	+1%	0.87	3	10	-7			
	Marlborough North American	Low	+2%	0.87		13	-7		Halifax Ethical	Very Low	+5%	0.62		14	-6			
	Martin Currie North American	Medium	-2%	0.88	12	15	-6		Halifax Special Situations	Medium	+2%	0.87		12	-8			
	Neptune US Income	Low	+1%	0.87		9	-6		Halifax UK All-Share Index	Medium	+3%	0.87	10	13	-6			
	Neptune US Opportunities	Medium	+2%	0.66	17	17	-7		Halifax UK Equity Income	Medium	+4%	0.87		14	-7			
	Old Mutual North American	Low	+6%	0.73	34	22	-4		Halifax UK FTSE 100 Index	Medium	+2%	0.95	6	11	-7			
	PSigma American Growth	Medium	-2%	0.78	11	11	-5		Halifax UK Growth	Medium	+2%	0.96	11	14	-6			
	Polar North American	Very Low	+5%	0.58		15	-6		Henderson Global Care UK	Medium	+5%	0.86		18	-6			
	SJP North American	Medium	+2%	0.89	25	16	-2		Henderson UK Absolute Return	Very Low	+1%	0.52	17	15	-5			
	SSGA North America Eq Tracker	Medium	+0%	0.84	21	15	-5	Buy	Henderson UK Alpha	Medium	-2%	0.69		24	-4			
	SWIP North American	Medium	+3%	0.81	27	15	-5		Henderson UK Equity Income	Low	+8%	0.71		26	-3			
	Scott Wid American	Medium	+2%	0.91	23	14	-6		Henderson UK Strategic Income	Very Low	-0%	0.15		9	-5			
	Scott Wid HIFML US Focus	Medium	-2%	0.88		15	-6		Henderson UK Tracker	Medium	+3%	0.86	6	11	-6			
	Scott Wid HIFML US Strategic	Medium	+1%	0.85		17	-4		Ignis UK Focus	Medium	+0%	0.73	-6	19	-4			
	Smith & Williamson North Amer.	Low	-0%	0.89	15	14	-6	Buy	Invesco Perp High Income	Very Low	+3%	0.65	19	15	-4			
	Stan Life America	High	+0%	0.88	21	19	-4	Buy	Invesco Perp Income	Very Low	+4%	0.67	19	16	-3			
	Stan Life TM North American	Medium	+0%	0.84	21	18	-5	Buy	Invesco Perp Income & Growth	Low	+7%	0.90	30	18	-5			
	Threadneedle American Gth	Medium	+2%	0.91	24	17	-5	Buy	Invesco Perp UK Aggressive	Medium	+18%	0.83	60	35	-5			
	Threadneedle American Select	Medium	+1%	0.88	21	16	-6	Buy	Invesco Perp UK Growth	Medium	+14%	0.89	47	28	-6			
	UBS US Equity	Medium	+0%	0.87	19	17	-4	Buy	Investec UK Alpha	Medium	+12%	0.89	38	32	-1			
	UBS US Growth	Medium	+3%	0.78	27	20	-5	Buy	Investec UK Spec Sits	Low	+5%	0.86		15	-4			
	Vanguard US Equity Index	Medium	+1%	0.94		16	-5	Buy	JOHCM UK Dynamic	Medium	+10%	0.86		24	-4			
								Buy	JOHCM UK Equity Income	Medium	+10%	0.91		22	-5			
								Buy	JOHCM UK Growth	Medium	+10%	0.79	30	-3				
									JOHCM UK Opportunities	Low	+6%	0.88		16	-5			
									JPM MultiManager Growth	Very Low	+1%	0.83	2	14	-5			
Buy	JPF American	Medium	-0%	0.85	19	17	-5		JPM UK Active 350	Medium	+4%	0.81	17	17	-5			
	North Atlantic Small Co	Very Low	+9%	0.25		27	5	Buy	JPM UK Dynamic	Medium	+9%	0.93	29	25	-3			

UNITED STATES SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS															
Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth	Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
Buy	AXA Framlington UK Mid Cap	Very Low	+17%	0.28		37	2	Buy	JPM UK Strategic Growth	Medium	+9%	0.93		26	-3
	F & C US Smaller Coys	Low	+1%	0.86	24	11	-6	Buy	JPM US Equity Income	Very Low	+9%	0.57	27	14	-4
	Fidelity American Spec Sits	Low	+1%	0.87	26	19	-3	Buy	Jupiter Growth & Income	Medium	+6%	0.92	21	18	-7
	JPM US Smaller Companies	Medium	-0%	0.83	19	21	-6	Buy	Jupiter UK Alpha	Low	+7%	0.76	22	19	-8
	Legg Mason US Smaller Coys	Medium	-6%	0.90	6	17	-3	Buy	Jupiter UK Growth	Medium	+10%	0.84	34	26	-5
	Schroder US Small & Mid Cap	Low	-3%	0.91	12	17	-4		Jupiter UK Special Situations	Low	+6%	0.86	24	18	-6
	Schroder US Smaller Coys	Low	-3%	0.92	11	17	-5	Buy	Jupiter Undervalued Assets	Low	+8%	0.80	26	25	-4
	Threadneedle Amer Small Cos	Medium	-1%	0.88	18	18	-3	Buy	Kames UK Equity	Medium	+5%	0.91		14	-4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	F & C US Smaller Coys	Medium	+1%	0.72	23	1	-12		L & G Ethical	Medium	+5%	0.90		19	-6
	JPM US Smaller Coys	Medium	+7%	0.66	48	31	-6		L & G Growth	Medium	+0%	0.78	-1	11	-7

UNITED KINGDOM

UNITED KINGDOM BASED UNIT TRUSTS															
Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth	Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
	AXA Framlington Blue Chip	Medium	+5%	0.95		19	-4		L & G UK 100 Index	Medium	+4%	0.94	7	11	-6
	AXA Framlington Equity Income	Very Low	+6%	0.73		24	-4		L & G UK Absolute	Very Low	+5%	0.03		18	-1
	AXA Framlington UK Growth	Medium	+5%	0.93	17	21	-4		L & G UK Active Opportunities	Medium	+1%	0.80	4	15	-3
Buy	AXA Framlington UK Select Opps	Medium	+8%	0.91	26	21	-4	Buy	L & G UK Alpha	Very Low	+7%	0.30	14	36	2
	AXA General	Medium	+5%	0.95	8	11	-7		L & G UK Equity Income	Medium	+6%	0.92		18	-5
	Aberdeen Global UK Equity	Medium	+2%	0.85		10	-6		L & G UK Index	Medium	+1%	0.89	3	10	-6
	Aberdeen Responsible UK Equity	Medium	+5%	0.93	11	10	-6	Buy	L & G UK Spec Sits	Medium	+10%	0.73	29	32	-2
	Aberdeen UK Equity	Medium	+3%	0.95		9	-6	Buy	Lazard UK Alpha	Medium	+5%	0.88		14	-7
Buy	Aberdeen UK Equity Income	Medium	+3%	0.87		12	-5		Lazard UK Income	Medium	+2%	0.89	10	15	-5
	Aberdeen UK Mid-Cap	Medium	+10%	0.86	28	18	-6	Buy	Lazard UK Omega	High	+8%	0.89	21	20	-6
	Allianz UK Equity Income	Low	+3%	0.87	5	14	-7		Legg Mason UK Equity	Medium	+3%	0.93	12	15	-4
	Allianz UK Growth	Low	+5%	0.90	16	21	-3	Buy	Liontrust Special Situations	Very Low	+9%	0.80		16	-3
	Allianz UK Index	Medium	+4%	0.96	12	14	-6		Liontrust UK Growth	Low	+5%	0.82		13	-5
Buy	Allianz UK Unconstrained	Low	+9%	0.84		26	-3	Buy	M & G Dividend	Medium	+5%	0.88		13	-4
Buy	Artemis Capital	Medium	+11%	0.89	37	30	0		M & G Index Tracker	Medium	+3%	0.96	12	13	-6
Buy	Artemis UK Growth														

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
	Royal B of S Equity Income	Low	+4%	0.64	13	13	-6		Cavendish AIM	Very Low	+4%	0.52	26	44	0
	Royal B of S FTSE 100 Tracker	Medium	+1%	0.76	7	11	-6		Cavendish Opportunities	Medium	+5%	0.81	35	33	-2
	Royal B of S Growth	Low	+6%	0.65	22	19	-6	Buy	Dimensional UK Smaller Coys	Medium	+8%	0.62	45	31	-2
	Royal London FTSE 350 Tracker	Low	+3%	0.71	15	-5		Buy	F & C UK Mid-Cap	Medium	+7%	0.73	43	29	-1
	Royal London UK Equity	Medium	+3%	0.74	11	17	-5	Buy	F & C UK Smaller Companies	Medium	+8%	0.82	47	34	-1
	Royal London UK Growth	Medium	+3%	0.62	11	21	-4	Buy	Fidelity UK Smaller Companies	Very Low	+16%	0.67	39	39	-2
	Royal London UK Opportunities	Low	+5%	0.64	22	-5		Buy	Halifax Smaller Companies	Very Low	+10%	0.59	35	2	
	SJP Equity Income	Low	+5%	0.86	20	16	-5		Henderson UK & Irish Sm Coys	Low	+4%	0.74	34	32	0
	SJP Ethical	Low	+0%	0.74	5	5	-3	Buy	Henderson UK Small Coys	Medium	+8%	0.78	50	31	-2
	SJP UK & General Progressive	Low	+4%	0.91	14	16	-5		Ignis Smaller Companies	High	-1%	0.54	12	34	0
	SJP UK Growth	Medium	+6%	0.86	13	22	-6		Invesco Perp UK Small Cos Equ.	Medium	+6%	0.83	41	32	0
Buy	SJP UK High Income	Very Low	+7%	0.82	28	20	-2	Buy	Investec UK Smaller Cos	Medium	+11%	0.71	60	56	5
	SSGA UK Equity Tracker	Very Low	+4%	0.64	12	15	-5		JPM UK Smaller Companies	High	+5%	0.87	34	30	-2
Buy	SVM UK Growth	Medium	+11%	0.84	30	-2		Buy	Jupiter UK Small Cos	Medium	+4%	0.81	36	30	-1
Buy	SVM UK Opportunities	Medium	+8%	0.83	21	26	-5	Buy	Kames UK Smaller Companies	Low	+9%	0.75	35	1	
	SWIP Financial	Medium	-1%	0.80	-10	9	-9		L & G UK Small Coys	Medium	+6%	0.73	35	36	-2
	SWIP MM UK Equity Focus	Medium	+4%	0.93	14	17	-6		Lazard UK Smaller Companies	High	+5%	0.83	35	32	-1
	SWIP MM UK Equity Growth	Medium	+5%	0.95	17	19	-4	Buy	Liontrust UK Small Coys	Very Low	+13%	0.32	40	4	
	SWIP MM UK Equity Income	Low	+4%	0.95	19	18	-4		M & G Smaller Companies	Medium	+5%	0.78	36	26	-6
	SWIP UK Income	Medium	-2%	0.84	-7	10	-8	Buy	Marlborough Special Situations	Low	+8%	0.84	44	37	2
	SWIP UK Opportunities	Medium	-1%	0.84	-9	9	-7	Buy	Marlborough UK Micro Cap Gth	Very Low	+12%	0.47	61	48	4
Buy	Schroder Income	Medium	+8%	0.84	21	21	-8	Buy	Neptune UK Mid Cap	Low	+11%	0.63	64	23	-2
Buy	Schroder Recovery Income	Medium	+11%	0.74	26	27	-8	Buy	Old Mutual UK Mid Cap	Medium	+11%	0.54	62	32	0
Buy	Schroder Specialist Value UK	Low	+13%	0.53	46	24	-7	Buy	Old Mutual UK Smaller Coys	Low	+8%	0.56	47	37	-0
	Schroder UK Alpha Plus	High	+6%	0.72	4	7	-17	Buy	R & M UK Equity Small Coys	Medium	+15%	0.52	55	2	
	Schroder UK Equity Acc	Medium	+5%	0.91	12	20	-6		Royal London UK Mid-Cap	Medium	+6%	0.50	29	0	
Buy	Schroder UK Mid 250	High	+17%	0.74	64	36	-1	Buy	Royal London UK Smaller Coys	Very Low	+7%	0.43	42	32	-2
Buy	Scot Wid HIFML UK Focus	Medium	+9%	0.90	20	-7		Buy	SWIP UK Smaller Companies	Medium	+11%	0.75	58	35	-2
	Scot Wid HIFML UK High Income	Medium	+2%	0.94	15	-7		Buy	Schroder UK Smaller Coys	Very Low	+8%	0.65	40	39	-3
Buy	Scot Wid HIFML UK Strategic	Medium	+11%	0.90	28	-0		Buy	Scot Wid HIFML UK Small Coys	Medium	+6%	0.87	34	2	
	Scot Wid UK All Share Track	Low	+4%	0.72	14	15	-4	Buy	Scot Wid UK Smaller Coys	Medium	+9%	0.83	55	35	-1
	Scot Wid UK Growth	Medium	+1%	0.95	6	14	-6		Stan Life UK Smaller Cos	Medium	+6%	0.74	32	31	-3
	Smith & Williamson UK Equ Gth	Low	+5%	0.86	17	30	0		Threadneedle UK Mid 250	High	+4%	0.78	36	26	-2
	Smith & Williamson UK Equ Inc	Low	+2%	0.84	4	19	-6		Threadneedle UK Smaller Cos	Medium	+4%	0.75	39	34	1
	Stan Life TM UK Equity General	Medium	+4%	0.75	11	17	-6	Buy	Unicomb UK Smaller Coys	Very Low	+11%	0.60	48	50	-1
Buy	Stan Life UK Equity Gth	High	+4%	0.90	8	19	-6		UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS						
	Stan Life UK Equity High Alpha	High	+12%	0.79	27	25	-3	Buy	Aberdeen Sm Coy High In	Medium	+12%	0.63	28	5	
	Stan Life UK Equity High Inc	Medium	+6%	0.93	19	22	-4	Buy	Aberforth Smaller Coys	Very High	+9%	0.71	52	50	-1
Buy	Stan Life UK Equity Recovery	Very High	+12%	0.71	30	-2		Buy	Blackrock Smaller Coys	High	+11%	0.65	43	47	-9
Buy	Stan Life UK Ethical Trust	Medium	+11%	0.87	36	26	-4	Buy	Chelverton Growth Trust	Very Low	+17%	0.14	82	26	-4
Buy	Stan Life UK Opportunities	Low	+8%	0.57	13	32	-3	Buy	Dunedin Smaller Coys IT	Medium	+8%	0.47	46	23	-6
	TU British	Medium	-0%	0.86	-3	13	-7	Buy	Henderson Opportunities	Very High	+13%	0.54	61	61	4
Buy	Templeton Growth	Medium	+8%	0.79	15	25	-4	Buy	Henderson Smaller Cos	Very High	+12%	0.75	68	40	-1
Buy	Threadneedle American Ex Alpha	Low	+9%	0.67	26	13	-8	Buy	Invesco Perp UK Smaller	Medium	+8%	0.74	49	31	-2
Buy	Threadneedle UK	Medium	+8%	0.65	18	17	-15	Buy	JPM Smaller Coys	Very High	+8%	0.79	47	42	-1
Buy	Threadneedle UK Equity Alpha	Medium	+7%	0.86	20	20	-4	Buy	Montanaro UK Small Coys	Medium	+4%	0.66	28	23	-2
Buy	Threadneedle UK Equity Income	Very Low	+7%	0.40	39	42	13	Buy	SVM UK Emerging Fund	Very Low	-4%	0.08	-15	42	-2
	Threadneedle UK Growth & Inc	Low	+6%	0.91	20	19	-5	Buy	Schroder UK Mid & Small	Very High	+12%	0.80	68	49	-4
	Threadneedle UK Property	Very Low	-4%	0.01	-6	12	-3	Buy	Std Life UK Small Coys	Medium	+7%	0.57	35	35	-5
	Threadneedle UK Select	Medium	+5%	0.92	17	19	-5	Buy	The Mercantile IT plc	Very High	+3%	0.79	27	32	-3
	UBS UK Equity Income	Low	+5%	0.92	18	19	-5		EUROPE						
Buy	UBS UK Opportunities	Low	+7%	0.85	19	-5		AUSTRALIAN BASED UNIT TRUSTS							
Buy	Unicomb Outstanding British	Very Low	+9%	0.62	20	-5		BT Europe Growth	Low	+4%	0.81	12	15	4	
Buy	Unicomb UK Income	Very Low	+13%	0.30	35	32	-2	Buy	Platinum Europe	Very Low	+2%	0.49	3	14	4
	Vanguard FTSE UK All Share	Medium	+4%	0.98	15	-5		UNITED KINGDOM BASED UNIT TRUSTS							
Buy	Vanguard FTSE UK Equity Index	Low	+7%	0.94	16	-5		Buy	AXA Framlington European	Medium	+7%	0.80	20	20	-4
	Vanguard FTSE UK Equity Index	Medium	+3%	0.97	15	-5		Buy	AXA Rosenberg European	High	+1%	0.95	24	2	
	Virgin UK Index Tracking	Medium	+1%	0.96	3	12	-6	Buy	Aberdeen European Growth	Medium	+1%	0.87	3	9	-4
								Buy	Aberdeen Global European	Low	-0%	0.64	11	-4	
Buy	3i Group	Very High	+14%	0.56	17	32	-3	Buy	Allianz Cont European	Medium	+4%	0.84	17	10	-5
Aviod	Aurora Invest Trust	Very Low	-14%	0.26	-43	12	-8	Buy	Allianz Europe Equity Growth	Low	-0%	0.70	12	-4	
	British American IT	Very Low	+3%	0.15	4	24	-20	Buy	Allianz European Equity Income	Low	+4%	0.88	26	-2	
	British Assets	Medium	-1%	0.83	-9	8	-8	Buy	Artemis European Growth	High	+8%	0.91	15	28	-2
	City Merchants High Yld	Very Low	-2%	0.39	-4	20	-2	Buy	Artemis European Opportunities	Low	+5%	0.81	23	-4	
	Dunedin Income Growth	Medium	+4%	0.82	6	10	-7	Buy	Aviva European	Medium	+5%	0.92	22	-2	
	F & C Capital & Income	Low	+1%	0.82	2	10	-9	Buy	BG Europe	Medium	+8%	0.93	22	20	-3
Buy	F & C Managed Port Gth	Very Low	+7%	0.36	21	25	0	Buy	Barclays Europe (ex-UK) Alpha	Medium	+7%	0.77	30	-1	
Buy	Fidelity Special Values	Medium	+15%	0.68	43	40	-4	Buy	Baring Eastern Europe	Very High	-19%	0.53	-18	-20	
Buy	Finsbury Growth	Low	+12%	0.75	40	18	-5	Buy	Baring Euro Sel.	Medium	+8%	0.91	20	26	-2
	Hansa Trust	Very Low	-6%	0.31	-19	11	-1	Buy	Baring European Growth	High	+4%	0.94	7	25	-3
	Henderson High Income	Very Low	+6%	0.64	21	19	-4	Buy	Blackrock CIF Cont European	Medium	+3%	0.86	22	3	
	Independent Invest Trt	Very Low	+5%	0.45	11	22	-1	Buy	Blackrock Cont European Income	Low	+5%	0.85	26	-1	
	Invesco Income Growth	Very Low	+6%	0.75	26	17	-6	Buy	Blackrock Cont'l Europe	High	+7%	0.89	16	25	-2
Buy	Invesco Perp Sel UK	Very Low	+13%	0.32	26	1		Buy	Blackrock European Absolute	Very Low	+2%	0.01	12	-3	
Buy	JPM Claverhouse	High	+7%	0.87	17	28	-3	Buy	Blackrock European Dynamic	High	+8%	0.87	23	28	-1
Buy	JPM Mid Cap	High	+18%	0.76	64	50	0	Buy	Blackrock Global Emerg Europe	Very High	-19%	0.67	-13	-15	
	London & St Lawrence	Very Low	+6%	0.52	29	19	-5	Buy	Blackrock Global Euro Value	High	+7%	0.88	29	-1	
Buy	Lowland Investment Co	Medium	+17%	0.55	49	29	-7	Buy	CF Canlife European	High	+3%	0.92	3	25	-3
Aviod	Manchester & London	Medium	-16%	0.60	-43	-20	-9	Buy	CIS European	High	-0%	0.93	-7	13	-4
	Merchants Trust	Medium	+5%	0.79	8	24	-7	Buy	Cap Int European Gth & Inc	Medium	+3%	0.7	5	21	-5
	Murray Income Trust	Medium	+3%	0.88	8	9	-7	Buy	Cavendish Asia Pacific	Low	-6%	0.69	-7	-4	
	Schroder Income & Grwth	Medium	+5%	0.84	14	17	-7	Buy	Cavendish European	High	+2%	0.90	22	-1	
Buy	Schroder UK Growth	Medium	+11%	0.68	22	28	-11	Buy	F & C European 1	Medium	+7%	0.90	21	21	-5
	Shires Income	Low	+4%	0.70	15	12	-2	Buy	FF European Dynamic Growth	Very Low	+3%	0.72	12	-4	
Buy	Standard Life Eq Inc	Low	+7%	0.67	22	28	-3	Buy	Fidelity European	Medium	+3%	0.91	8	15	-3
Buy	Strategic Equity Cap.	Very Low	+22%	0.06	78	60	5	Buy	Fidelity European Opps	High	+2%	0.89	3	20	-3
Buy	Temple Bar Inv. Trust	Low	+7%	0.83	22	17	-7	Buy	GAM Star Cont European	Low	+5%	0.62	16	-4	
Buy	Value & Income Trust	Very Low	+11%	0.45	24	32	-4	Buy	GAM Star European Equity	Low	+3%	0.67	17	-4	
								Buy	GLG Cont Europe	High	+5%	0.93	26	-3	
								Buy	HSBC European Growth	Medium	-0%	0.81	-12	17	-4
								Buy	HSBC Eurotrack 100	High	+0%	0.91	-0	21	-3
								Buy	Halifax European	Medium	+2%	0.87	23	3	
Buy	AXA Framlington UK Small Coys	Low	+11												

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
Buy	JOHCM European Select Value	Low	+7%	0.87	19	4			Stan Life European Equity Inc	Low	+2%	0.83	12	4	
	JPM Europe	Medium	+4%	0.95	14	27	-2		Stan Life European Ethical	Medium	+4%	0.87	4	23	-4
Buy	JPM European Dynamic	High	+8%	0.92	24	38	-0		Stan Life TM European	Medium	+5%	0.77	8	20	-3
Avoid	JPM New Europe	High	-12%	0.71	-40	-18	-20		Stan Life TM Pan European	Medium	+5%	0.80	11	17	-4
Avoid	Jupiter Emerging European	Medium	-14%	0.69	-42	-17	-17		Threadneedle Euro (Ex UK) Gth	Medium	+2%	0.79	15	5	
	Jupiter European	Low	+6%	0.85	14	16	-3		Threadneedle Euro Growth	Medium	+3%	0.91	6	14	-5
	Jupiter European Growth	Very Low	+2%	0.63	16	3	-4	Buy	Threadneedle Euro Sel Growth	Low	+7%	0.81	24	13	-4
	Jupiter European Income	Medium	+3%	0.90	10	19	-4		Threadneedle Pan Euro Gth	Medium	-0%	0.50	-1	6	-3
	Jupiter European Opportunities	Low	+3%	0.71	17	5			Vanguard FTSE Dev Europe Index	Medium	+6%	0.64	36	-3	
Avoid	Jupiter New Europe	High	-17%	0.65	-17	-17			UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS						
	Kames European Equity	Medium	+3%	0.81	19	4			3i Infrastructure	Very Low	+1%	0.00	2	7	-4
	L & G Euro Index	High	+0%	0.95	-1	19	-3		Artemis Alpha	Very Low	-3%	0.05	-20	6	-4
	L & G European	High	+4%	0.88	9	28	-2	Avoid	Aurora Russia	Very Low	-16%	0.05	-55	-43	-14
	Lazard European Growth	Medium	+3%	0.91	8	20	-4	Avoid	Baring Emerging Europe	High	-12%	0.70	-41	-16	-20
	Legg Mason Cont European	Medium	+2%	0.93	6	22	-1		Blackrock Greater Euro.	Low	+5%	0.76	8	20	-2
	Liontrust European Growth	Medium	-1%	0.84	15	0		Buy	European Assets	Very Low	+13%	0.52	37	30	1
	M & G European	Medium	+4%	0.91	7	16	-4	Buy	Henderson Eurotrust	Low	+9%	0.79	25	28	-4
	M & G European Index Tracker	High	+3%	0.95	6	22	-3		JPM European IT	Medium	+4%	0.76	7	25	-0
	M & G European Strategic Val.	Medium	+3%	0.94	10	26	-3		JPM European IT	Medium	+6%	0.77	29	2	
	M & G Pan European	Medium	+1%	0.86	-1	11	-5	Avoid	JPM Russia	High	-14%	0.53	-48	-18	-24
	M & G Pan European Dividend	Medium	+3%	0.89	9	15	-5	Buy	Jupiter European Opps	Medium	+12%	0.69	41	20	-1
	Marlborough European	Low	+1%	0.81	22	3			The European IT	Medium	+6%	0.70	38	-3	
	Martin Currie European	Medium	+4%	0.93	8	22	-4		EUROPE SMALLER COS						
	Morgan Stanley Euro (ex UK)	Medium	+3%	0.94	11	25	-4		UNITED KINGDOM BASED UNIT TRUSTS						
	Neptune European Income	Low	+5%	0.83	15	4			Aberdeen European Small Coys	Low	+3%	0.78	7	13	-6
	Neptune European Opps	Medium	+4%	0.70	11	35	3		Henderson European Small Cos	Medium	+6%	0.79	12	37	1
Avoid	Neptune Russia & Gtr Russia	Medium	-13%	0.53	-47	-17	-26	Buy	Ignis European Small Coy	Medium	+13%	0.75	40	46	3
	Newton Continental European	Medium	+1%	0.93	4	21	-4	Buy	Invesco Perp Euro Smaller Cos	Medium	+7%	0.84	17	38	2
	Old Mutual European Equity	High	+5%	0.93	11	25	-4		JPM European Smaller Coys	Medium	+5%	0.88	6	40	-0
Avoid	Pictet Eastern Europe	High	-18%	0.49	-16	-19		Buy	Jupiter Euro Spec Sits	Medium	+6%	0.88	12	19	-5
Avoid	Pictet Russian Equities	Low	-16%	0.21	-18	-26		Buy	M & G European Smaller Coys	Medium	+8%	0.85	21	26	-3
	Royal London European Gth	High	+3%	0.82	5	21	-4	Buy	Schroder Euro Small Coys	Low	+7%	0.64	13	39	1
	Royal London European Income	Medium	-1%	0.79	-5	16	-5	Buy	Threadneedle Euro Small Cos	Very Low	+8%	0.77	24	17	-2
	SJP Continental European	High	+5%	0.89	12	34	1	Buy	Threadneedle Pan Euro Sm Coys	Low	+8%	0.81	25	19	-2
Buy	SJP Greater European Prog.	Medium	+9%	0.93	25	21	-3		UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS						
	SSGA Europe Equity Tracker	Medium	+3%	0.75	6	23	-3	Buy	Fidelity Euro V.	Medium	+5%	0.82	17	18	-4
Buy	SVM All Europe	Low	+7%	0.82	13	24	-4		JPM Euro Small Coys	Medium	+11%	0.50	17	49	1
	SVM Continental European	Medium	+4%	0.86	8	32	-2	Buy	Montanaro European SC	Very Low	+2%	0.47	11	0	
	SWIP European	Low	+4%	0.83	7	18	-6	Buy	TR European	Medium	+11%	0.58	21	55	2
Buy	Schroder European	Very Low	+8%	0.28	24	3			GERMANY						
	Schroder European Alpha	Low	+1%	0.75	-0	11	-7		UNITED KINGDOM BASED UNIT TRUSTS						
Avoid	Schroder ISF Emerging Europe	Medium	-12%	0.37	-12	-15			Baring German Growth	Medium	+3%	0.95	20	28	-5
	Schroder ISF European Equity	Medium	+2%	0.83	21	5									
	Scot Wid Euro Select Gth	Medium	+4%	0.86	6	19	-6								
	Scot Wid European Growth	Medium	+2%	0.91	4	20	-3								
Buy	Scot Wid HIFML European Strat.	High	+12%	0.93	32	0									
	Scot Wid HIFML European SS	Medium	+2%	0.79	11	5									
Buy	Scot Wid HIFML European Focus	Low	+8%	0.83	18	2									
	Smith & Williamson European	High	+6%	0.86	12	36	-1								
	Stan Life Euro Equity Gth	Medium	+5%	0.86	9	19	-3								

New Zealand's "Fair Dividend" Rate Tax

For New Zealand resident taxpayers, all international investments are subject to this tax, which assesses an "income" equal to 5% of the capital value of the investments held at the start of each tax year. Actual income distributions are not taxable.

Investors can also calculate their *Fair Dividend Rate* tax "income" using the *Comparative Value* method - which calculates the total return (Income plus/minus capital gains/losses). This will give a *lower* tax liability if the total return (in NZ dollar terms) is less than 5% and no tax liability if the return is negative over the year.

International stockmarkets generally increased in value over the last year and Pound Sterling rose 5.7% against the not quite as strong NZ dollar so most investors probably have a larger profit under the Comparative Value method.

So the "Fair Dividend Rate" tax based upon 5% of the starting value is probably the lowest option.

To calculate the potential "income" for the coming tax year (i.e. to 31 March 2015) for the payment of provisional tax, NZ investors can use the following table to calculate the market value of their international investments. The Fair Dividend Rate "income" will be 5% of the market value of your investments.

Fund	Market Value 1/4/2014
Fidelity European Values	£15.50
JPM Fleming European Small Coys	£11.94
Aberforth Smaller Companies	£11.31
Aberdeen Asian Smaller Companies	£8.20
HSBC Asian Fund	£0.9214
Henderson Asia Pacific Capital	£6.81
Scottish Oriental Smaller Coys	£7.32
Henderson China Opportunities	£7.00
First State Indian Sub-Cont.	£2.30
Baillie Gifford Shin Nippon	£2.985
Fidelity Japan Values	£0.675
Invesco Perp Japan Smaller Coys	£0.67
Baring Korea	£2.473
Aberdeen Emerging Markets	£5.16
Herald Investment Trust	£6.96
Private Equity Investor	£1.80
Clean Units:	
Henderson Asia Pacific Capital	£7.284
Henderson China Opportunities	£0.962
First State Indian Sub-Cont.	£1.1282
Invesco Perp Japan Smaller Coys	£3.0531
Aberdeen Emerging Markets	£5.4633

These prices can be converted from Pounds Sterling to NZ dollars at the exchange rate of 0.5112.

Company Review: Gresham Computing

(Continued from Page 2)

past tax losses of £6.8 million, so is unlikely to pay income tax in 2014 or 2015. The UK corporate income tax rate is currently 21%, dropping to 20% in April 2015.

A break-down of revenues reveals the growing impact of its new business. For the year, CTC revenues rose 1650% to £3.5 million (although off a low base of just £0.2 million in 2012). First half CTC revenues were £1.3 million, increasing to £2.2 million in the second half (i.e. up 70% over six months). That growth *could* see CTC revenues at least double or triple in 2014 to £7-10 million.

Other Real Time Financial Reporting revenues were up 16% to £8.0 million and other software revenues fell 22% to £2.5 million.

Cash at the bank was £4.4 million (7.2 pence per share) - boosted by the placement of 2.4 million shares at 125 pence (a 4% *premium* to the market price) in early December to raise £3 million to accelerate growth. The company is debt-free.

45% of revenues were earned in the UK and Europe, 47% in Australia and Asia Pacific and just 7% in North America.

Investment Criteria

At 129 pence, Gresham Computing shares trade on a Price/Sales ratio of 5½ and a Price/Earnings ratio of 30. That is an attractive valuation for a small company which is only just starting to generate meaningful revenues from a high quality, rapidly growing, niche software solution in a potentially very large market.

Other *established*, profitable software companies (e.g. Integrated Research, Prophecy International and Technology One) trade on P/S ratios of 3½-4½. Xero - whose revenue growth rate has slipped to 83% (i.e. far slower than Gresham Computing's CTC revenues) - trades on a P/S of 69 (and, unlike Gresham Computing, is unlikely to become profitable in the foreseeable future).

The issued capital (following the recent exercise of some executive options) consists of 62,958,478 shares. This values the company with a market capitalisation of just £81 million.

Directors and senior executives have some investment in the company. The CEO, C Errington, owns 782,268 shares (1.24% of the company) and the CFO, R Grubb, has 231,405 shares (0.37%). The Chairman, K Archer, owns 100,000 shares, while Non-Executive Director, M Royde, owns 42,472 shares directly and is associated with **Kestral Opportunities Fund** (i.e. as part owner of the management company and as an investor) which owns 5,307,854 shares (8.43%).

Herald Investment Trust plc - one of our current recommended funds - owns 3,868,774 Gresham Computing shares. That is worth £5.0 million or 0.7% of Herald Investment Trust's portfolio.

Gresham Computing shares are quoted at 126-130 pence. That is, "market-makers" will buy at 126 pence or sell at 130 pence. The "Exchange Market Size" is 2000 shares (i.e. the market-maker is obliged to quote to buy or sell up to 2000 shares), although larger quantities (e.g. a parcel of 5000 shares?) may be possible. For large trades your broker would need to contact the market-maker for a quote, which is likely to be worse.

Large purchases may therefore need to be broken down into a series of smaller trades with minimum brokerage (£10 through Charles Stanley Direct, maybe £100 through a NZ broker!) plus stamp duty at 0.5%.

Summary and Recommendation

While we are not formally recommending Gresham Computing, this company looks particularly interesting as it has developed a niche product (i.e. matching and reconciling financial transactions) in a very large market (i.e. needed by *many thousands* of companies), which is superior to existing internal solutions and with no competition. It is now marketing that solution.

The company is already cashflow positive and profitable. So Gresham Computing is a very high quality, emerging growth company whose shares are attractive for investors seeking capital growth.

The company sees its major risk as "timing of deal closure" and the "type and quantum of revenues from CTC". That is, not *whether* it can sell CTC, but *how quickly* and *how much* it can build revenues!

The major risk for investors in emerging growth companies is paying too much for the expected future growth, but Gresham Computing shares look to be moderately priced. We are not paying a huge premium for future growth. That future revenue and profit growth should therefore drive a similar growth in the share value.

Gresham Computing



Next Issue:

The next issue of *International Investor* will be emailed in five weeks time on **Monday May 12, 2014**.

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