

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	55%	Bullish	Bearish	Neutral	Neutral	-0.7%	-13.1%	-6.4%	5,403.03
Austria	52%	Bullish	Bearish	Bullish	Bullish	-3.1%	-21.4%	-30.5%	2,147.92
Belgium	58%	Neutral	Neutral	Bullish	Neutral	+0.1%	-8.5%	-4.1%	3,248.19
Canada	55%	Bullish	Bearish	Bullish	Bearish	-4.5%	-13.9%	-3.9%	14,384.92
Denmark	66%	Neutral	Neutral	Bullish	Neutral	+0.4%	-10.0%	+1.3%	752.65
Finland	62%	Bullish	Neutral	Bullish	Neutral	+0.3%	-10.1%	-9.8%	7,725.02
France	62%	Bullish	Bearish	Bullish	Bullish	-2.3%	-15.1%	-13.6%	3,231.04
Germany	62%	Bullish	Bearish	Bullish	Neutral	+2.9%	-13.1%	-11.8%	9,648.50
Ireland	56%	Bearish	Neutral	Bullish	Neutral	+7.0%	-4.2%	-6.2%	5,125.39
Italy	46%	Bullish	Bearish	Bullish	Neutral	-10.6%	-23.2%	-19.6%	19,331.68
Japan	81%	Bullish	Bullish	Bullish	Bullish	+2.1%	-3.0%	-5.0%	17,197.73
Netherlands	50%	Neutral	Bearish	Bullish	Bearish	-1.5%	-10.4%	-10.9%	415.59
New Zealand	50%	Bullish	Bullish	Bearish	Bearish	+2.3%	-5.8%	-0.8%	1,587.74
Norway	42%	Bullish	Bearish	Neutral	Bearish	-13.8%	-26.1%	-18.0%	624.47
Spain	45%	Bullish	Bearish	Bullish	Bearish	-11.1%	-20.6%	-19.0%	982.54
Sweden	64%	Bullish	Neutral	Bullish	Neutral	+1.4%	-10.4%	-8.6%	752.09
Switzerland	70%	Bullish	Bullish	Bullish	Bullish	+2.6%	-5.5%	-3.1%	9,105.70
Un. Kingdom	53%	Bullish	Bearish	Bullish	Bearish	-3.3%	-14.0%	-11.2%	6,501.14
USA	65%	Neutral	Bullish	Bullish	Bearish	+7.3%	+3.9%	+11.0%	2,044.81
Argentina	51%	Bullish	Bearish	Bearish	Bullish	-23.0%	-15.8%	+9.7%	7,842.03
Brazil	55%	Bullish	Bearish	Bullish	Bullish	-18.6%	-24.8%	-12.0%	48,840.25
Czech Rep.	50%	Bullish	Bearish	Bullish	Bearish	-8.8%	-16.4%	-20.9%	946.36
Chile	68%	Bullish	Bearish	Bullish	Bullish	-4.5%	-13.2%	-10.6%	18,608.54
China	67%	Neutral	Bullish	Bearish	Bullish	+36.8%	+60.5%	+59.1%	3,285.41
Greece	13%	Bearish	Bearish	Bearish	Bearish	-27.3%	-41.3%	-47.9%	779.56
Egypt	37%	Bearish	Bullish	Bearish	Bearish	-6.3%	+5.8%	+24.9%	8,946.34
Hong Kong	74%	Bullish	Neutral	Bullish	Bullish	+3.7%	+2.9%	+4.7%	23,919.95
Hungary	50%	Bullish	Bearish	Bullish	Bearish	-17.2%	-22.8%	-30.7%	16,222.75
India	67%	Bearish	Bullish	Neutral	Bullish	+2.9%	+6.0%	+30.9%	27,458.39
Indonesia	61%	Neutral	Neutral	Bullish	Bullish	+2.0%	-4.2%	+15.2%	5,216.67
Israel	51%	Bearish	Bearish	Bullish	Bullish	-6.9%	-9.0%	-6.0%	1,290.50
Korea	49%	Bearish	Bearish	Bullish	Bullish	-2.1%	-9.1%	-2.9%	1,924.70
Malaysia	40%	Bullish	Bearish	Bearish	Bullish	-12.5%	-17.7%	-13.0%	1,732.44
Mexico	42%	Bearish	Bearish	Bullish	Bearish	-9.9%	-13.3%	-11.3%	42,382.40
Philippines	67%	Neutral	Bullish	Neutral	Bullish	+3.1%	+4.1%	+25.7%	7,402.72
Poland	53%	Bullish	Bearish	Bullish	Bearish	-9.1%	-13.9%	-11.9%	52,065.88
Portugal	44%	Bullish	Bearish	Bullish	Bearish	-16.7%	-32.5%	-37.4%	2,079.67
Russia	40%	Bullish	Neutral	Bearish	Neutral	-27.7%	-44.4%	-44.8%	1,515.37
Singapore	67%	Bullish	Neutral	Neutral	Bullish	-0.9%	-5.7%	+0.7%	3,338.44
Sth Africa	50%	Bullish	Bearish	Neutral	Neutral	+0.6%	-10.9%	-0.4%	48,950.50
Taiwan	66%	Bullish	Neutral	Bullish	Bullish	-2.0%	-8.8%	+2.0%	9,215.58
Thailand	68%	Bullish	Bullish	Bullish	Neutral	-2.6%	-1.4%	+22.4%	1,529.42
Turkey	65%	Bearish	Bullish	Neutral	Bullish	+18.7%	+2.1%	+22.0%	87,648.35
Venezuela	60%	Bearish	Bullish	Bullish	Neutral	+39.6%	+86.0%	+44.3%	3,950.49

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:

Kulicke and Soffa Industries, Inc.

Kulicke and Soffa Industries (code KLIC).

One major investment theme over the next two decades will be the growth in the “Internet of Things” - and NASDAQ listed Kulicke and Soffa Industries could prove to be an indirect way to benefit from this trend.

The shares trade at a moderate valuation and its business generates strong cash surpluses, enabling it to repay debt and build up a very large cash holding over recent years. This is being used to finance Research & Development, acquisitions and a share repurchase.

The “Internet of Things”

The *Internet of Things* will connect all sorts of common devices and enable them to communicate and be controlled. There are many problems trying to invest in future technologies - and the biggest are that (1) the technologies that eventually become most successful and dominate this new market may not yet have been invented and (2) of the tens of thousands of companies that compete (and mainly fail) in this new market, the ultimate biggest winners may also not yet exist! How then can one invest in an emerging industry?

Even small devices in *The Internet of Things* will require semi-conductors, so one answer may be to invest in semi-conductor manufacturers and/or designers. This, however, is a capital intensive, cyclical and competitive business. Semi-conductor prices continue to fall rapidly, keeping pressure on profit-margins. (Some sectors are consolidating with the emergence of 3-4 larger suppliers. This move from being a highly competitive market to an oligopoly should reduce the boom bust cycles, produce more stable pricing, higher profit margins and less profit volatility. That, however, is another story.)

A better option may be to invest in a company that is the “dominant market leader” in the manufacture of specialised, precision equipment used to manufacture semi-conductors. Around 50% of all semi-conductors are manufactured on Kulicke and Soffa Industries' equipment, so this company should benefit from the growth in semi-conductor production, without direct exposure to the excess competition that depresses profit margins for manufacturers during cyclical downturns. This is the “picks and shovels” investment approach to investing in the “Internet of Things”.

Company History

Kulicke and Soffa Industries was formed in 1951 to develop automation equipment for a wide range of customers. In 1957 it won a contract to automate the “packaging” of transistor chips for **Western Electric**. As transistors were developed with government funding, their production needed to be licenced to other manufacturers, who also used Kulicke and Soffa Industries for “packaging”. The company went public in 1961 and listed on NASDAQ in 1971. In 2010, its corporate headquarters was moved from the United States to Singapore, as most of its customers (and 80% of sales) are in Asia. It has Technology Centres in Singapore, Pennsylvania, California, Switzerland, Israel

and China, Equipment Manufacturing in Singapore and China, plus Expendable Tool Manufacturing in China and Israel.

The company has emerged as the “dominant market leader” in wire ball bonders (with a global market share of 63% in 2013), wedge bonders (53% market share), wafer level bonders (83% market share) and Capillaries. Over 80% of semi-conductors require ball bonding, wedge bonding or stud bumping assembly processes.

Kulicke and Soffa Industries’ dominant position results from its development and introduction in 2009 of ball bonders using copper wire, instead of gold wire. Copper is significantly more difficult to use, but *much* cheaper, so Kulicke and Soffa Industries’ copper ball bonder technology now dominates the market - and this has significantly improved the company’s net operating cashflows and profitability.

In 2013, Kulicke and Soffa Industries estimates that 44% (i.e. 55,000) of 125,000 ball bonders produced globally were copper capable. By 2018, global production is estimated to grow to 165,000 ball bonders with 75% (i.e. 110,000) copper capable. Ball bonders can process thousands of chips per hour over a useful life of about seven years, so the company expects to start making replacement sales to customers from 2017 (as well as continued growth in the total number of machines in production around the world).

As advanced semi-conductors become more complex the number of wires attached has increased. Around 50% have less than 128 wires but more than 20% now have over 500 wires. This is considered the practical limit for ball bonders (costing about US\$70,000 each) so to connect a greater number of wires Kulicke and Soffa Industries has been seeking to develop “Advanced Interconnect Equipment” (costing around \$1 million each) since 2012. This equipment will involve “chip-to-substrate and chip-to-chip thermo-compression bonding” for “2.5D and 3D” semi-conductors of the future.

Kulicke and Soffa Industries has 450 engineers, with 80% focused on new product development, and invests heavily in Research & Development. It had two prototype advanced interconnect machines being tested by customers and in September 2014 revealed *APAMA C2S* (its first commercial advanced interconnect equipment model), at the **Semicon Taiwan** trade show.

The company has sophisticated and flexible manufacturing, based on “lean production principles”. Its “multi-sourced” supply chain seeks to reduce both risks and costs, with deliveries tied to factories daily build rate. This is still a volatile and cyclical business, so it has developed a highly flexible manufacturing workforce that can vary four-fold in number that scales to market demand for its products.

Customer relationships and distributor channels with semi-conductor manufacturers are also an important competitive advantage in this business. Kulicke and Soffa Industries has over (Continued on Page 8)

Recommended International Investment Funds

Portfolio Returns for 2014

Our international investment funds rose 5.0% (in NZ dollar terms) over the last year. That brings the three year gain up to 52.6%.

The largest gain was First State Indian Sub-Continent which rose 54.0%, with Henderson China up 19.6%. JPMorgan European Smaller Companies fell 16.2% (after a very strong return the previous year) and Herald Investment Trust was 7.9% lower.

Fund News

Private Equity Investor plc has sold its holding in **Crescendo IV, LP** for US\$1.27 million. This venture capital partnership was set up in 2000 to invest in early stage technology shares.

The sale price is a discount of 14% to net asset value of \$1.48 million, but the fund considers this acceptable as its own shares trade at a 19% discount to net assets. The fund is seeking to sell its investments "at favourable prices" to make periodic capital returns to shareholders.

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	46.4p	129.1	-5%	159.65p	308.9	+139
BUY	JPM European Smaller Cos	JESC	15/01/02	45.3p	153.2	-13%	202.63p	392.1	+156
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-6%	1079.0p	2087.8	+100
Asian Regional									
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	-5%	941.5p	1821.8	+635
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		95.01p	183.8	+73
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		774.2p	1498.1	+33
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-6%	841.75p	1628.8	+393
China									
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		885.6p	1713.6	+22
India									
HOLD	First State Indian Sub-Cont.	*	13/12/10	209.2p	442.0		341.94p	661.6	+50
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-3%	315.38p	610.3	+39
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-12%	72.88p	141.0	-56
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		66.01p	127.7	-30
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		259.2-274.8p	516.6	+147
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		548.09p	1060.5	+476
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-19%	670.75p	1297.9	+58
BUY	Private Equity Investor plc	PEQ	11/12/01	114.8p	393.9	-22%	187.5p	362.8	-8

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +139.0%. This is equal to an average annual rate of +10.4%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 16 current and 48 closed out) is +11.7%.

Other Shares

An alternative investment to those recommended above includes **Aberdeen Asian Smaller Companies Trust** 2019 convertible notes at 113.62 pence. **Fidelity Japanese Values** subscription shares are 4.12 pence.

"Clean" unit prices are: Henderson Asia Pacific Capital 836.4 pence, Henderson China Opportunities 123.4 pence, First State Indian Sub-Continent 168.66 pence, Invesco Perpetual Japanese Smaller Companies 197.27 pence and Aberdeen Emerging Markets 587.87 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
INTERNATIONAL															
AUSTRALIAN BASED UNIT TRUSTS															
Avoid	AMP FI International	Medium	-1%	0.78	43	9	3		M & G Global Growth	Medium	-1%	0.88	41	5	4
	Advance Int'l Share MB	Medium	-1%	0.69	35	6	3		M & G Global Leaders	Medium	-0%	0.94	37	1	-0
	Advance International	Low	-1%	0.35	44	6	1		Marlborough ETF Global Growth	Medium	-1%	0.76	42	11	3
	BT International	Medium	+2%	0.76	54	13	3		Marlborough Global	Medium	-1%	0.92	41	8	1
	Commonwealth Int'l Share	Very Low	+2%	0.08	36	7	2		Martin Currie Global Alpha	Medium	-1%	0.91	46	5	3
	Gold Sachs International	Medium	+0%	0.63	39	-5	-6		Martin Currie Global Equity	Medium	+0%	0.87	33	3	-1
	Invesco Global Matrix	Medium	-9%	0.45	3	-4	-6		Morgan Stanley Global Brands	Medium	+2%	0.76	43	12	5
	MLC Aust - Platinum Gbl	High	+1%	0.69	47	6	-2	Buy	NFU Mutual Global Growth	High	-6%	0.79	19	-4	-6
	MLC MKey Global Share	Medium	+0%	0.78	42	9	2		Neptune Global Equity	Medium	-4%	0.74	32	6	5
	Perpetual Fid. Intern'l	Medium	-2%	0.74	36	11	3		Newton Global Equity	Medium	+0%	0.91	10	4	
	Perpetual ICSav - Int'l	Medium	-2%	0.74	36	11	3	Buy	Old Mutual Global Equity	Medium	+7%	0.83	81	14	5
	Platinum International	Medium	-3%	0.66	31	0	-0		Pictet Global Megatrend	Medium	+4%	0.67	12	6	
NEW ZEALAND BASED UNIT TRUSTS															
	AMP International Share	Very High	+2%	0.65	59	15	3		Polar Financial Opportunities	Medium	+0%	0.71	6	1	
UNITED KINGDOM BASED UNIT TRUSTS															
Avoid	AXA Framlington Financial	High	+0%	0.83	57	4	5		Polar Global Insurance	Very Low	+10%	0.22	12	9	
	AXA Framlington Global Opps	High	+1%	0.82	42	8	5		R & M Global Equity	Medium	-1%	0.81	30	-5	-6
	AXA Rosenberg Global	Medium	+1%	0.97	49	11	3	Avoid	R & M Global High Income	Low	-5%	0.74	23	1	-1
	Aberdeen Ethical World	High	-3%	0.83	26	6	-3		R & M Global Opportunities	Medium	-3%	0.86	29	1	-0
	Aberdeen Global World Equity	High	-4%	0.80	6	3		Rathbone Global Opportunities	Medium	+1%	0.67	46	8	6	
	Aberdeen World Equity	Medium	-3%	0.83	24	5	-3		Royal B of S International Gth	Medium	+1%	0.83	45	8	1
	Aberdeen World Growth & Inc	Medium	-9%	0.72	0	-3	-6		SJP Global	Medium	+5%	0.88	62	11	5
	Allianz Global Eco Trends	Very High	-3%	0.80	31	-3	0		SJP Global Equity	Medium	-1%	0.96	8	1	
	Artemis Global Growth	High	+4%	0.94	69	17	4		SJP Global Equity Income	Medium	+5%	0.83	7	2	
	Artemis Global Income	Very High	+5%	0.61	12	1			SJP International	Very High	-20%	0.11	-59	12	7
	Artemis Global Select	Medium	-1%	0.83	9	6			SJP UK & International Income	High	+1%	0.85	4	-2	
	Aviva International Index	Medium	+1%	0.53	49	12	3		SJP Worldwide Opportunities	Medium	+2%	0.88	57	10	6
BG Global Alpha Growth	High	+1%	0.92	56	11	5	Buy	SVM World Equity	High	+4%	0.87	61	5	-1	
BG Global Discovery	High	+9%	0.49	4	3			Schroder Global Alpha Plus	Medium	+0%	0.78	47	7	3	
BG Global Income	Medium	-4%	0.90	19	3	-0		Schroder Global Equity Income	Medium	+2%	0.91	52	14	5	
BG International	High	+2%	0.91	54	12	5		Schroder Global Property Sec.	Low	-2%	0.34	35	12	4	
Barclays Global Core	Medium	-2%	0.92	9	2			Schroder ISF Global Eq. Alpha	Medium	-1%	0.80	9	6		
Baring Global Growth	Medium	-1%	0.91	39	10	4		Schroder ISF Global Eq. Yield	Medium	-2%	0.80	15	6		
Blackrock Global Equity	Medium	-3%	0.65	37	5	2		Scot Wid Environmental Inv	High	-0%	0.81	45	-0	1	
Blackrock Global Income	Medium	+0%	0.73	12	2			Scot Wid Global Growth	Medium	+0%	0.90	45	8	2	
CF Carlife Global Equity	Medium	+1%	0.93	10	4			Scot Wid Global Select Gth	Medium	+1%	0.86	45	-0	-3	
Cap Int All Country Equity	Medium	-2%	0.64	6	-2			Scot Wid Int Equity Tracker	Medium	+1%	0.84	49	11	3	
Cap Int Global Equity	Medium	+0%	0.64	8	-1			Scot Wid Stockmarket Gth	Medium	-1%	0.91	35	3	-2	
Cap Int Global Gth & Inc	Low	-1%	0.56	7	0			Smith & Williamson MM Global	Medium	-2%	0.82	37	5	-2	
Cler Med International	Medium	+2%	0.82	49	1	-2		Stan Life Global Equity Income	Medium	+1%	0.92	6	0		
Dimensional Int'l Value	Medium	+1%	0.86	55	9	1		Stan Life Global Equity Uncon.	High	+3%	0.89	59	10	1	
Dimensional International	Medium	+2%	0.89	54	11	3		Stan Life TM Global Equity	Medium	+3%	0.65	64	9	3	
F & C Int'l Heritage	High	+1%	0.88	51	3	-1		Threadneedle Global Ex Alpha	High	+3%	0.91	56	9	3	
Fidelity Global Consumer Ind	High	+1%	0.75	11	7			Threadneedle Global Select	High	+1%	0.93	48	8	3	
Fidelity Global Dividend	Low	+4%	0.66	12	4			UBS Global Optimal	High	+0%	0.96	48	7	1	
Fidelity Global Financial	High	-0%	0.75	9	4			Vanguard FTSE Dev World Index	Medium	+2%	0.96	57	13	3	
Fidelity Global Focus	Medium	+2%	0.95	50	9	2		Vanguard Global Small-Cap Ind.	High	+3%	0.85	8	4		
Fidelity Global Industrials	High	-6%	0.70	-4	-4			Virgin Climate Change	High	+1%	0.87	45	-1	-3	
Fidelity Global Spec Sits	Medium	+3%	0.92	67	14	5	Avoid	AUSTRALIAN LISTED INVESTMENT TRUSTS							
First State Global Infrastr.	Low	+3%	0.67	46	18	5		Platinum Capital	Low	+4%	0.20	54	6	-6	
First State Worldwide Equity	Medium	-4%	0.74	4	4			Templeton Global	Medium	+5%	0.46	70	-5	-4	
GAM Star Worldwide Equity	High	+0%	0.86	-0	-3			UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
Guinness Global Equity Income	Medium	-1%	0.77	7	3			Alliance Trust	Medium	-0%	0.88	39	5	2	
Guinness Global Money Managers	Very High	+10%	0.66	9	7			Ashmore Global Opps	Very Low	-23%	0.10	-39	-13	-14	
Halifax International	Medium	+2%	0.92	8	2			Brit Empire Securities	Medium	-6%	0.66	25	5	-3	
Henderson Global Care Growth	Medium	+2%	0.84	57	11	6		Brunner Invest. Trust	High	-0%	0.81	35	3	-3	
Ignis Global Growth	Very High	-1%	0.88	47	5	3		Caledonia	Very High	+5%	0.52	70	21	4	
Invesco Perp Global Equity Inc	Medium	+3%	0.90	49	6	1		EP Global Opportunities	High	+1%	0.59	40	3	-0	
Invesco Perp Global Equity	High	+2%	0.94	53	2	-1		Edinburgh Investment	High	+0%	0.65	39	7	5	
Invesco Perp Global Opport.	High	+3%	0.87	61	3	4		Edinburgh Worldwide	High	+2%	0.34	64	-5	-1	
Investec Global Dynamic	High	+2%	0.93	51	8	3		Establishment IT	Medium	-9%	0.36	11	-2	-3	
Investec Global Energy	Very High	-11%	0.59	-7	-17	-21	Buy	Foreign & Colonial	Medium	+0%	0.86	47	11	5	
Investec Global Equity	High	+1%	0.96	48	8	1		Invesco Perp Sel Global	Very Low	+4%	0.35	48	4	-0	
Investec Global Spec Sits	Medium	-1%	0.86	42	10	5		JPM Overseas	High	-2%	0.88	45	8	3	
JOHCM Global Select	High	+4%	0.80	63	14	2		Jupiter Primadona	Very High	+1%	0.59	57	2	-1	
JPM Global	High	+1%	0.91	52	12	3		Law Debenture Corp.	Very High	+2%	0.71	61	0	-1	
JPM Global Consumer Trends	Medium	-2%	0.87	42	9	3	Buy	Majedie Investment	Low	+8%	0.24	47	24	0	
JPM Global Equity Income	Medium	+2%	0.83	49	7	1		Martin Currie Portfolio	Medium	+2%	0.84	41	7	1	
JPM Global Financials	High	+1%	0.82	65	9	3		Monks Investment	Medium	-3%	0.64	27	1	3	
Jupiter Ecology	Medium	-0%	0.86	38	1	1	Avoid	Murray International	Very High	-6%	0.56	11	-4	-10	
Jupiter Financial Opps	High	-1%	0.83	51	2	2		New Star	Very Low	-6%	0.31	1	1	-6	
Jupiter Fund of Invest Trusts	High	-0%	0.87	42	6	-1	Buy	Pantheon International	Very Low	+11%	0.21	101	21	2	
Jupiter Global Equities	Medium	-3%	0.87	7	1			Personal Assets Trust	Very Low	-6%	0.57	4	7	1	
Jupiter Global Financials	High	-0%	0.78	-0	-0			RIT Capital Partners	Low	-3%	0.37	17	12	-0	
Jupiter Global Managed	Medium	+0%	0.95	49	7	4		Ruffer Investment Coy	Very Low	-8%	0.51	10	2	4	
Jupiter Int'l Financials	High	+3%	0.87	64	4	4	Avoid	Scottish American Inv.	High	-7%	0.75	22	-1	3	
Jupiter Merlin Worldwide	Medium	-2%	0.93	30	7	3	Buy	Scottish Mortgage & Tr	Very High	+10%	0.57	111	20	4	
Kames Global Equity	Medium	+1%	0.91	11	2			Secs Trust of Scotland	High	-4%	0.73	25	-3	-0	
L & G Global 100 Index	Medium	+3%	0.73	52	17	2		Witan Investment Coy	High	+5%	0.84	72	15	6	
L & G Global Environmental	Very High	+2%	0.73	3	-6			INTERNATIONAL SMALLER COS							
L & G International Index	Medium	+3%	0.88	56	15	3	Avoid	UNITED KINGDOM BASED UNIT TRUSTS							
L & G Worldwide	Low	-1%	0.79	3	-1			Invesco Perp Global Small Cos	Medium	-2%	0.87	58	5	2	
Lazard Global Equity Income	High	+0%	0.84	38	4	-2		Mclroy & Wood Smaller Coys	Medium	-3%	0.78	44	3	4	
Legg Mason Global Equity Inc.	High	+1%	0.87	42	2	-3		Santander Global Emerg. Shares	Medium	-11%	0.45	2	-5		
M & G Global Basics	High	-9%	0.84	5	1	-0		Stan Life Global Small Coys	Medium	-4%	0.71	1	-4	5	
M & G Global Dividend	Medium	+1%	0.85	41	2	-3	Buy	Stan Life TM International	Medium	+5%	0.70	76	16	6	
								UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
								F & C Global Small Cos	Low	+3%	0.81	69	5	2	
								Oryx Int'l Growth	Very High	+9%	0.55	112	17	12	

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth

UNITED STATES

UNITED KINGDOM

AUSTRALIAN BASED UNIT TRUSTS

UNITED KINGDOM BASED UNIT TRUSTS

	BT American Growth	Medium	-0%	0.73	64	17	7
	UNITED KINGDOM BASED UNIT TRUSTS						
	AXA Framlington American Gth	Medium	-2%	0.57	52	10	8
	AXA Rosenberg American	Low	+6%	0.66	22	8	
	Allianz US Equity	Medium	-2%	0.78	49	18	6
	Aviva US Equity Income	Medium	-0%	0.79	17	9	
	BG American	Medium	-2%	0.75	54	16	9
	Barclays US Alpha	High	-0%	0.84	20	10	
	Blackrock CIF Nth American	Medium	+2%	0.77	68	20	7
	Blackrock US Dynamic	High	-1%	0.84	64	19	8
	Blackrock US Equity Tracker	Medium	+1%	0.89	21	8	
	CF Canlife North American	Low	-2%	0.60	53	16	8
	CIS US Growth	Medium	+0%	0.73	69	21	8
	Cap Int US Gth & Inc	Medium	+1%	0.58	18	3	
	F & C North American 1	Medium	+1%	0.85	76	26	10
	Fidelity American	Medium	-2%	0.73	55	15	7
	Franklin US Opportunities	High	+0%	0.60	63	13	6
	GAM North America	Low	+0%	0.49	52	4	4
	GLG American Growth	High	-1%	0.73	61	13	7
Buy	HSBC American Index	Medium	+0%	0.86	66	19	8
	Halifax North American	High	+7%	0.46	23	8	
	Henderson US Growth	Medium	-0%	0.72	61	15	5
	Ignis American Growth	Medium	+0%	0.73	68	20	11
	Invesco Perp US Equity	Medium	+1%	0.74	64	16	3
Avoid	Investec American	High	-7%	0.78	48	18	8
	JPM US Select	Medium	+3%	0.73	82	22	9
	JPM United States Growth	Medium	+1%	0.82	72	21	9
	Jupiter North America	Low	-0%	0.72	53	16	7
	Kames American Equity	Medium	-0%	0.85	16	6	
	L & G US Index	Medium	-0%	0.92	65	19	7
	Legg Mason US Equity	Medium	+1%	0.73	69	19	6
	Legg Mason US Equity Income	Very Low	-0%	0.64	16	7	
	M & G American	Medium	-1%	0.82	61	16	9
	M & G North American Value	Medium	+2%	0.80	75	20	6
	Martin Currie North American	Medium	-1%	0.79	64	18	8
	Neptune US Income	Low	+1%	0.77	52	17	7
	Neptune US Opportunities	High	-2%	0.59	58	8	4
	Old Mutual North American	Low	+5%	0.60	82	22	9
	Polar North American	Low	+3%	0.64	17	9	
	SJP North American	Medium	+2%	0.77	73	21	8
	SSGA North America Eq Tracker	Low	+1%	0.72	67	20	7
	Santander Premium US Equities	Low	+4%	0.67	76	20	7
	Scot Wid American	Medium	+1%	0.86	63	17	7
	Scot Wid HIFML US Focus	Medium	-1%	0.79	65	18	8
	Scot Wid HIFML US Strategic	Medium	+1%	0.69	71	24	9
	Smith & Williamson North Amer.	Low	-1%	0.77	53	14	7
	Stan Life America	High	+0%	0.75	76	21	9
	Stan Life TM North American	Medium	+1%	0.71	73	21	8
	Threadneedle American Gth	High	+1%	0.87	65	17	6
	Threadneedle American Select	High	-1%	0.80	59	12	4
	UBS US Equity	Medium	-0%	0.74	68	21	8
	UBS US Growth	High	+1%	0.66	71	17	6
	Vanguard US Equity Index	Medium	+1%	0.90	72	19	7

	AXA Framlington Blue Chip	Medium	+5%	0.77	36	-2	-2
	AXA Framlington Equity Income	Low	+4%	0.64	37	-5	-4
	AXA Framlington UK Growth	Medium	+4%	0.75	34	-5	-1
	AXA Framlington UK Select Opps	Medium	+4%	0.65	35	-5	-1
	AXA General	High	+3%	0.81	28	-5	-8
	Aberdeen Global UK Equity	Medium	-0%	0.79	-4	-4	
	Aberdeen Responsible UK Equity	Medium	+2%	0.83	28	-3	-3
	Aberdeen UK Equity	Medium	+1%	0.85	25	-4	-3
	Aberdeen UK Equity Income	Medium	+3%	0.85	-1	-3	
	Aberdeen UK Mid-Cap	Low	+6%	0.63	57	-3	2
	Allianz UK Equity Income	Medium	+2%	0.79	27	-4	-2
	Allianz UK Growth	Very Low	+5%	0.72	41	-1	-3
	Allianz UK Index	Medium	+4%	0.93	36	1	-2
	Allianz UK Unconstrained	Very Low	+8%	0.61	56	-1	-4
Buy	Artemis Capital	Medium	+10%	0.68	62	-0	-3
Buy	Artemis UK Growth	Low	+7%	0.60	52	-0	-1
Buy	Artemis UK Special Sits	Low	+7%	0.71	51	-1	-4
	Aviva UK Equity	Medium	+2%	0.75	-2	0	
	Aviva UK Equity Income	Low	+5%	0.72	32	-2	-1
	Aviva UK Growth	Medium	+2%	0.79	41	-2	1
	Aviva UK Income & Growth	Medium	+1%	0.83	26	-1	0
	Aviva UK Index Tracking	Medium	+0%	0.91	25	-2	-4
	BG UK Equity Alpha	Medium	-1%	0.60	29	-12	0
	Barclays UK Alpha	Medium	+8%	0.82	2	-1	
Buy	Barclays UK Alpha S2	Medium	+8%	0.81	2	-1	
	Barclays UK Core	Medium	+2%	0.90	-3	-3	
	Barclays UK Equity Income	Low	+5%	0.88	4	-1	
	Barclays UK Equity Income S2	Low	+7%	0.86	4	-1	
	Barclays UK Opportunities	Low	+6%	0.76	-0	-0	
	Baring UK Growth	High	+2%	0.90	34	-1	-1
	Blackrock 100 UK Tracker	Medium	+2%	0.94	0	-3	
	Blackrock Growth & Recovery	Very Low	+9%	0.28	69	-3	-1
	Blackrock UK	Medium	+3%	0.75	37	-0	0
	Blackrock UK Absolute Alpha	Very Low	-4%	0.00	9	6	-0
	Blackrock UK Focus	Low	+4%	0.75	4	1	
	Blackrock UK Income	Medium	+4%	0.85	7	1	
	Blackrock UK Special Sits	Medium	+4%	0.78	38	-6	0
	Blackrock US Opportunities	Low	+9%	0.45	66	18	8
	CIS UK FTSE-4-GOOD Tracker	Medium	+3%	0.89	37	1	-2
	CIS UK Growth	Low	+4%	0.75	42	-0	1
	Cavendish North American	Very Low	+6%	0.43	49	16	6
	Cavendish UK Select	Medium	+7%	0.72	54	-4	-3
	Cler Med FTSE 100	Low	+3%	0.83	30	-0	-3
	Dimensional UK Core Equity	Low	+5%	0.62	43	1	-2
	Dimensional UK Value	Low	+4%	0.57	42	-6	-5
	F & C FTSE All Share	Medium	+1%	0.90	25	-2	-4
	F & C UK Equity 1	Medium	-2%	0.69	17	-5	-3
	F & C UK Equity Income	Medium	+2%	0.91	29	0	-2
	Fidelity Special Situations	Medium	+9%	0.74	66	-2	-2
	Fidelity UK Growth	High	+4%	0.77	42	1	-2
	GAM UK Diversified	Low	+9%	0.70	63	2	-3
	GLG UK Select	Medium	+8%	0.65	59	5	0
	HSBC FTSE 100 Index	Low	+3%	0.78	32	0	-3
	HSBC FTSE 250 Index	Medium	+7%	0.67	60	1	2
	HSBC FTSE All Share Index	Medium	+1%	0.88	26	-2	-4
	HSBC UK Freestyle	Medium	+4%	0.80	40	-0	-0
	HSBC UK Gth & Inc	Medium	+1%	0.77	30	-1	1
Buy	Halifax Ethical	Very Low	+7%	0.52	11	5	
	Halifax Special Situations	Medium	-2%	0.83	-9	-4	
	Halifax UK All-Share Index	Medium	+3%	0.34	35	-1	-3
	Halifax UK Equity Income	Medium	+4%	0.87	-1	-2	
	Halifax UK FTSE 100 Index	Medium	+2%	0.91	29	-1	-4
	Halifax UK Growth	Medium	+2%	0.92	35	-1	-4
	Henderson Global Care UK	Medium	+5%	0.77	50	3	1
	Henderson UK Absolute Return	Very Low	+1%	0.52	27	4	-1
	Henderson UK Alpha	Low	+1%	0.43	31	3	1
	Henderson UK Equity Income	Very Low	+6%	0.49	52	-3	-4
	Henderson UK Strategic Income	Very Low	-1%	0.30	21	-0	-1
	Henderson UK Tracker	Low	+3%	0.71	29	-0	-3
	Invesco Perp High Income	Very Low	+3%	0.52	34	5	1
	Invesco Perp Income	Very Low	+4%	0.58	34	5	-2
Buy	Invesco Perp Income & Growth	Low	+7%	0.81	51	4	1
Buy	Invesco Perp UK Aggressive	Medium	+13%	0.71	87	-3	-2
Buy	Invesco Perp UK Growth	Medium	+11%	0.81	71	0	-0
Buy	Investec UK Alpha	Medium	+12%	0.75	79	7	1
Buy	JOHCM UK Dynamic	Medium	+10%	0.80	71	2	-2
Buy	JOHCM UK Equity Income	Medium	+10%	0.83	63	1	-3
Buy	JOHCM UK Growth	Medium	+11%	0.75	79	5	-2
	JOHCM UK Opportunities	Low	+6%	0.76	41	3	-1
	JPM MultiManager Growth	Very Low	+3%	0.79	41	5	0
	JPM UK Active 350	Low	+5%	0.75	42	2	-2
	JPM UK Dynamic	Medium	+8%	0.81	54	1	1
	JPM UK Focus	High	+5%	0.39	43	11	13
	JPM UK Managed Equity	Medium	+4%	0.93	40	1	-2
Buy	JPM UK Strategic Equity Income	Medium	+6%	0.90	48	-0	-2
Buy	JPM UK Strategic Growth	Medium	+9%	0.80	54	1	0
	JPM US Equity Income	Very Low	+10%	0.29	64	20	10
	Jupiter Growth & Income	Medium	+6%	0.82	43	-2	-3
Buy	Jupiter UK Alpha	Very Low	+7%	0.61	55	3	-0
Buy	Jupiter UK Growth	Medium	+11%	0.69	85	7	5
	Jupiter UK Special Situations	Low	+6%	0.76	46	1	-1
Buy	Jupiter Undervalued Assets	Medium	+10%	0.64	75	7	5
	Kames UK Equity	Medium	+3%	0.78	2	1	
	Kames UK Opportunities	Medium	+5%	0.63	1	2	

United States



UNITED STATES SMALLER COS

Buy	AXA Framlington UK Mid Cap	Very Low	+8%	0.22	4	2	
	F & C US Smaller Coys	Low	+1%	0.74	56	8	7
Buy	Fidelity American Spec Sits	Very Low	+8%	0.62	88	27	11
	JPM US Smaller Companies	Medium	-3%	0.65	54	4	10
	Legg Mason US Smaller Coys	Low	-4%	0.65	38	5	3
	Schroder US Small & Mid Cap	Very Low	+0%	0.75	54	17	9
	Schroder US Smaller Coys	Low	-1%	0.81	54	15	10
	Threadneedle Amer Small Cos	Low	+3%	0.68	72	18	7
	UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS						
	JPM US Smaller Coys	Medium	+3%	0.62	87	7	14

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	L & G Ethical	Medium	+5%	0.83	47	0	0
	L & G Growth	Low	+1%	0.59	27	-1	1
	L & G UK 100 Index	Medium	+4%	0.90	29	-0	-3
Buy	L & G UK Alpha	Very Low	+7%	0.22	49	-1	-5
	L & G UK Equity Income	Low	+4%	0.78	35	-5	-2
	L & G UK Index	Medium	+1%	0.83	24	-3	-4
Buy	L & G UK Spec Sits	Medium	+7%	0.43	55	-3	-2
	Lazard UK Alpha	Medium	+4%	0.86	-1	-1	
Buy	Lazard UK Omega	Medium	+8%	0.82	62	4	1
	Legg Mason UK Equity	Medium	+3%	0.83	39	4	1
Buy	Liontrust Special Situations	Low	+7%	0.69	44	-0	-2
	Liontrust UK Growth	Low	+4%	0.71	32	-0	-2
	M & G Dividend	Medium	+4%	0.78	38	1	-2
	M & G Index Tracker	Medium	+3%	0.90	36	-0	-2
	M & G Recovery	Low	-2%	0.73	13	-9	-5
	M & G UK Growth	Medium	+5%	0.82	42	1	-3
Buy	Majedie UK Equity	Medium	+7%	0.63	43	2	-1
Buy	Majedie UK Focus	Medium	+11%	0.72	71	7	2
	NFU Mutual UK Equity Inc.	Very Low	-0%	0.52	22	-3	-3
	NFU Mutual UK Growth	Low	+1%	0.67	25	-5	-3
Buy	Neptune UK Opportunities	Low	+9%	0.75	61	0	0
Buy	Old Mutual UK Equity	Medium	+9%	0.68	56	2	-2
	R & M UK Equity Income	Low	+4%	0.53	36	-4	-3
Buy	R&M UK Equity	Very Low	+7%	0.43	55	-0	-2
Buy	R&M UK Equity High Alpha	Very Low	+10%	0.29	-3	-3	-5
Buy	R&M UK Equity Long Term Rec.	Low	+13%	0.32	89	-7	-7
	Rathbone Blue Chip	Very Low	+1%	0.56	29	1	-1
	Rathbone Recovery	Very Low	+3%	0.29	38	-7	-2
	Royal B of S Equity Income	Low	+2%	0.55	34	-2	1
	Royal B of S FTSE 100 Tracker	Low	+2%	0.70	29	-0	-3
	Royal B of S Growth	Low	+5%	0.56	43	0	1
	Royal London FTSE 350 Tracker	Low	+4%	0.58	37	1	-2
	Royal London UK Equity	Low	+4%	0.67	38	2	-1
	Royal London UK Growth	Very Low	+4%	0.40	37	1	-3
	Royal London UK Opportunities	Very Low	+6%	0.42	44	1	-1
	SJP Equity Income	Low	+5%	0.75	47	0	-3
	SJP Ethical	Low	+1%	0.67	28	6	-3
	SJP UK & General Progressive	Low	+4%	0.86	35	2	-1
	SJP UK Growth	Medium	+6%	0.75	47	0	-0
Buy	SJP UK High Income	Low	+7%	0.70	47	8	-1
	SSGA UK Equity Tracker	Low	+4%	0.65	38	2	-2
Buy	SVM UK Growth	Medium	+8%	0.56	60	-2	3
Buy	SVM UK Opportunities	Medium	+8%	0.78	57	-3	-2
	Santander Equity Income	Very Low	-1%	0.45	20	1	1
	Santander Premium UK Equities	Very Low	+3%	0.55	31	-1	-2
	Santander Stockmarket 100	Low	+4%	0.61	31	0	-3
Buy	Schroder Income	Medium	+8%	0.75	65	4	1
Buy	Schroder Recovery Income	Medium	+10%	0.63	78	-0	-2
Buy	Schroder Specialist Value UK	Low	+11%	0.58	87	-0	-0
	Schroder UK Alpha Plus	Very High	+5%	0.36	48	-2	14
	Schroder UK Equity Acc	Medium	+5%	0.84	45	2	0
Buy	Schroder UK Mid 250	Low	+13%	0.49	81	-2	-1
Buy	Scott Wid HIFML UK Focus	Medium	+8%	0.85	58	0	-1
	Scott Wid HIFML UK High Income	Medium	+2%	0.88	33	-1	-2
Buy	Scott Wid HIFML UK Strategic	Medium	+11%	0.76	74	10	2
	Scott Wid UK All Share Track	Very Low	+4%	0.61	37	1	-2
	Scott Wid UK Growth	Medium	+1%	0.91	28	-2	-3
Buy	Smith & Williamson UK Equ Gth	Low	+7%	0.70	53	8	2
	Smith & Williamson UK Equ Inc	Medium	+2%	0.76	30	-2	-1
	Stan Life TM UK Equity General	Low	+4%	0.67	38	-2	-2
	Stan Life UK Equity Gth	Medium	+4%	0.84	37	-3	-2
Buy	Stan Life UK Equity High Alpha	Medium	+10%	0.67	76	1	-1
	Stan Life UK Equity High Inc	Medium	+6%	0.86	50	3	0
Buy	Stan Life UK Equity Recovery	High	+11%	0.55	78	-3	-5
Buy	Stan Life UK Ethical Trust	Low	+7%	0.64	61	-2	2
Buy	Stan Life UK Oppornties	Medium	+7%	0.46	70	-3	-2
	TU British	Medium	-1%	0.80	17	-9	-5
Buy	Templeton Growth	Medium	+7%	0.71	60	4	-1
Buy	Threadneedle American Ex Alpha	Very Low	+9%	0.48	63	14	5
	Threadneedle UK	Medium	+5%	0.51	43	-10	1
	Threadneedle UK Equity Alpha	Low	+6%	0.75	44	1	-3
Buy	Threadneedle UK Equity Income	Low	+8%	0.15	41	2	0
	Threadneedle UK Growth & Inc	Medium	+5%	0.78	42	-0	1
	Threadneedle UK Property	Very Low	-1%	0.07	17	13	0
	Threadneedle UK Select	Medium	+5%	0.84	43	3	0
	UBS UK Equity Income	Low	+4%	0.80	32	-3	-4
	UBS UK Opportunities	Medium	+4%	0.82	-3	-3	
Buy	Unicom Outstanding British	Very Low	+5%	0.29	51	-4	3
Buy	Unicom UK Income	Very Low	+7%	0.26	62	-7	-5
	Vanguard FTSE UK All Share	Medium	+4%	0.98	1	-2	
Buy	Vanguard FTSE UK Equity Index	Medium	+7%	0.93	43	1	-2
	Virgin UK Index Tracking	Medium	+1%	0.94	24	-2	-2

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	JPM Claverhouse	Medium	+6%	0.70	45	-1	1
Buy	JPM Mid Cap	Medium	+15%	0.46	110	1	5
	London & St Lawrence	Very Low	+6%	0.37	49	0	-0
Buy	Lowland Investment Co	Medium	+8%	0.48	67	-12	-7
Avoid	Manchester & London	High	-16%	0.50	-29	-20	-14
	Merchants Trust	High	+2%	0.84	29	-8	-6
	Murray Income Trust	Medium	+1%	0.79	23	-4	-2
	Schroder Income & Grwth	High	+5%	0.81	42	1	-1
	Schroder UK Growth	High	+2%	0.60	39	-19	-6
	Shires Income	Medium	+4%	0.64	42	3	0
	Standard Life Eq Inc	Very Low	+6%	0.36	60	3	4
Buy	Strategic Equity Cap.	Very Low	+23%	0.01	160	33	15
	Temple Bar Inv. Trust	Medium	+5%	0.85	39	-5	-5
	Value & Income Trust	Low	+6%	0.36	47	-3	-3

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Buy	Rights & Issues	Very Low	+14%	0.03	88	-6	-11
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United Kingdom



UNITED KINGDOM SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS							
	AXA Framlington UK Small Coys	Medium	+6%	0.60	76	-0	-5
	Aberdeen UK Smaller Coys	Low	+2%	0.70	61	-8	-3
Buy	Aberforth UK Small Coys	Medium	+7%	0.76	91	-0	-5
	Allianz UK Mid-Cap	High	+0%	0.61	63	1	5
	Artemis UK Smaller Coys	Very Low	+2%	0.65	50	-5	-4
	Aviva UK Smaller Companies	Medium	+5%	0.74	76	-3	-0
	BG British Smaller Coys	Medium	+3%	0.54	77	-5	3
Buy	Barclays UK Lower Cap	Medium	+7%	0.68	0	0	-2
	Blackrock Mid Cap UK Tracker	Very Low	+5%	0.35	3	2	
	Blackrock UK Smaller Coys	Medium	+1%	0.73	61	-6	-1
	Cavendish AIM	Low	+3%	0.39	51	-2	-6
	Cavendish Opportunities	High	+1%	0.72	60	-6	-5
	Dimensional UK Smaller Coys	Low	+6%	0.49	84	2	2
	F & C UK Mid-Cap	Low	+5%	0.54	83	8	6
Buy	F & C UK Smaller Companies	Medium	+7%	0.77	80	1	-1
Buy	Fidelity UK Smaller Companies	Medium	+9%	0.72	1	-3	
	Halifax Smaller Companies	Medium	+0%	0.55	-9	-2	
	Henderson UK & Irish Sm Coys	Low	+4%	0.61	66	-2	-5
	Henderson UK Small Coys	Medium	+6%	0.63	87	1	1
	Ignis Smaller Companies	High	-2%	0.43	43	-13	-7
	Invesco Perp UK Small Cos Equ.	Medium	+4%	0.69	69	3	1
	Investec UK Smaller Cos	Medium	+6%	0.55	76	-2	-4
	JPM UK Smaller Companies	High	+1%	0.82	64	-7	-5
	Jupiter UK Small Cos	Medium	+1%	0.72	56	-4	-3
	Kames UK Smaller Companies	Very Low	+1%	0.06	-3	1	
	L & G UK Small Coys	Low	+2%	0.60	57	-2	-2
	Lazard UK Smaller Companies	Medium	+3%	0.74	66	-0	-1
Buy	Liontrust UK Small Coys	Very Low	+10%	0.27	76	2	-3
	M & G Smaller Companies	Medium	-0%	0.68	60	-9	-3
	Marlborough Special Situations	Low	+6%	0.70	71	4	-0
Buy	Marlborough UK Micro Cap Gth	Low	+8%	0.40	74	1	-5
Buy	Neptune UK Mid Cap	Low	+9%	0.50	100	11	3
Buy	Old Mutual UK Mid Cap	Low	+9%	0.34	111	8	5
	Old Mutual UK Smaller Coys	Low	+5%	0.44	74	-1	-2
Buy	R & M UK Equity Small Coys	Medium	+13%	0.46	123	3	-2
	Royal London UK Mid-Cap	Very Low	+6%	0.30	80	5	3
	Royal London UK Smaller Coys	Very Low	+7%	0.32	79	5	1
Buy	Schroder UK Smaller Coys	Very Low	+5%	0.56	66	-4	-4
	Scott Wid HIFML UK Small Coys	Medium	+1%	0.69	64	-8	-1
	Scott Wid UK Smaller Coys	Medium	+1%	0.73	63	-10	-4
	Stan Life UK Smaller Cos	Low	-0%	0.52	55	-9	-1
	Threadneedle UK Mid 250	Medium	+2%	0.64	70	3	2
	Threadneedle UK Smaller Cos	Medium	+4%	0.65	68	2	-2
	Unicom UK Smaller Coys	Low	+6%	0.52	79	-4	-5

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	3i Group	Very High	+18%	0.45	148	15	13
	Aurora Invest Trust	Very Low	-6%	0.10	-2	-11	-11
	British American IT	Medium	+1%	0.22	29	-21	-2
	British Assets	High	-2%	0.83	17	-4	-2
	City Merchants High Yld	Very Low	+0%	0.25	29	3	-2
	Dunedin Income Growth	Medium	+1%	0.73	28	-4	-2
	F & C Capital & Income	Medium	+1%	0.78	22	-6	-4
	F & C Managed Port Gth	Very Low	+6%	0.31	58	4	-2
Buy	Fidelity Special Values	Low	+11%	0.35	84	-6	-4
Buy	Finsbury Growth	Medium	+9%	0.62	70	4	4
	Hansa Trust	Low	+1%	0.27	18	10	-7
	Henderson High Income	Low	+5%	0.61	53	4	1
Buy	Independent Invest Trt	Very Low	+7%	0.35	59	9	1
	Invesco Income Growth	Low	+6%	0.66	43	2	1
Buy	Invesco Perp Sel UK	Very Low	+10%	0.17	67	6	-1
	Montanaro UK Small Coys	High	-3%	0.60	44	-13	-7

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Avoid	SVM UK Emerging Fund	Very Low	-10%	0.05	-11	-17	-11
	Schroder UK Mid & Small	Very High	+4%	0.79	97	-10	-5
	Std Life UK Small Coys	High	-3%	0.41	52	-16	-1
	The Mercantile IT plc	Very High	-0%	0.69	69	-7	-2

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	Scot Wid HIFML European Strat.	High	+9%	0.83	78	5	1
	Scot Wid HIFML European SS	Very Low	+5%	0.22	48	7	-1
Buy	Scot Wid HIFML European Focus	Very Low	+8%	0.52	73	6	5
	Smith & Williamson European	High	+3%	0.75	58	-6	-1
	Stan Life Euro Equity Gth	Low	+5%	0.61	52	-2	-1
	Stan Life European Equity Inc	Low	+1%	0.54	33	-2	-0
	Stan Life European Ethical	Low	+4%	0.63	52	-2	-0
	Stan Life TM European	Low	+4%	0.53	50	-2	-2
	Stan Life TM Pan European	Very Low	+5%	0.54	53	1	-1
	Threadneedle Euro (Ex UK) Gth	Medium	+1%	0.77		0	2
	Threadneedle Euro Growth	Medium	+2%	0.77	48	-0	2
	Threadneedle Euro Sel Growth	Low	+5%	0.58	55	4	3
	Threadneedle Pan Euro Gth	Very Low	+5%	0.05	47	16	15
	Vanguard FTSE Dev Europe Index	Very Low	+6%	0.26	58	0	-2

EUROPE

AUSTRALIAN BASED UNIT TRUSTS

BT Europe Growth	Very Low	+3%	0.55	41	1	1
Platinum Europe	Very Low	+2%	0.12	33	-1	-0

UNITED KINGDOM BASED UNIT TRUSTS

AXA Framlington European	Medium	+3%	0.62	46	-8	-6	
AXA Rosenberg European	High	+1%	0.90	47	-1	-1	
Aberdeen European Growth	Low	+1%	0.68	31	-2	-2	
Aberdeen Global European	Medium	-0%	0.66		-2	-2	
Allianz Cont European	Low	+3%	0.55	47	0	3	
Allianz Europe Equity Growth	Low	+1%	0.56		4	3	
Allianz European Equity Income	Low	+5%	0.64	46	1	-2	
Buy	Artemis European Growth	Medium	+7%	0.75	63	-2	-4
	Artemis European Opportunities	Low	+5%	0.78		-0	1
	Aviva European	Medium	+5%	0.80	53	1	2
	BG Europe	Low	+5%	0.67	51	-2	1
Avoid	Barclays Europe (ex-UK) Alpha	Medium	+5%	0.75		-1	-2
	Baring Eastern Europe	Very High	-22%	0.26	-33	-22	
	Baring Euro Sel.	Low	+6%	0.66	66	0	4
	Baring European Growth	High	+2%	0.90	50	-3	-2
	Blackrock CIF Cont European	Medium	+3%	0.75	49	1	-1
	Blackrock Cont European Income	Medium	+6%	0.77		7	0
	Blackrock Cont'l Europe	Medium	+3%	0.75	51	-3	0
	Blackrock European Absolute	Very Low	+2%	0.17	10	-1	-1
	Blackrock European Dynamic	Medium	+6%	0.73	61	-1	-0
Avoid	Blackrock Global Emerg Europe	Very High	-18%	0.33		-19	-13
	Blackrock Global Euro Value	High	+6%	0.87		-1	-2
	CF Canlife European	Medium	-0%	0.74	39	-7	-2
	CIS European	Medium	+0%	0.78	36	1	1
	Cap Int European Gth & Inc	Low	+4%	0.35		5	1
	Cavendish Asia Pacific	Very Low	+0%	0.29	22	9	-2
	Cavendish European	Medium	-1%	0.71	37	-9	-1
	F & C European 1	Medium	+6%	0.77	63	-1	0
	Fidelity European	Medium	+3%	0.77	50	3	0
	Fidelity European Opps	Medium	+2%	0.76	43	-3	-2
	GAM Star Cont European	Low	+1%	0.51		-2	3
	GAM Star European Equity	Low	+1%	0.58		-2	2
	GLG Cont Europe	Medium	+6%	0.78	70	6	6
	HSBC European Growth	Medium	-2%	0.59	30	-2	3
	HSBC Eurotrack 100	Medium	+0%	0.76	38	-2	-2
Buy	Halifax European	High	+3%	0.86	1	-1	-1
	Henderson European Focus	Medium	+8%	0.76	64	4	-2
	Henderson European Growth	Low	+5%	0.65	52	4	4
	Henderson European Sel Opps	Medium	+6%	0.79	58	2	-2
	Henderson European Spec Sits	Low	+5%	0.66	54	1	2
Buy	Ignis European Growth	Medium	+4%	0.79	48	-3	-1
Buy	Invesco Perp Euro Equity Inc.	High	+9%	0.82	69	1	-2
Buy	Invesco Perp Euro Opp.	Medium	+7%	0.64	60	-4	-3
Buy	Invesco Perp European Equity	High	+8%	0.82	65	1	-3
	JOHCM All Europe Dynamic Gth	Medium	+1%	0.74		1	1
	JOHCM Cont European	High	+5%	0.84	55	2	-1
	JOHCM European Select Value	Low	+6%	0.73	53	2	1
	JPM Europe	Medium	+4%	0.89	56	1	-2
Buy	JPM European Dynamic	Medium	+8%	0.78	70	1	-1
Avoid	JPM New Europe	Very High	-14%	0.37	-13	-27	-16
Avoid	Jupiter Emerging European	Very High	-16%	0.44	-17	-26	-15
	Jupiter European	Low	+6%	0.59	61	5	4
	Jupiter European Income	Low	+3%	0.74	43	-3	-1
Avoid	Jupiter New Europe	Very High	-21%	0.36		-27	-18
	Kames European Equity	Medium	+1%	0.79		-3	-1
	L & G Euro Index	Medium	+0%	0.84	37	-2	-2
	L & G European	Medium	+4%	0.75	59	-0	0
	Lazard European Growth	High	+3%	0.83	47	-0	-1
	Liontrust European Growth	High	+0%	0.72	30	3	1
	M & G European	Medium	+3%	0.77	41	-2	-1
	M & G European Index Tracker	Medium	+3%	0.88	50	2	-1
	M & G European Strategic Val.	Medium	+3%	0.85	45	0	-2
	M & G Pan European	Low	-1%	0.65	25	-6	-1
	M & G Pan European Dividend	Medium	+3%	0.76	37	-1	-1
	Marlborough European	Very Low	+3%	0.42	36	-3	-6
	Martin Currie European	Medium	+4%	0.81	48	-4	-3
	Neptune European Income	Medium	+4%	0.65	34	-2	-4
	Neptune European Opps	High	+0%	0.64	26	-8	-8
Avoid	Neptune Russia & Gtr Russia	Very High	-20%	0.22	-37	-44	-29
	Newton Continental European	Medium	+1%	0.83	41	-3	-2
	Old Mutual European Equity	High	+5%	0.84	52	-1	-2
Avoid	Pictet Eastern Europe	Very High	-21%	0.31		-32	-22
Avoid	Pictet Russian Equities	Very High	-24%	0.17		-43	-31
	Royal London European Gth	Medium	+3%	0.68	44	-2	-3
	Royal London European Income	Medium	+0%	0.62	32	-3	-4
	SJP Continental European	Medium	+3%	0.70	51	-3	-0
	SJP Greater European Prog.	Medium	+6%	0.76	55	1	3
	SSGA Europe Equity Tracker	Low	+4%	0.52	49	2	-1
	SVM All Europe	Medium	+5%	0.70	50	-3	-2
	SVM Continental European	High	+5%	0.74	57	2	2
	Santander Premium Europe	Low	+4%	0.52	51	-2	-2
Buy	Schroder European	Low	+7%	0.50	1	0	0
	Schroder European Alpha	Low	-1%	0.52	24	-11	-6
Avoid	Schroder ISF Emerging Europe	High	-16%	0.23		-20	-13
	Schroder ISF European Equity	Medium	+2%	0.72		-3	-5
	Scot Wid Euro Select Gth	Low	+2%	0.61	39	-7	-2
	Scot Wid European Growth	Medium	+2%	0.74	42	-0	-1

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
3i Infrastructure	Very Low	+5%	0.06	28	14	7	
Artemis Alpha	Very Low	+0%	0.00	17	-4	-7	
Avoid	Aurora Russia	Very High	-49%	0.17	-74	-63	-38
Avoid	Baring Emerging Europe	Very High	-16%	0.36	-21	-32	-21
	Blackrock Greater Euro.	Medium	+2%	0.54	39	-7	-3
Buy	European Assets	Very Low	+10%	0.28	83	3	5
Buy	Henderson Eurotrust	Very Low	+9%	0.28	71	1	-4
	JPM European IT	Low	+5%	0.38	57	2	1
Buy	JPM European IT	Low	+7%	0.31	55	2	1
Avoid	JPM Russia	Very High	-22%	0.28	-38	-45	-30
Buy	Jupiter European Opps	Medium	+12%	0.41	103	7	5
Buy	The European IT	Very Low	+7%	0.27	58	2	-1

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

France



EUROPE SMALLER COS

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	Aberdeen European Small Coys	Very Low	+2%	0.42	35	-5	1
	Henderson European Small Cos	Medium	+4%	0.58	53	-4	-1
	Ignis European Small Coy	Medium	+9%	0.46	85	-3	1
	Invesco Perp Euro Smaller Cos	Medium	+6%	0.59	57	-4	-4
	JPM European Smaller Coys	Medium	+3%	0.56	49	-5	3
	Jupiter Euro Spec Sits	Medium	+4%	0.70	48	-2	0
	M & G European Smaller Coys	Low	+4%	0.51	52	-8	-2
Buy	Schroder Euro Small Coys	Very Low	+8%	0.36	64	0	1
	Threadneedle Euro Small Cos	Very Low	+6%	0.44	58	-0	3
	Threadneedle Pan Euro Sm Coys	Very Low	+6%	0.48	59	2	3

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Fidelity Euro V.	Medium	+5%	0.51	65	7	4	
JPM Euro Small Coys	Very Low	+5%	0.13	57	-10	1	
Montanaro European SC	Low	-0%	0.24	29	-14	-10	
Buy	TR European	Medium	+10%	0.26	90	-5	-5

GERMANY

UNITED KINGDOM BASED UNIT TRUSTS

Baring German Growth	Medium	+3%	0.87	62	-6	1
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Germany



Company Review

(Continued from Page 1)

300 sales, service and support staff localised in key markets.

At the end of September 2014, the company held US\$597 million in cash (US\$7.76 per share) and no interest bearing debt (and moderate lease obligations, just \$33 million).

This cash will help fund its R&D, protect the company from the cyclical nature of the semi-conductor business and is being used to finance a \$100 million on-market share repurchase.

Recent Results

The company has been consistently profitable since 2010 (after introducing its copper ball bonders), lifting revenues, profits and net operating cash flows (see Table 1 above). Kulicke and Soffa Industries has not paid a dividend, so these cash flows have enabled the company to repay all of its interest bearing debt and then build up a \$597.1 million (\$7.76 per share) cash holding.

Net profits peaked in the year to September 2012 at US\$160.6 million (\$2.17 per share) and revenues and profits have been lower over the last two years owing to the downturn in the semi-conductor industry.

Investment Criteria

At US\$14.45, Kulicke and Soffa Industries shares trade on a Price/Sales ratio of 1.96 and a Price/Earnings ratio of 14. That appears under-valued given the semi-conductor sector has been depressed over the last two years and owing to the large cash holding. Excluding this cash, the shares trade on a P/S ratio of 0.91 and a P/E ratio of 6¾.

The issued capital consists of 76,988,338 shares, giving a market capitalisation of US\$1112 million.

Kulicke and Soffa Industries invests heavily in Research and Development (which is expensed as incurred) to develop new products. In the year to September 2014, Research & Development rose 35% to \$83.1 million - equal to 14.6% of revenues. This puts the shares on a Price/Research ratio of 13. Excluding the cash holding, that would be 6. Kenneth Fisher (in *Super Stocks*) suggests buying "super companies" on a Price/Research ratio of 5-10.

Kulicke and Soffa Industries has also sought to grow through acquisition. In December 2014 it announced the acquisition of **Assembleon BV** for Euro 80 million (US\$98 million) in cash from **Koninklijke Philips NV** (i.e. Royal Philips, commonly known as Philips). Assembleon has annual revenues of around \$90 million from semi-conductor assembly equipment used in Automotive, Industrial/Power and Advanced Packaging. Philips began experimenting with surface mounted electronics and formed **Philips Electronic Manufacturing Technology** in 1981, which changed its name to Assembleon in 2001. This acquisition will add 15% to group revenues, but there should also be synergies in Research & Development and benefit to

Table 1: Financial Results: 2009-2014

	2014	2013	2012	2011	2010	2009
Revenues	\$568.6m	\$534.9m	\$791.0m	\$830.4m	\$762.8m	\$225.2m
Net Profit	\$77.1m	\$59.4m	\$160.6m	\$127.6m	142.1m	<\$63.6m>
Net Cash Surplus	\$82.5m	\$94.8m	\$182.5m	\$200.4m	\$85.8m	<\$53.5m>
Earnings per share	\$1.00	\$0.79	\$2.17	\$1.77	\$2.01	<\$1.02>
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil
Debt	Nil	Nil	Nil	\$105.2m	\$98.5m	\$92.2m
Cash	\$597.1m	\$525.0m	\$440.2m	\$384.6m	\$181.1m	\$144.6m
Research & Development	\$83.1m	\$61.6m	\$63.4m	\$65.1m	\$56.7m	\$53.5m

the Assembleon business from access to Kulicke and Soffa Industries' customers and distribution channels. Cash per share (after this acquisition) will be \$6.48.

In late August 2014, the company announced a \$100 million on-market share repurchase which would allow it to repurchase up to about 10% of its issued capital.

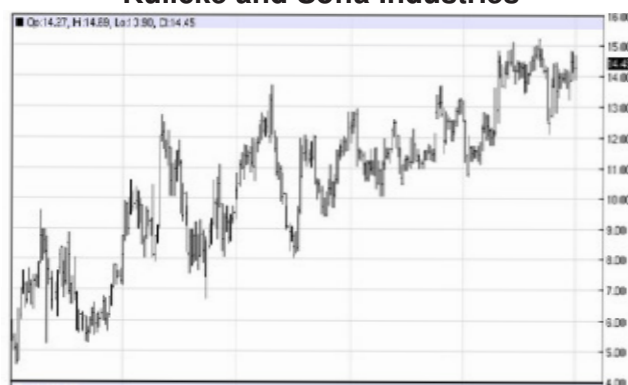
Summary & Recommendation

Kulicke and Soffa Industries shares look under-valued, trading on a low valuation and with a large cash holding equal to around 50% of the share price! The copper ball bonding technology has created a dominant position for Kulicke and Soffa Industries, capable of generating strong operating cashflows. This current business - and success at developing advanced interconnect equipment - should benefit from the long term growth in demand for semi-conductors and the growth of the "internet of things".

The recently announced share buy-back and acquisition may help to re-rate the shares in the short term - boosting revenues and earnings per share by around 25%. Repurchasing around 10% of the shares would lift revenues and earnings for the remaining shares by 10%, while the Assembleon acquisition should also add about 15% to revenues and probably a similar (but undisclosed) sum to operating cashflows and profits.

Kulicke and Soffa Industries shares offer a cash-rich, under-valued situation but should also be an attractive long term "buy and hold" for investors seeking an indirect investment in the "internet of things".

Kulicke and Soffa Industries



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