

International Investor

Issue No. 230

www.stockmarket.co.nz

February 9, 2015

Inside International Investor

Owners of equity capital to capture all of the benefits of future economic growth? 2

Investment Fund Survey: 4 - 8
New Zealand, Australia, Gold & Mining, Emerging Markets, Latin America, Far Eastern / Pacific, Hong Kong / China, Korea, Thailand, India, Japan, Technology

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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 _____	70%	Bullish	Bullish	Bullish	Neutral	-5.3%	-10.2%	-2.4%	5,749.06
Austria _____	64%	Bullish	Bearish	Bullish	Bullish	-5.9%	-14.0%	-27.2%	2,274.82
Belgium _____	65%	Neutral	Bullish	Bullish	Neutral	+2.6%	-1.4%	+1.3%	3,549.96
Canada _____	60%	Neutral	Neutral	Bullish	Bearish	-7.1%	-13.0%	-3.6%	15,083.92
Denmark _____	74%	Neutral	Bullish	Bullish	Neutral	-2.8%	-4.8%	-1.3%	793.48
Finland _____	79%	Bullish	Bullish	Bullish	Neutral	+4.1%	+0.4%	-1.6%	8,642.91
France _____	77%	Neutral	Bullish	Bullish	Bullish	+2.5%	-3.7%	-6.9%	3,617.63
Germany _____	70%	Neutral	Bullish	Bullish	Neutral	+6.1%	+1.6%	-3.2%	10,846.39
Ireland _____	68%	Bearish	Bullish	Bullish	Neutral	+5.6%	+4.5%	-3.6%	5,613.38
Italy _____	58%	Bullish	Neutral	Bullish	Neutral	-0.4%	-8.4%	-12.4%	22,092.77
Japan _____	74%	Neutral	Bullish	Bullish	Bullish	+0.6%	+2.3%	+4.8%	17,648.50
Netherlands _____	64%	Bearish	Bullish	Bullish	Bearish	+0.4%	-1.7%	-3.1%	454.69
New Zealand _____	44%	Bullish	Neutral	Bearish	Bearish	-4.7%	-6.9%	-5.5%	1,595.37
Norway _____	54%	Bullish	Neutral	Neutral	Bearish	-8.4%	-17.8%	-12.0%	660.20
Spain _____	54%	Bullish	Bearish	Bullish	Bearish	-5.1%	-12.5%	-13.6%	1,071.05
Sweden _____	75%	Bullish	Bullish	Bullish	Bullish	+0.8%	-0.8%	-1.9%	831.07
Switzerland _____	72%	Bullish	Neutral	Bullish	Bullish	+1.6%	+1.5%	+0.1%	8,587.99
Un. Kingdom _____	65%	Bullish	Bullish	Bullish	Neutral	+0.3%	-5.1%	-3.1%	6,853.44
USA _____	66%	Neutral	Bullish	Bullish	Bearish	+1.2%	+6.4%	+14.4%	2,055.47
Argentina _____	71%	Bullish	Neutral	Bullish	Bullish	-16.3%	+4.6%	+46.2%	9,008.58
Brazil _____	44%	Bullish	Bearish	Bearish	Bullish	-15.3%	-27.7%	-12.9%	48,792.27
Czech Rep. _____	53%	Bullish	Bearish	Bullish	Bearish	-8.2%	-12.5%	-19.3%	979.15
Chile _____	70%	Bullish	Neutral	Bullish	Bullish	-5.3%	-7.4%	-2.2%	19,216.59
China _____	63%	Neutral	Bullish	Bearish	Bullish	+24.7%	+38.2%	+46.1%	3,075.91
Greece _____	18%	Bearish	Bearish	Neutral	Bearish	-19.8%	-35.3%	-46.9%	803.36
Egypt _____	36%	Bearish	Bullish	Bearish	Bearish	-0.9%	+2.0%	+22.5%	9,965.43
Hong Kong _____	81%	Bullish	Bullish	Bullish	Bullish	+4.8%	+1.4%	+14.1%	24,679.39
Hungary _____	60%	Bullish	Bearish	Bullish	Bearish	-7.0%	-12.4%	-20.1%	17,339.13
India _____	64%	Bearish	Bullish	Bearish	Bullish	+2.5%	+12.2%	+41.8%	28,717.91
Indonesia _____	61%	Neutral	Bullish	Neutral	Bullish	+3.1%	-1.4%	+13.9%	5,342.52
Israel _____	52%	Bearish	Neutral	Bullish	Bullish	-3.2%	-7.6%	-3.7%	1,282.18
Korea _____	57%	Neutral	Bearish	Bullish	Bullish	+0.4%	-8.6%	+0.2%	1,955.52
Malaysia _____	56%	Bullish	Neutral	Neutral	Bullish	-6.1%	-10.7%	-5.7%	1,813.25
Mexico _____	46%	Bearish	Bearish	Bullish	Neutral	-12.7%	-13.6%	-5.8%	42,715.43
Philippines _____	67%	Bearish	Bullish	Bullish	Neutral	+8.8%	+12.0%	+31.0%	7,728.18
Poland _____	56%	Bullish	Bearish	Bullish	Bearish	-9.0%	-9.9%	-16.2%	52,417.42
Portugal _____	52%	Bullish	Bearish	Bullish	Bearish	-8.2%	-17.3%	-32.1%	2,315.10
Russia _____	42%	Bullish	Neutral	Bearish	Neutral	-18.0%	-29.5%	-38.1%	1,755.45
Singapore _____	71%	Bullish	Bullish	Neutral	Bullish	-0.5%	-3.4%	+6.8%	3,431.36
Sth Africa _____	63%	Bullish	Bullish	Neutral	Neutral	+1.7%	-4.9%	+10.3%	51,998.32
Taiwan _____	75%	Bullish	Bullish	Bullish	Bullish	+2.9%	-1.0%	+8.6%	9,456.18
Thailand _____	71%	Neutral	Bullish	Neutral	Neutral	+2.7%	+4.5%	+25.1%	1,613.63
Turkey _____	58%	Bearish	Neutral	Neutral	Bullish	-0.1%	-6.9%	+18.1%	84,987.42
Venezuela _____	55%	Bearish	Bullish	Bullish	Neutral	+21.2%	+69.1%	+30.0%	3,616.92

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

World Stockmarket Outlook

Future economic, political, technology and social changes are very difficult to predict. Predicting future stockmarket changes is even more difficult, especially as people get too caught up in the current situation, or current short term trend or current problem to see the bigger picture.

So an economic and stockmarket downturn is frequently predicted to get worse. In an economic and stockmarket boom the future is expected to get better and better. Presumably these forecasts are driven by an emotional reaction to the current environment creating either *fear* or *greed* which shapes future expectations. In both of these situations investors (and “experts”) “can't see the wood for the trees”.

So what can investors do about this?

Firstly, given that most investors will get stockmarket forecasting wrong, in most cases an investor would do better to avoid trying to time every fluctuation in the stockmarket (and getting many of them wrong!) and just “buy and hold” for the long term.

Even with all the uncertainty and wild fluctuations, the stockmarket is an excellent place to invest over the medium to long term. Historically stockmarkets have produced returns (from dividends and capital appreciation) of around 10% per annum.

So - even with no attempt to time stockmarket swings - a “buy and hold” investor could expect an average 2.6-fold return per decade. Perhaps turning \$10,000 into \$26,000 over 10 years isn't exciting enough for many people.

Invest over half a lifetime (say, 35 years) and at 10% per annum an investment compounds 28-fold. \$10,000 becomes \$280,000.

Of course, hopefully, when your grandparents were young they had the foresight to set up a multi-generational investment fund as over 100 years that 10% per annum return will compound 13,780-fold in value. \$10,000 would grow to \$137.8 million. Even \$100 would be worth almost \$1.4 million today.

Probably all of our grandparents lacked that foresight, but surely we all know better than to leave money sitting in the bank to be eroded by inflation?

Secondly, focusing upon unpredictable short term fluctuations can distract from considering long term trends. This newsletter believes that technology and globalisation will continue to transfer wealth from the providers of labour to the providers of capital. Over the last half a century, the real wages of unskilled people in developed countries has fallen as manufacturing jobs shifted to developing countries and/or were replaced by automation.

Over the next fifty years the real wages of skilled, educated workers will fall as these jobs are also outsourced (via the internet) to skilled, university

graduates in developing countries or replaced by “smart” computer applications (e.g. Accounting software, self-drive cars, nursing robots, etc.)

As real wages fall, the share of wealth creation going to the providers of labour will decline, while the share going to the providers of (equity) capital will increase.

Also, while there is today a large supply of highly educated workers, there is also a shortage of risk (i.e. equity) capital. Even when people have “money” they would rather own a rental house or cash in the bank than own “risky” equity shares.

Basic economic theory indicates that a large supply of skilled labour will drive down prices (i.e. wages), that the public's desire for safe bank deposits will keep interest rates low and that a shortage of capital will increase the rate of return on equity capital.

This supports our view on the transfer of income and wealth from labour to capital, especially to equity capital.

Historically, an economic recovery would involve new job creation and an increase in wage rates, but now you will often hear about a “jobless [economic] recovery” or “jobless [economic] growth”. Or that economic activity has risen but hourly wage rates have remained unchanged. Economists and writers will ponder this mysterious situation which doesn't fit with old ideas, but this is the impact of this shift in wealth from labour to capital.

The lack of growth in real wage rates will also impact government income transfers, with unemployment and retirement benefits often linked to wage rates (and indirectly - but importantly - to income tax receipts).

This shift *may* not be socially desirable. It will lead to further inequality in incomes and wealth. It may lead to significant social unrest at some stage in the future.

But this newsletter is not about seeking to impose its view of a future economic utopia upon society. It is about helping individuals to anticipate and adapt to future changes.

Our analysis here indicates that if you have money to invest that the best place to invest will probably be in equities. In fact, if you want to benefit from future economic growth the only way to do so is probably from owning equity capital, not from selling your skilled labour services in an ever more competitive market.

The owners of equity capital are likely to capture most of the future benefits of economic growth, while wage rates (even for highly skilled people) are likely to remain relatively steady in real terms.

Summary and Recommendation

Historically, stockmarkets have produced high rates of return and, for long term investors, significant wealth. In the future, rates of return from stockmarkets could be even higher. So owning a diversified portfolio of equity investments is more important than ever before.

Remain fully invested in the recommended equity funds.

Recommended International Investment Funds

Fund Report

Aberforth Smaller Companies Trust plc reported a 0.7% decline in net asset value over the year to 31 December 2014. This was slightly better than its benchmark UK smaller companies index which was down 1.9%.

An accounting change - to value shares at the bid price, rather than mid-market price - resulted in 0.4% of the reported drop in net assets. So consistent accounting over the period would have reported just a 0.3% decline.

The company will pay a final dividend of 17.0 pence on 5 March (ex-dividend 12 February), lifting the annual dividend rate 5.3% to 24.75 pence. That offers a small 2.3% income yield to investors.

Lower Fees

Fidelity European Values plc has agreed with its Fund Manager to remove its performance fee, effective from 1 January 2015.

The annual management fee is a flat 0.85% of net assets per annum.

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	-10%	171.45p	355.3	+175
BUY	JPM European Smaller Cos	JESC	15/01/02	45.3p	153.2	-13%	217.13p	449.9	+194
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-10%	1061.5p	2199.5	+111
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	-5%	925.75p	1918.3	+674
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		95.06p	197.0	+85
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		785.4p	1627.4	+45
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-4%	870.5p	1803.8	+446
China									
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		853.2p	1767.9	+25
India									
HOLD	First State Indian Sub-Cont.	*	13/12/10	209.2p	442.0		352.42p	730.3	+65
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-4%	323.5p	670.3	+52
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-13%	75.5p	156.4	-52
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		65.8p	136.3	-25
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		262.5-278.2p	560.2	+168
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		564.16p	1169.0	+535
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-18%	679.5p	1408.0	+72
BUY	Private Equity Investor plc	PEQ	11/12/01	114.8p	393.8	-21%	188.0p	389.6	-1

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +160.6%. This is equal to an average annual rate of +11.9%, 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 +12.4%.

Other Shares

An alternative investment to those recommended above includes **Aberdeen Asian Smaller Companies Trust** 2019 convertible notes at 115 pence. **Fidelity Japanese Values** subscription shares are 3¾ pence.

“Clean” unit prices are: Henderson Asia Pacific Capital 849.1 pence, Henderson China Opportunities 119 pence, First State Indian Sub-Continent 173.9 pence, Invesco Perpetual Japanese Smaller Companies 196.76 pence and Aberdeen Emerging Markets 605.43 pence.

Investment Fund Survey

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

NEW ZEALAND BASED UNIT TRUSTS

Buy	AMP NZ Share	Medium	+0%	0.45	71	25	11
	Fisher NZ Growth Fund	Very Low	+7%	0.29	75	13	5

NEW ZEALAND LISTED INVESTMENT TRUSTS

	Mid-Cap Index	Very Low	+5%	0.33	75	28	9
	TeNZ	Low	-4%	0.61	41	7	4

New Zealand



AUSTRALIA

AUSTRALIAN BASED UNIT TRUSTS

	AMP Blue Chip Trust	Very Low	-2%	0.25	2	0	-4
	AMP Equity Trust	Very Low	-2%	0.20	-1	-1	-5
	AMP FLI Aust	Very Low	-0%	0.54	7	1	-7
	AMP FLI Small Companies	Very Low	-0%	0.32	0	3	-8
	ANZ Equity Imputation Trt	Very Low	-0%	0.55	3	-0	-8
	ANZ Equity Trust No 1	Very Low	+0%	0.50	3	1	-8
	AXA Australia Industrial	Very Low	-6%	0.00	-13	-1	-5
	Advance Imputation Fund	Very Low	+1%	0.48	9	1	-8
	Aust Ethical Equities	Very Low	+5%	0.14	26	8	-4
	BT Australia	Very Low	+1%	0.43	8	3	-6
	BT Smaller Companies	Very Low	-6%	0.13	-13	-15	-11
	BT Spiit Trust Growth	Very Low	+6%	0.00	30	10	3
	Col First State Aust Sh.	Very Low	+1%	0.33	8	-1	-6
Avoid	Col First State Dev. Coys	Very Low	-12%	0.13	-26	-13	-10
	Col First State Future Ld	Very Low	-0%	0.23	-2	-5	-12
	Col First State Imput'n	Very Low	+1%	0.46	7	-0	-6
	Commonwealth Aust Share	Very Low	+3%	0.10	11	-0	-3
	Commonwealth Share Income	Very Low	+3%	0.06	11	-0	-3
	Gold Sachs Emerging Lead.	Very Low	+4%	0.37	17	14	-1
	Gold Sachs Leaders Trust	Very Low	-5%	0.17	-11	-6	-8
Buy	Hunter Hall Value Growth	Very Low	+8%	0.00	37	17	6
	MLC Aust Tr - Aust Share	Very Low	-1%	0.58	5	3	-5
	MLC Aust Trust - Index	Low	-1%	0.59	2	1	-6
Avoid	Macquarie Active Aust Equ	Very Low	-7%	0.08	-15	-1	-5
	NAFM Inv Trust - Div Imp	Very Low	-0%	0.13	4	-2	-7
	One Path Australia Share	Low	+0%	0.51	2	0	-9
	One Path Blue Chip	Low	-0%	0.59	3	-0	-8
Avoid	Parker Enhanced Leaders	Very Low	-12%	0.01	-32	-1	-5
	Perpetual ICSav - Aust	Very Low	-5%	0.15	-8	-13	-7
Avoid	Perpetual ICSav - Sm Coys	Very Low	-8%	0.04	-18	-19	-8
	Perpetual ICSav - Indust.	Very Low	-3%	0.04	-1	-13	-3

NEW ZEALAND BASED UNIT TRUSTS

	AMP Australian Shares	Very Low	+6%	0.01	20	18	2
	Fisher Australian Growth	Very Low	+4%	0.13	29	5	2

UNITED KINGDOM BASED UNIT TRUSTS

	Baring Australia	Medium	+2%	0.72		13	3
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AUSTRALIAN LISTED INVESTMENT TRUSTS

	Argo Investments	Very Low	+6%	0.37	27	8	-3
	Australian Foundation	Very Low	+4%	0.18	19	-0	-2
	Diversified United Inv.	Medium	+4%	0.40	22	-0	-5

NEW ZEALAND LISTED INVESTMENT TRUSTS

	Ozzy Tortis	Medium	+1%	0.80	12	7	-4
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Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance 36 mth	12 mth	3 mth
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Australia



GOLD & MINING

AUSTRALIAN BASED UNIT TRUSTS

Avoid	BT Natural Resources	Very High	-7%	0.79	-52	-7	-12
	Col First State Glb Res.	High	-3%	0.82	-35	-10	-10
	Gold Sachs Resources	Very Low	-6%	0.41	-33	-1	-5
Avoid	One Path Resources	Very Low	-7%	0.17	-17	-1	-5

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Allianz Global Agricultural	Very Low	+9%	0.29		25	4
	Artemis Global Energy	Low	-6%	0.39	-35	-26	-21
	Baring Global Agriculture	Very Low	+4%	0.15		19	7
	Baring Global Resources	Very Low	-1%	0.53		6	4
Buy	Blackrock Global New Energy	Very Low	+11%	0.46		9	5
	Blackrock Global World Energy	Very Low	+3%	0.33		-5	-7
	Blackrock Global World Agric.	Very Low	+4%	0.27		11	2
Avoid	Blackrock Global World Mining	High	-8%	0.74		-17	-7
	Blackrock Gold & General	Very High	-3%	0.68	-48	8	19
	CF Eclectica Agriculture	Very Low	+1%	0.15		15	9
Avoid	CF Ruffer Baker Steel Gold	Very High	-12%	0.69		-4	-16
	Carmignac Commodities	Very Low	+2%	0.61		13	2
	First State Global Agribus.	Very Low	+3%	0.21		19	12
	First State Global Resources	High	-0%	0.83	-34	-10	-10
Buy	Guinness Global Energy	Medium	+9%	0.51		-13	-13
Buy	Guinness Alternative Energy	Medium	+26%	0.25		-9	-7
	Investec Enhanced Nat Res	Very Low	-3%	0.52		-1	-2
	Investec Global Gold	Very High	-3%	0.67	-49	3	20
Avoid	JPM Natural Resources	Very High	-5%	0.83	-48	-18	-11
	MFM Junior Gold	Very High	-14%	0.63		-19	5
	MFM Junior Oils	Medium	-4%	0.24		-33	-37
	MFS Meridian Global Energy	Very Low	+3%	0.47		-3	-6
Avoid	Marlborough ETF Commodity	Very Low	-14%	0.22		-16	-9
Avoid	Oceanic Aust Natural Resources	Very High	-23%	0.59		-48	-30
	Pictet Agriculture	Very Low	+4%	0.14		16	7
Buy	Pictet Clean Energy	Very Low	+14%	0.42		12	9
Buy	Pictet Timber	Very Low	+7%	0.11		16	12
Buy	Pictet Water	Very Low	+10%	0.28		16	6
Buy	Premier Global Power & Water	Very Low	+10%	0.44		17	3
Avoid	SF Webb Capital Sm Cos Gold	Medium	-35%	0.33		-13	-3
	Smith & Williamson Global Gold	Very High	-1%	0.70	-52	0	12
Buy	WAY Charteris Gold Portfolio	Very High	+63%	0.39		113	14

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Blackrock Commodities	Medium	-2%	0.72	-30	-15	-9
Avoid	Blackrock World Mining	Very High	-9%	0.59	-54	-34	-12
Avoid	City Nat Res High Yld	Medium	-16%	0.41	-60	-23	-20

EMERGING MARKETS

UNITED KINGDOM BASED UNIT TRUSTS

	AXA Framlington Emerging Mkts	High	-3%	0.87	10	11	3
	Aberdeen Emerging Markets	High	+2%	0.92	18	21	4
	Aberdeen Global Em Mkts Sm Cos	High	+1%	0.84		22	2
	Aberdeen Global Emerging Mkts	High	-2%	0.91		21	4
	Allianz BRIC Stars	High	-1%	0.86	14	25	7
	BG Emerging Markets	Medium	+2%	0.87	22	20	6
	BG Emerging Mkts Large Cap	Medium	+0%	0.92	19	19	4
	Baring Dynamic Emerging Mkts	Low	-4%	0.92		14	4
	Baring Global Emerging Mkts	High	-0%	0.85		24	4
	Blackrock CIF Emerging Markets	High	+0%	0.97	17	23	3
	Blackrock Emerging Markets	Medium	+1%	0.95	18	18	3

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Cap Int Emerging Markets	Medium	-1%	0.85		11	1
	Dimensional Emerging Markets	Medium	+1%	0.92	18	21	4
	F & C Emerging Markets	Medium	-2%	0.93	15	19	2
	Fidelity Emerging E/M/E & A	Medium	+2%	0.79	31	16	3
Buy	First State Gbl E/Markets Sust	Low	+7%	0.86	55	23	7
	First State Global E/M Leaders	Medium	+4%	0.83	41	25	8
	First State Global Emerg Mkts	Medium	+4%	0.88	37	19	5
	Franklin MENA	Low	+1%	0.29		21	-1
	Henderson Emerging Markets Opp	Medium	-1%	0.92	20	20	4
	Invesco Perp Emerging Country	Medium	+2%	0.95	35	20	4
Avoid	Invesco Perp Emerging Euro.	Very High	-10%	0.60	-16	-20	-16
	JOHCM Emerging Markets	Medium	-1%	0.92	19	16	4
	JOHCM Global Emerging Markets	Medium	+2%	0.83		24	8
	JPM Emerging Markets	Medium	+0%	0.90	15	23	4
	Jupiter Global E/Markets	Medium	+2%	0.90	28	24	8
	L & G Global E/Markets Index	Medium	-0%	0.95	17	24	3
	Lazard Developing Markets	High	-5%	0.93	-5	7	-3
	M & G Global E/Markets	High	+1%	0.91	14	11	-1
	Marlborough E/Markets	High	-4%	0.94	-3	13	1
	Martin Currie Emerging Mkts	High	-4%	0.90	-2	11	1
	McInroy & Wood E/Markets	Medium	+1%	0.76	27	22	4
	NFU Mutual Global Emerging Mkt	High	-4%	0.85		8	-2
	Neptune Africa	Medium	+3%	0.83	28	19	2
	Neptune Emerging Markets	Medium	-4%	0.85	10	14	5
	Polar Emerging Markets Income	Medium	+1%	0.91		20	3
	Polar Emerging Markets Growth	High	+0%	0.95		20	4
	SJP Global E/Markets	Medium	+3%	0.87	34	22	5
	Schroder Gbl Emerging Mkts	Medium	-2%	0.93	13	17	4
	Scot Wid Emerging Markets	High	-2%	0.97	11	16	3
	Scot Wid HIFML E/Markets	High	-1%	0.50	6	12	1
	Stan Life Global Emerging Mkts	Medium	-1%	0.19		9	2
	Templeton BRIC	High	-4%	0.84		11	-0
Buy	Templeton Emerging Mkts Sm Cos	Low	+8%	0.70		32	9
	Templeton Frontier Markets	Very Low	+4%	0.25		5	-6
Avoid	Templeton Global E/Markets	High	-8%	0.84	-14	5	-5
	Threadneedle Global E/Markets	Medium	+1%	0.97	25	20	3
	UBS E/Markets Equity Income	Medium	+1%	0.59	14	17	2
	UBS Global Emerging Markets	High	-3%	0.93	5	22	5
	Vanguard Emerging Markets	High	+0%	0.96		19	4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Advance Developing Mkts	Medium	-2%	0.88	11	18	1
	Advance Frontier Mkts	Very Low	+8%	0.26	54	5	-9
	JPM Emerging Markets	Medium	+0%	0.84	19	23	3
	Templeton Emerging Mkts	High	-2%	0.79	3	16	-0

LATIN AMERICA

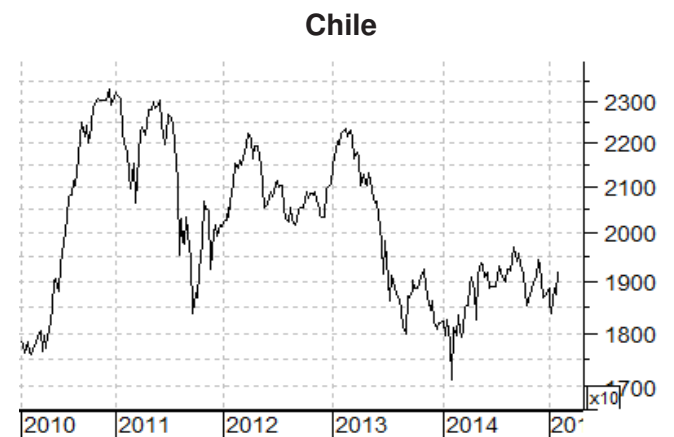
UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen Latin American	Medium	+4%	0.98	-16	3	-7
	Allianz Brazil	High	+1%	0.97	-26	7	-8
	BNY Mellon Brazil Equity	High	-1%	0.93		2	-9
	Blackrock Global Latin America	Medium	+4%	0.97		7	-9
	Fidelity Latin America	Medium	-0%	0.92		1	-11
	First State Latin America	Very Low	-0%	0.81	-4	4	-1
	Invesco Perp Latin America	Medium	+2%	0.97	-17	-1	-9
	Neptune Latin America	Medium	+1%	0.90	-15	-6	-12
	Scot Wid Latin America	Medium	+0%	0.96	-22	3	-7
	Templeton Latin America	Medium	-4%	0.94		-7	-11
	Threadneedle Latin America	Medium	+0%	0.98	-22	2	-10

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Aberdeen Latin America	Medium	-3%	0.87	-23	-0	-7
	Blackrock Latin Amer.	High	-1%	0.93	-29	1	-11
	JPM Brazil Inv Trt	High	-4%	0.88	-34	2	-5

Brazil



FAR EASTERN / PACIFIC (EXCL JAPAN)

NEW ZEALAND BASED UNIT TRUSTS

AMP Asian Shares	High	+1%	0.54	49	20	20
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UNITED KINGDOM BASED UNIT TRUSTS

AXA Rosenberg Asia Pacific	Medium	+1%	0.83		20	6
Aberdeen Asia Pacific	Medium	-0%	0.94	28	21	5
Aberdeen Global Asia Pacific	Medium	-4%	0.93		21	5
Aberdeen Global Asian Sm Coys	High	-2%	0.85		21	1
Allianz Tot Ret Asian	Medium	+1%	0.84	47	27	10
BG Developing Asia Pacific	Medium	+1%	0.84	38	19	5
BG Pacific	Medium	+6%	0.86	61	28	10
Baring ASEAN Frontiers	High	-4%	0.70		26	7
Baring East	Medium	-0%	0.85	41	33	16
Blackrock CIF Pacific (ex Jap)	Medium	-0%	0.88	32	17	3
CF Canlife Asia Pacific	Medium	+3%	0.74		16	4
F & C Asian Alpha	Medium	-2%	0.83		25	6
F & C Pacific Growth	Medium	-3%	0.94	30	26	7
Fidelity Asian Spec Sits	Medium	+3%	0.91		28	9

(Continued on Page 6)

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	Fidelity Emerging Asia	High	-3%	0.65	28	11	
	Fidelity Emerging Asia	High	+7%	0.67	51	20	
	Fidelity South East Asian	Medium	-1%	0.90	38	25	9
	First State Asia Pac Leaders	Medium	+4%	0.91	55	36	10
Buy	First State Asia Pacific Sust.	Medium	+11%	0.86	83	36	10
	First State Asia Pacific	Medium	+6%	0.88	64	38	9
	GAM Star Asia Pacific	Medium	+1%	0.66	10	7	
	GAM Star Asian Equity	Medium	+1%	0.64	9	7	
	HSBC Asia Growth	Medium	-6%	0.90	16	18	7
	HSBC Pacific Index	Medium	-3%	0.85	21	13	2
	Halifax Far Eastern	Medium	+0%	0.88	23	5	
	Henderson Asia Pacific Capital	Medium	-2%	0.89	40	24	7
	Henderson Asian Dividend	Medium	-4%	0.79	16	8	-1
	Ignis Pacific Growth	Medium	-0%	0.92	34	19	3
	Invesco Perp Asian	Medium	+1%	0.96	41	24	6
	Invesco Perp Asian Equity Inc	Medium	+1%	0.91	23	5	
	Invesco Perp Pacific	High	+3%	0.81	54	17	4
	Investec Asia	Medium	+2%	0.92	48	28	9
	JOHCM Asia (ex Japan)	High	+1%	0.87	29	12	
	JOHCM Asia (ex Japan) Small	High	+5%	0.77	37	12	
	JPM Asia	Medium	-3%	0.94	35	23	9
	Jupiter Asian	Medium	-1%	0.88	40	27	8
	L & G Asian Income	Medium	+4%	0.69	12	1	
	L & G Pacific Index	Medium	-2%	0.86	22	13	2
	M & G Asian	High	+1%	0.93	40	24	6
	Marlborough Far East Growth	Medium	-6%	0.90	16	22	5
	Martin Currie Asian Pacific	Medium	-3%	0.95	24	18	5
	Melchior Asian Opportunities	Medium	+4%	0.72	62	24	11
Avoid	Neptune South East Asia	High	-7%	0.81	23	6	
	Newton Oriental	Medium	-5%	0.91	15	16	4
	Old Mutual Asian Select	High	+3%	0.94	62	25	8
	SJP Far East	Medium	-0%	0.93	30	22	6
	SSGA Asia Pacific Eq Tracker	Medium	-2%	0.83	28	15	3
	Santander Premium Pac Basin	Medium	-1%	0.91	36	24	6
	Schroder Asian Alpha	Medium	-2%	0.93	26	8	
	Schroder Asian Income	Low	+4%	0.88	41	23	5
	Schroder Asian Income Max.	Low	+3%	0.91	37	19	4
	Schroder ISF Asian Total Ret.	Medium	-1%	0.88	25	7	
	Scot Wid HIFML Far Eastern	Medium	+1%	0.92	32	23	5
	Scot Wid Pacific	Medium	-1%	0.92	28	21	5
	Smith & Williamson Far Eastern	Medium	-1%	0.81	33	8	3
	Smith & Williamson Oriental	Medium	-3%	0.92	31	20	6
	Stan Life Asian Pacific	Medium	+2%	0.92	44	18	5
	Stan Life TM Pacific Basin	Medium	+1%	0.87	38	20	6
	Templeton Asian Growth	Medium	-4%	0.77	26	5	
	Threadneedle Asia Growth	Medium	-1%	0.96	39	27	7
	UBS Asian Consumption	Medium	-1%	0.84	28	16	7
	Vanguard Pacific (ex Jap)	High	-2%	0.79	17	2	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Aberdeen Asian Income	High	-3%	0.60	23	16	-3
	Aberdeen Asian Small Co	Very High	+1%	0.58	64	20	-5
	Aberdeen New Dawn	High	-3%	0.80	26	21	3
	Edinburgh Dragon Trust	High	-3%	0.87	30	25	5
	Fidelity Asian Values	High	+2%	0.80	42	27	5
	Invesco Asia	Medium	+1%	0.80	38	31	4
	JPM Asian	High	-4%	0.89	32	28	11
Buy	Pacific Assets	High	+9%	0.69	83	38	6
	Pacific Horizons	Medium	+2%	0.76	38	26	10
	Schroder Asia Pacific	Medium	+1%	0.84	41	34	9
	Schroder Oriental Inc.	Medium	+1%	0.78	35	23	1
	Scottish Oriental Sm Co	Very High	-0%	0.71	62	25	2

FAR EASTERN / PACIFIC (INCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS

	BT Asian	High	+0%	0.84	24	18	9
	Invesco Asian Growth	Very Low	-5%	0.62	-17	-1	-5

UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen Asian Pacific & Japan	Medium	+3%	0.90	32	21	5
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UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Henderson Far East Inc.	High	-0%	0.83	27	18	6
	Martin Currie Pacific	High	+1%	0.85	28	15	7
	Witan Pacific	High	+2%	0.90	36	17	7

HONG KONG / CHINA REGION

UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen Global Chinese Equity	Very Low	-5%	0.60	17	3	
	Allianz China Equity	Low	+6%	0.55	27	13	
	BG Greater China	Low	+4%	0.68	51	22	8
	Baring Hong Kong China	Low	+0%	0.67	24	12	
	Blackrock Global Asian Dragon	Very Low	+6%	0.58	27	10	
Buy	Fidelity China Consumer	Low	+7%	0.61	70	19	10
	Fidelity China Focus	Very Low	+4%	0.46	35	18	
	First State Gtr China Growth	Very Low	+4%	0.66	55	21	10
	Guinness China & Hong Kong	Low	+2%	0.52	19	11	
	HSBC Chinese Equity	Medium	-1%	0.64	34	28	14

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Henderson China Growth	Low	+3%	0.67	52	28	12
	Invesco Perp HK and China	Low	+6%	0.65	66	21	8
	Jupiter China	Medium	+2%	0.61	45	13	9
	Martin Currie China	Medium	+0%	0.80	41	24	9
	Neptune China	Medium	-2%	0.65	30	9	6
	Neptune Greater China Income	Very Low	+1%	0.76	43	22	8
	Pictet Greater China	Low	+0%	0.72	28	11	
	Schroder ISF Greater China	Low	+1%	0.73	30	12	
	Templeton China	Low	-6%	0.57	18	8	
Buy	Threadneedle China Opp.	Low	+7%	0.61	71	26	11

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Fidelity China Spec Sit	Low	+10%	0.37	91	34	13
	JPM Chinese	Medium	+4%	0.61	56	28	12

Hong Kong



China



Taiwan



KOREA

UNITED KINGDOM BASED UNIT TRUSTS

	Baring Korean	Medium	-1%	0.80	15	13	5
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Current Investment Fund Risk Superi- Market Performance
Advice Rating Rating Correla- tion 36 12 3
mth mth mth

Korea



THAILAND

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Aberdeen New Thai IT	Medium	+3%	0.64	82	38	7
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Thailand



INDIA

UNITED KINGDOM BASED UNIT TRUSTS

Aberdeen Global Indian Equity	Low	+6%	0.75	70	18	
Baring India	Medium	+6%	0.76	82	15	
Blackrock Global India	Medium	+4%	0.85	74	16	
Fidelity India Focus	Medium	+3%	0.89	73	15	
Buy First State India Subcontinent	Low	+13%	0.65	105	80	18
Franklin India	Low	+4%	0.86	79	17	
Jupiter India	Medium	+2%	0.70	65	80	19
Neptune India	Medium	+4%	0.87	66	76	16
Pictet Indian Equities	Medium	+4%	0.86	69	18	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy India Capital Growth	Very Low	+16%	0.05	106	104	30
Avoid Infrastructure India	Very Low	-48%	0.02	-76	-23	18
JPM Indian	Medium	+4%	0.79	72	87	23
Buy New India	Low	+8%	0.67	79	85	21

India



Current Investment Fund Risk Superi- Market Performance
Advice Rating Rating Correla- tion 36 12 3
mth mth mth

JAPAN

AUSTRALIAN BASED UNIT TRUSTS

Buy Platinum Japan	Medium	+8%	0.71	78	9	9
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UNITED KINGDOM BASED UNIT TRUSTS

AXA Framlington Japan & Gen.	Low	+4%	0.71	53	7	9
AXA Rosenberg Japan	Low	+3%	0.82		13	8
Aberdeen Global Japanese	Low	+4%	0.81		21	8
Aberdeen Japan Growth	Low	+4%	0.87	56	20	8
BG Japan	Medium	+5%	0.90	66	10	7
Baring Japan Growth	Medium	+2%	0.85	47	12	4
Blackrock CIF Japan Tracker	Medium	+2%	0.83	46	16	7
Blackrock Global Japan Value	Medium	+2%	0.76		8	2
CF Canlife Japanese Growth	Medium	-2%	0.81	35	2	6
Cap Int Japan Equity	Medium	+3%	0.84		9	2
Cavendish Japan	Medium	+0%	0.85	46	6	10
Fidelity Japan	Low	-2%	0.84	32	14	8
GAM Star Japan Equity	Medium	+0%	0.86		8	9
GLG Japan Core Alpha	Medium	+0%	0.79	44	9	6
HSBC Japan Index	Medium	-1%	0.92	39	13	8
Halifax Japanese	Low	+3%	0.91		13	8
Invesco Perp Japan	High	-1%	0.82	50	9	5
JOHCM Japan	Medium	+2%	0.81	48	7	7
JPM Japan Growth	Medium	+2%	0.78	59	15	14
Jupiter Japan Income	Medium	-2%	0.89	39	13	9
L & G Japan Index	Medium	-1%	0.91	39	12	8
Buy Legg Mason Japan Equity	Medium	+15%	0.31	129	3	9
M & G Japan & General	Medium	+2%	0.85	57	17	7
Martin Currie Japan Alpha	Medium	-4%	0.89	30	-0	2
Neptune Japan Opportunities	Very High	+5%	0.83	84	11	5
Old Mutual Japanese Select	Low	+3%	0.81	49	9	6
Pictet Japanese Equity Opps	Low	+5%	0.83		14	7
Polar Japan	Medium	+0%	0.76		5	7
Royal London Japan Growth	Low	+1%	0.84	44	15	6
SSGA Japan Equity Tracker	Low	+2%	0.76	45	15	10
Santander Premium Japan	Medium	-0%	0.86	38	14	8
Schroder Japan Alpha Plus	Medium	-5%	0.82	13	11	7
Schroder Tokyo	Low	+1%	0.86	39	17	7
Scot Wid HIFML Japanese	Low	-5%	0.56	14	14	8
Scot Wid Japan Growth	Medium	-1%	0.91	39	13	8
Stan Life Japanese	Medium	+1%	0.85	49	5	7
Stan Life TM Japan	Low	+2%	0.77	50	8	9
Threadneedle Japan Growth	Medium	-2%	0.89	35	7	6
Threadneedle Japan Growth	Medium	+2%	0.84		9	8
Vanguard Japan Stock Index	Medium	+3%	0.86	14	10	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy Atlantis Japan Growth	Low	+8%	0.55	76	8	7
JPM Japanese	Medium	+2%	0.72	65	8	10
Schroder Japan Growth	Medium	+5%	0.76	71	19	8

Japan



JAPAN SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Buy Aberdeen Global Japan Sm Coys	Low	+11%	0.74	76	28	12
Buy BG Jap Small	Low	+12%	0.65	92	11	9
Blackrock Global Japan Small	Medium	+6%	0.65		11	5
Fidelity Japan Small Coys	Medium	+4%	0.86	57	16	8
Henderson Japan Capital Gth	Medium	+1%	0.88	42	10	8
Invesco Perp Japan Small Coys	Medium	+4%	0.58	58	-3	5
Buy M & G Jap Small Cos	Low	+10%	0.75	84	21	8

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy B Gifford Shin Nippon	Very High	+14%	0.50	109	1	6
Buy Baillie Gifford Japan	Very High	+11%	0.75	114	10	11
Fidelity Japan Values	Very High	+2%	0.74	51	3	7
Buy JPM Japan Small Co	Medium	+7%	0.59	72	17	8

(Continued on Page 8)

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

TECHNOLOGY

AUSTRALIAN BASED UNIT TRUSTS

	CFS Global Health Biotech	Medium	+6%	0.73	135	35	16
	CFS Tech & Comms	Medium	-1%	0.66	90	21	8
Avoid	Platinum Intl Technology	Very Low	-8%	0.51	37	4	6

UNITED KINGDOM BASED UNIT TRUSTS

Buy	AXA Framlington Biotech	Very High	+9%	0.60	205	39	19
Avoid	AXA Framlington Glb Tech.	High	-9%	0.76	48	15	11
	AXA Framlington Health	Low	+3%	0.75	104	29	14
	Aberdeen Global Technology	Very Low	-5%	0.42		18	6
Avoid	Cavendish Technology	Medium	-7%	0.67	51	14	10
	Fidelity Global Health Care	Low	+6%	0.61		37	11
	Fidelity Global Technology	Very Low	+4%	0.24		29	11
	Fidelity Global Telecom.	Very Low	-4%	0.16		14	9
	GAM Star Technology	Medium	-3%	0.74		9	10
Avoid	GLG Technology Equity	Very High	-12%	0.83	58	15	15
	Henderson Global Technology	Medium	-4%	0.66	63	23	9
Buy	L & G Global Health & Pharm.	Low	+8%	0.58	125	45	11
	L & G Global Technology	Medium	+2%	0.52	82	41	9
	Pictet Biotech	Very High	+2%	0.60		33	18
	Pictet Digital Communications	Medium	-3%	0.71		17	9
	Polar Global Technology	Medium	-2%	0.70		18	9
Buy	Polar Healthcare Opportunities	Medium	+12%	0.65		28	12

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid	Herald Investment Trust	Medium	-9%	0.43	54	-2	7
Buy	International Biotech	Very High	+9%	0.44	222	72	34
	Polar Cap Technology	Medium	-4%	0.64	80	25	12
	Polar Global Healthcare	Medium	-4%	0.48	69	21	9
	Private Equity Investor	Very Low	-6%	0.13	33	6	2
Buy	The Biotech Growth Trt	Very High	+14%	0.59	281	54	27
Buy	World Healthcare Trust	Very High	+9%	0.66	168	51	16

Technology



Next Issue:

The next issue of *International Investor* will be emailed in four weeks time on Monday March 9, 2015.

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

INTERNATIONAL INVESTOR is published 12 times per year by Securities Research Company Ltd, 3/47 Boyce Ave, Mt Roskill, Auckland. Subscribe online at www.stockmarket.co.nz or email james@stockmarket.co.nz.

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