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 Latin America, Far Eastern / Pacific, Hong Kong / China,
 Korea, Thailand, India, Japan, Technology

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	60%	Bullish	Bullish	Neutral	Neutral	-0.6%	+1.4%	+2.2%	6,228.41
Austria	49%	Bullish	Bearish	Bullish	Bearish	-9.7%	-7.6%	+1.6%	3,326.45
Belgium	57%	Bullish	Bearish	Bullish	Neutral	-6.0%	-8.2%	-4.6%	3,818.94
Canada	55%	Bullish	Bullish	Bearish	Neutral	-0.6%	+3.9%	+4.7%	16,326.51
Denmark	56%	Bullish	Bearish	Bullish	Bullish	-6.0%	-3.8%	-4.8%	990.43
Finland	69%	Bullish	Neutral	Bullish	Neutral	-5.9%	-1.0%	+3.5%	10,063.59
France	60%	Bullish	Bearish	Bullish	Neutral	-6.5%	-0.9%	+3.6%	4,268.73
Germany	56%	Bullish	Bearish	Bullish	Bearish	-8.6%	-4.4%	-0.1%	12,424.35
Ireland	45%	Bullish	Bearish	Bullish	Neutral	-8.2%	-5.7%	-2.0%	6,681.97
Italy	45%	Bullish	Bearish	Bullish	Bearish	-15.7%	-10.8%	-4.4%	23,344.61
Japan	64%	Bullish	Bullish	Bullish	Neutral	-3.1%	+2.6%	+11.5%	22,298.08
Netherlands	62%	Bullish	Neutral	Bullish	Bearish	-4.3%	+1.2%	+5.2%	562.98
New Zealand	61%	Bullish	Neutral	Bullish	Bullish	-3.3%	-5.6%	-3.4%	1,743.50
Norway	74%	Bullish	Bullish	Neutral	Neutral	-3.0%	+10.0%	+20.2%	1,016.60
Spain	54%	Bullish	Bearish	Bullish	Neutral	-10.7%	-7.6%	-9.4%	971.33
Sweden	66%	Bullish	Bullish	Neutral	Bearish	-4.3%	+0.3%	+0.2%	1,050.13
Switzerland	53%	Bullish	Neutral	Bullish	Bearish	+0.9%	-1.8%	-1.8%	9,031.33
Un. Kingdom	62%	Bullish	Neutral	Neutral	Bullish	-6.4%	-0.2%	+3.0%	7,667.01
USA	52%	Bearish	Bullish	Bearish	Bearish	+3.9%	+8.2%	+16.1%	2,833.28
Argentina	31%	Bullish	Bearish	Bearish	Neutral	-29.1%	-39.0%	-24.6%	26,856.15
Brazil	48%	Bullish	Bearish	Bullish	Bearish	-16.3%	-19.3%	-6.0%	76,514.38
Czech Rep.	46%	Bullish	Bearish	Neutral	Bearish	-7.9%	-10.4%	+3.5%	1,073.40
Chile	32%	Neutral	Bearish	Neutral	Bearish	-12.4%	-12.0%	+4.9%	26,663.91
China	47%	Neutral	Bearish	Bullish	Bullish	-18.2%	-17.8%	-15.2%	2,795.31
Greece	30%	Bearish	Bearish	Neutral	Bearish	-13.5%	-16.4%	-12.8%	743.73
Egypt	52%	Bullish	Bullish	Bearish	Bullish	-8.1%	+5.7%	+18.2%	15,924.06
Hong Kong	31%	Bullish	Bearish	Neutral	Bearish	-8.9%	-4.3%	+5.1%	28,366.62
Hungary	40%	Neutral	Bearish	Bullish	Bearish	-10.3%	-15.2%	-10.7%	36,171.26
India	53%	Bearish	Bullish	Neutral	Bearish	+4.0%	+3.7%	+12.6%	37,869.23
Indonesia	45%	Bullish	Bearish	Neutral	Neutral	-1.8%	-12.2%	-2.9%	6,077.17
Israel	66%	Bullish	Bullish	Neutral	Bearish	+3.0%	+0.3%	+11.2%	1,421.08
Korea	36%	Bullish	Bearish	Bearish	Neutral	-13.0%	-7.3%	-0.4%	2,282.79
Malaysia	56%	Bullish	Neutral	Neutral	Neutral	-5.4%	-4.3%	+7.5%	1,805.75
Mexico	43%	Bullish	Neutral	Bearish	Bearish	+6.3%	-0.0%	-10.0%	48,383.59
Philippines	45%	Neutral	Neutral	Neutral	Neutral	-0.8%	-10.9%	-5.5%	7,804.98
Poland	35%	Bearish	Bearish	Neutral	Bearish	-8.2%	-13.8%	-8.9%	58,783.91
Portugal	87%	Bullish	Bullish	Bullish	Bullish	-0.7%	+5.7%	+10.8%	3,302.17
Russia	52%	Bullish	Bearish	Bullish	Bearish	-27.6%	-23.4%	-11.1%	1,056.93
Singapore	39%	Bullish	Bearish	Neutral	Neutral	-10.5%	-5.8%	-0.8%	3,284.78
Sth Africa	50%	Bullish	Bearish	Neutral	Neutral	-14.2%	-12.0%	-0.1%	57,703.02
Taiwan	71%	Bullish	Neutral	Bullish	Bearish	-2.0%	+1.0%	+5.0%	10,983.68
Thailand	38%	Bullish	Bearish	Neutral	Bearish	-7.4%	-9.1%	+8.9%	1,705.96
Turkey	29%	Bullish	Bearish	Bearish	Neutral	-37.4%	-50.3%	-51.1%	94,939.63
Venezuela	69%	Bearish	Bullish	Bullish	Bullish	+460.9%	+2764.2%	+59695.3%	111,771.10

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

The United States economic growth rate has been *accelerating* for eight consecutive quarters! That is a *very long* time. It is also an environment that strongly favoured Technology shares and other “growth” type investments. It is therefore not surprising that these shares have boomed over the last two years while other sectors (e.g. “value” investments) have been out of favour, neglected and are now looking under-valued.

It is now very likely that US economy growth rates will start to decline. Note that we are not suggesting *negative* growth and a recession, just *slower* and *declining* rates of positive economic growth. That, however, could have a significant impact on both “growth” stock valuations (i.e. negative) and “value” investments (i.e. positive).

Technology and other growth company investments have risen strongly both reflecting the impact of strong economic growth on their current revenues and profits, but also by the impact of the *accelerating* growth on *expectations* for high growth rates for their future revenues and profits.

And with all the hot money flowing into booming Technology and “growth” company shares, slower growing “value” company shares have fallen out of favour, under-performed and become under-valued.

With slower economic growth, Technology and “growth” investments will report *slower* revenue and profit growth over the next several quarters. Expectations for future growth will also be scaled back from current over-optimistic levels. Both factors could see stock valuations in these high growth sectors fall back significantly.

There could also be a “rotation”, with Utilities, Real Estate, Oil and other higher yielding “value” type investments likely to be re-rated higher over the next couple of years.

Global economic growth rates are already slowing. There are economic problems developing in China, and other Emerging Markets are also sensitive to slower growth.

Slower global economic growth is highly correlated

with US dollar strength. When global growth is accelerating, investors buy riskier global assets and sell US dollars and US investments. When growth slows, investors sell global assets and buy US dollars and US investments. This is the “safe haven” impact on the US dollar exchange rate - but it is not driven by political uncertainty or inflation but *changes in the rate* of global economic growth.

It is also likely that US interest rates will *fall* slightly over the next year - which would boost the value of higher yielding stocks - although the reasons for our interest rate view is a little counter-intuitive.

Currently there is a *very high expectation* that the Federal Reserve will raise interest rates *at least four times* (i.e. very aggressively raise rates) over the next year. That *widely anticipated* increase in the Federal interest rate is therefore likely to be *already fully reflected* in *market* interest rates (i.e. long term corporate bond and treasury bond rates). If the market has already priced in this expectation, then the actual Federal Reserve increases will have little or no impact on market interest rates . . . and if the economic growth rate slows then the Federal Reserve will likely raise rates *less* than is currently expected (i.e. perhaps only two or three times). If the actual Federal Reserve interest rates rise *less than currently expected* then market interest rates will eventually fall slightly to reflect this new information.

Summary and Recommendation

Investment management is not about wild swings from bullish one month to bearish the next, but about making small portfolio changes (or a series of small changes) as the outlook slowly evolves. Being fully invested in growth shares and emerging markets has been successful over recent years but it may be time to take a slightly more cautious approach for the immediate future.

Therefore we are recommending that investors reduce exposure to China and Emerging Markets, re-investing in lower risk US Property and US Utility “value” shares. This will also give us a US dollar exposure at a time when that currency is likely to appreciate in value.

Fund Recommendations: Redeem Janus Henderson China Opportunities

Redeem Janus Henderson China Opportunities Fund.

We recommend redeeming the units in Janus Henderson China Opportunities Fund to reduce our exposure to Chinese equities. This has nothing to do with tariffs but the deteriorating current economic performance as well as a changed political situation that creates higher risks and lower potential investment returns, making China less attractive for long term investment.

For over a decade, China has been building “ghost cities” that remained empty. This is driven by a number of factors. Local governments can acquire collectively

own rural land, rezone it as urban construction land and onsell to developers at up to 40 times the value! Developers are required to build within a very short time frame and cannot wait to pre-sell or until there is a demand for the apartments or offices being constructed. State owned banks provide the finance. Why does this work? Chinese local governments earn 40% of their revenues from land sales. The construction counts towards GDP growth and helps the local and central government meet its growth targets.

The only problem? This is not sustainable. Capital is tied up in unused,

(Continued on Page 4)

Recommended International Investment Funds

Share Repurchases and Sales

Fidelity European Values plc made seven trades on-market over the last four weeks to repurchase a total of 1,376,666 shares for £3,108,629.

Aberforth Smaller Companies Trust made three trades to buyback 189,000 of its own shares for £2,612,435.

Aberdeen Asian Smaller Companies repurchased 271,000 shares, in 12 trades, at a 15% discount to net asset value. The net asset value of these shares was about £3,337,000 but they were repurchased at market prices for just £2,836,921. That adds about £500,000 to the net assets of the remaining shares.

Scottish Oriental Smaller Companies made just one trade, repurchasing 400,000 shares (at a 14% discount) for £4,016,000.

Ballie Gifford Shin Nippon - whose shares traded at a 4-6% premium to net asset value - created 4,575,000 new shares which it sold on-market in 14 trades to raise an additional £9,118,013 for investment in smaller Japanese company shares.

Fidelity Japan Trust repurchased 250,000 shares on-market for £396,500.

Herald Investment Trust made two trades to buyback 438,515 of its own shares for £5,723,296. At a 14-15% discount to net assets, that adds about £1.0 million to the net assets of the remaining shares!

Current Advice	Investment Fund	EPIC Code	Initial Recommendation --- Date ---	Offer Price		Prem/ Disc to Net Assets	Recent Price		Gain or Loss %
				Foreign	NZ Cents		Bid-Offer or Last Sale	NZ Cents	
European									
HOLD	Fidelity European Values plc	FEV	13/05/03	46.4p	129.1	-12%	232.0p	450.2	+249
BUY	JPM European Smaller Cos	JESC	15/01/02	45.3p	153.2	-15%	394.0p	764.6	+399
United States									
BUY	iShares S&P500 Utilities	IUSU	13/08/18	422.3p	819.4		422.25p	819.4	
BUY	iShares US Property Yield	IUSP	13/08/18	2227.5p	4322.7		2227.5p	4322.7	
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-10%	1384.0p	2685.8	+158
Asian Regional									
HOLD	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	-15%	1060.0p	2057.1	+730
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		138.7p	269.2	+153
HOLD	Janus Hend Asia Pac Capital	*	08/08/00	342.2p	1122.6		1159.0p	2249.2	+100
HOLD	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-14%	1030.0p	1998.8	+505
China									
SELL	Janus Hend China Opportunities	*	09/07/07	548.9p	1410.4		1447.0p	2808.1	+99
India									
BUY	India Capital Growth plc	IGC	07/11/16	80.5p	137.6	-14%	98.0p	190.2	+38
HOLD	Stewart Ivory Indian Sub-Cont	*	13/12/10	209.2p	442.0		520.74p	1010.6	+129
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	31.2p	88.1	+4%	195.0p	378.4	+330
BUY	Fidelity Japan Trust plc	FJV	10/01/06	126.0p	322.7	-11%	158.0p	306.6	-5
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		139.9p	271.5	+49
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		361.4p	701.3	+235
International									
SELL	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		701.83p	1362.0	+640
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-14%	1330.0p	2581.0	+215

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +223.5%. This is equal to an average annual rate of +15.7%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 18 current and 49 closed out) is +13.9%.

Other Shares

“Clean” unit prices are: HSBC Asian Fund 159.0 pence, Janus Henderson Asia Pacific Capital 1291 pence, Janus Henderson China Opportunities 208.0 pence, Stewart Investors Indian Sub-Continent 263.35 pence, Invesco Perpetual Japanese Smaller Companies 430.24 pence, Baring Korea 361.4 pence and Aberdeen Emerging Markets 773.19 pence.

Fund Recommendations.

(Continued from Page 2)

non-income producing real estate. This has required an expansion in bank lending and probably the build up of non-performing loans in the state owned banking sector. There probably isn't reliable data on Chinese non-performing bank loans, but as the economy slows there will be greater risk of a Chinese banking crisis.

The Chinese economy is slowing. GDP growth is now reported at 6.7% for the year to 30 June 2018. Retail sales are growing 8.5%, the slowest rate in 15 years. The government has released 700 billion yuan (US\$107 billion) into the banking system (by cutting reserve requirements) but large banks must use 500 billion yuan to finance debt-for-equity swaps at large state-owned enterprises. Smaller banks have been instructed to use 200 billion yuan to increase lending to small and medium sized businesses.

Taxes have been cut and the currency devalued throughout 2018.

Of course, the Chinese Central Government believes it can *control* the economy and is not subject to "market forces". If you also believe that then perhaps you should look back at how well they "controlled" market forces in the stockmarket during the boom/bust from mid-2014 until mid-2016. We wrote about that in July 2015 (*International Investor*, Issue 235).

Some of the current slowing in GDP results from a sharp fall in local government spending on infrastructure projects as the central government sought to slow excessive borrowing by local governments!

China is important in the global economy, but we need to be careful not to over-estimate that importance. China will probably never be the great Super Power - partly owing to its one child policy (which achieved a birth rate of 1.60 per woman - not 1.00 - and a moderate gender imbalance in favour of males). 20% of the global population live within China, but while the global population is expected to grow only slowly over the next century, China's population will decline. Its workforce will decline faster and there will be a high *dependency ratio* (i.e. young and mainly older people relative to the working age population.) in the years ahead.

China's population of 1403.5 million is expected to peak at about 1440 million by 2030 and then decline. By 2075 it is estimated to decline to 1170 million and by

Redeem Aberdeen Emerging Markets Equity

Redeem Aberdeen Emerging Markets Equity.

We are recommending the redemption of investments in this unlisted Open Ended Investment Company (OEIC) owing to the potential for a slowdown in economic growth. Emerging Markets can be more sensitive to economic developments and potentially more volatile than other shares. In an economic slowdown, emerging market currencies could also weaken relative to developed countries' currencies and the US dollar.

The trust also has a 20% investment in China.

Redeeming this fund will reduce the overall risk exposure of our international portfolio, which at this stage we plan to re-invest in low risk US Property and Utility shares.

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2100 to be around 1020 million. From 20% today, China's share of the global population will decline to 15% by around 2035 and to only about 9% by 2100.

After an unfortunate experience with Mao Zedong, the Chinese Communist Party imposed term limits on its leaders. Mao's "cultural revolution" from 1966 to 1976 is now officially described as a "severe setback". Term limits (i.e. two terms of five years each) were designed to prevent such mistakes and the personality cults.

In May 2018, these term limits were removed and Xi Jinping was unanimously reappointed with the right to continue in office for life.

Over the last 25 years the West has welcomed China to the world economy, encouraging its economic integration and hoping to develop a market economy in China. The hope was that as Chinese people grew wealthier they would seek democratic freedom and the rule of law. Now we know that is not going to be the case.

Xi Jinping has sought to maintain the dominance of the Communist Party and his power in that party. "Anti-corruption" campaigns have been used to purge potential rivals. The **People's Liberation Army** was reorganised to ensure its loyalty to the party and himself personally. Censorship prevents criticism of the party or government.

Political control is more important than economic growth or individual freedoms. Businesses do not exist to create wealth but *as an arm of state power*. If the domestic population does not have freedoms, rights and the protection of the rule of law, then this is not going to be a country that develops shareholder rights for foreign investors! The potential for attractive investment opportunities has diminished while political risks have increased.

Janus Henderson China Opportunities Fund



Aberdeen Emerging Markets Equity



Buy UK listed iShares US Property Yield ETF

BUY UK listed iShares US Property Yield ETF (code IUSP).

We recommend investing in this UK listed exchange traded fund (ETF) which holds shares in over 120 of the largest US based Property Investment companies and Real Estate Investment Trusts (REITs). If global economic growth slows over the next year, then property shares which have recently been neglected (e.g. in favour of high growth technology shares) and are now relatively under-valued could perform strongly. Slower global growth would also lift the US dollar, the currency in which this fund holds its investments.

This “index” fund is domiciled in Ireland (which is tax efficient for non-US investors) and authorised for sale throughout the European Union. The fund actually offer seven classes of share which are identical except that they are priced in different currencies and listed on different stock exchanges. Three classes of share are priced in Euros and listed in Germany, Italy and Amsterdam. A share priced in US dollars is listed in Switzerland. Two classes of shares are listed in the United Kingdom, priced in US dollars and Sterling. The shares are also listed in Mexico and priced in Pesos. Regardless of the currency in which a share is priced and traded, the share classes are identical and all of the fund's investments are in US listed securities. The currency exposure is therefore in US Dollars.

If you have Pounds Sterling in a UK brokerage account then buy the class of shares traded in Pounds Sterling under the code IUSP. The last trade was £22.27½.

If you bought the shares traded in US dollars, then your broker will charge a forex fee to settle that trade in Sterling. At Charles Stanley that is 1.0% (i.e. \$100 on a \$10,000 trade). At Interactive Brokers US\$2 plus 0.01% (i.e. about \$3 on a \$10,000 trade).

These shares are extremely actively traded with a very low bid-offer spread of 0.15% or less (i.e. about \$15 between the buy and sell prices on a \$10,000 trade). Your broker will also charge a brokerage fee - a flat £11.50 at Charles Stanley or £6.00 at Interactive Brokers (on a trade up to £50,000). There are no stock exchange

“transaction fees” on ETFs.

This “index” fund is very well diversified, with positions in 121 US property companies and REITs. The ten largest positions make up just 36.2% of the portfolio.

The ten largest holdings are: Simon Property Group (7.2% of the portfolio), Prologis REIT (4.6%), Public Storage (4.3%), Digital Realty Trust REIT (3.3%), Avalonbay Communities REIT (3.2%), Equity Residential REIT (3.1%), Welltower Inc (3.1%), Ventas REIT (2.7%), Boston Properties REIT (2.6%) and Realty Income REIT (2.1%). Property investments are in Industrial & Office (28.2% of the portfolio), Retail (23.7%), Specialty (20.7%), Residential (16.5%), Hotels (7.8%) and other (3.1%).

The annual expense ratio (which includes the management fee) is 0.40%. The dividend yield is about 3.3%, paid quarterly. The fund has just declared a quarterly dividend of US\$0.2276 and the shares will trade ex-dividend on 16 August (payable 30 August).

Summary and Recommendation

US property shares are a relatively low risk investment. This sector (and other “value” shares) have underperformed the US stockmarket over the last few years, which has been dragged higher by “growth” companies, large technology companies and other cyclical industries. Property shares now offer good value, an attractive current income yield and steady growth potential.

Slower economic growth in the US in the future could likely result in some de-rating of growth shares (i.e. as future growth rates are downgraded) and some revaluation of neglected “value” shares, including property shares.

The *global* economy is already slowing and this is correlated with US dollar strength. As the global economy slows, money moves to “safe haven” US dollar fixed interest and US investments.

An investment in iShares US Property Yield is therefore a low risk investment that should benefit from slowing economic growth, a stockmarket “rotation” away from “growth” towards “value” investments and from US dollar strength.

Buy UK listed iShares S&P 500 Utilities Sector ETF

BUY UK listed iShares S&P 500 Utilities Sector ETF (code IUSU).

We recommend investing in this UK listed exchange traded fund (ETF) which holds shares in 29 US based Electric Utility companies. US Utility shares fell sharply in value in early 2018 and as economic growth rates decline these high yield, “value” investments could recover and perform strongly. Slower global growth would also lift the US dollar, the currency in which this fund holds investments.

This “index” fund, domiciled in Ireland, offers four classes of share which are identical except that they are priced in different currencies and listed on different stock exchanges. One class of share is priced in Euros and listed in Germany and another priced in US dollars

is listed in Switzerland. Two classes of shares are listed in the United Kingdom, priced in US dollars and Sterling. All of the fund's investments are in US listed stocks so the *currency exposure is in US Dollars.*

If you have Pounds Sterling in a UK brokerage account then buy the class of shares traded in Pounds Sterling under the code IUSU. The last trade was £4.22¼.

The UK listed class of share traded in US dollars has the very similar code IUUS (US\$5.38¼) so take care placing an order.

These shares are extremely actively traded with a bid-offer spread of 0.15% or less.

This “index” fund is well diversified, with positions in 29 US Electric Utility (Continued on Page 6)

Fund Recommendations*(Continued from Page 5)*

companies. The ten largest positions make up 59.7% of the portfolio.

The ten largest holdings are: NextEra Energy (11.6%), Duke Energy (8.2%), The Southern Company (6.9%), Dominion Energy (6.5%), Exelon (6.0%), American Electric Power (5.0%), Sempra Energy (4.5%), Public Service Enterprise Group (4.0%), Consolidated Edison (3.6%) and Xcel Energy (3.4%).

Nearly all of these companies (95.0% of the portfolio) are diversified Electric Utility companies involved in the generation, transmission, distribution and retail sales to businesses and households. One-third of these (32.4% of the portfolio) are also involved in natural gas distribution and retail sales. There is a small investment in independent power producers and energy traders (2.7%) and water utilities (2.2%).

The annual expense ratio (which includes the management fee) is a very low 0.15%. The portfolio produces a Dividend income of about 4.0%, but this is

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an “accumulating” fund so the income is *not* distributed but retained and re-invested to increase the value of the units. New Zealand based investors will be taxed under the 5% assumed income under the “Fair Dividend Rate”.

Summary and Recommendation

Electric Utility company shares are a relatively low risk investment, offering attractive income yields and steady long term growth. This sector (and other “value” shares) have under-performed the US stockmarket recently, especially in early 2018.

Slower economic growth in the US in the future could likely result in some “rotation” and revaluation of neglected “value” shares, including Utility shares.

The *global* economy is already slowing, which should lead to an appreciating US dollar.

An investment in iShares S&P 500 Utilities Sector is therefore a low risk investment that should benefit from slowing economic growth, a stockmarket “rotation” away from “growth” towards “value” investments and from US dollar strength.

Investment Fund Survey

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
NEW ZEALAND							
NEW ZEALAND BASED UNIT TRUSTS							
	Fisher NZ Growth Fund	Low	+1%	0.54	52	17	10
NEW ZEALAND LISTED INVESTMENT TRUSTS							
	Mid-Cap Index	Low	+1%	0.58	41	13	6
Avoid	TeNZ	Medium	-7%	0.74	24	13	6

AUSTRALIA

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
AUSTRALIAN BASED UNIT TRUSTS							
	AMP Blue Chip Trust	Low	-6%	0.52	-3	6	2
	AMP Equity Trust	Low	-4%	0.61	2	8	4
	AMP FLI Aust	Low	-1%	0.69	12	12	7
	AMP FLI Small Companies	Very Low	+0%	0.07	8	13	-4
	ANZ Equity Imputation Trt	Low	-6%	0.62	-7	3	6
	ANZ Equity Trust No 1	Low	-3%	0.59	-3	6	4
	Aust Ethical Equities	Very Low	-2%	0.10	7	4	2
	BT Australia	Very Low	-6%	0.23	-11	5	-2
	BT Smaller Companies	Very Low	-0%	0.06	3	10	-7
	BT Split Trust Growth	Very Low	+1%	0.34	11	15	4
	Col First State Aust Sh.	Very Low	-6%	0.42	-4	16	8
	Col First State Dev. Coys	Very Low	+3%	0.02	28	21	6
	Col First State Future Ld	Very Low	+0%	0.11	10	18	4
	Col First State Impu'tn	Very Low	-7%	0.36	-11	12	6
Avoid	Commonwealth Aust Share	Very Low	-9%	0.03	-20	-3	-13
Avoid	Commonwealth Share Income	Very Low	-9%	0.03	-21	-3	-13
	MLC Aust Tr - Aust Share	Low	-1%	0.76	8	14	9
Avoid	MLC Aust Trust - Index	Medium	-11%	0.39	-18	6	2
Avoid	NAFM Inv Trust - Div Imp	Very Low	-10%	0.13	-22	-6	-8
	One Path Australia Share	Low	-3%	0.66	-1	7	5
	One Path Blue Chip	Low	-6%	0.66	-7	3	6
Avoid	Pengana Int'l Ethical	Very Low	-7%	0.10	-16	14	-2
	Perpetual ICSav - Sm Coys	Very Low	-6%	0.09	-5	2	-4
Avoid	Perpetual ICSav - Aust	Very Low	-8%	0.29	-9	4	2
Avoid	Perpetual ICSav - Indust.	Very Low	-10%	0.21	-13	2	3
	Yarra Emerging Leaders	Very Low	+3%	0.37	24	18	5
Avoid	Yarra Leaders Fund	Low	-7%	0.33	-11	1	-3

NEW ZEALAND BASED UNIT TRUSTS

	Fisher Australian Growth	Very Low	+5%	0.26	34	20	9
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AUSTRALIAN LISTED INVESTMENT TRUSTS

	Argo Investments	Very Low	-4%	0.42	-3	5	7
	Australian Foundation	Very Low	-4%	0.39	-3	7	7
	Diversified United Inv.	Medium	+2%	0.62	14	14	7

NEW ZEALAND LISTED INVESTMENT TRUSTS

	Ozzy Tortis	Medium	-4%	0.85	-3	9	7
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GOLD & MINING

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
AUSTRALIAN BASED UNIT TRUSTS							
Buy	BT Natural Resources	Very Low	+12%	0.06	52	26	-6
	Col First State Glb Res.	Very Low	+2%	0.07	23	16	1
UNITED KINGDOM BASED UNIT TRUSTS							
	Allianz Global Agricultural	Very Low	+1%	0.01	16	3	
	Artemis Global Energy	Very Low	+3%	0.01	21	42	5
	Baring Global Resources	Very Low	+2%	0.01	11	26	4
Avoid	Blackrock Gold & General	Very Low	-12%	0.24	-3	-1	
	Blackrock Natural Resources	Very Low	+5%	0.01	27	27	5
Buy	First State Global Resources	Very Low	+8%	0.07	19	3	
	Guinness Global Energy	Very Low	+1%	0.00	12	37	8
	Guinness Alternative Energy	Very Low	-2%	0.00	-8	14	-1
	Investec Enhanced Nat Res	Very Low	+2%	0.03	23	22	4
Avoid	Investec Global Gold	Very Low	-10%	0.28	8	-1	
Buy	JPM Natural Resources	Very Low	+9%	0.01	49	28	4
	MFM Junior Gold	Very Low	+4%	0.08	41	2	-8
	MFM Junior Oils	Very Low	-5%	0.01	-2	35	17
	MFS Meridian Global Energy	Very Low	-1%	0.00	24	2	
	Marlborough ETF Commodity	Very Low	-3%	0.11	1	24	3
Buy	Pictet Timber	Very Low	+16%	0.04	25	1	
Buy	Pictet Water	Very Low	+10%	0.00	41	16	6
Avoid	Smith & Williamson Global Gold	Very Low	-16%	0.15	-3	-1	
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
	Blackrock Commodities	Very Low	+0%	0.02	-4	28	3
	Blackrock World Mining	Very Low	+6%	0.01	26	15	0
	City Nat Res High Yld	Very Low	-0%	0.01	0	9	-6

EMERGING MARKETS**UNITED KINGDOM BASED UNIT TRUSTS**

	7IM Emerging Mkts Eq Value	High	-6%	0.94	4	-4	
	AXA Framlington Emerging Mkts	Medium	-0%	0.95	21	12	1
	Aberdeen Emerging Markets	High	-3%	0.96	11	6	-2
	Aberdeen Global Em Mkts Sm Cos	Medium	-4%	0.78	4	6	-3
	Aberdeen Global Emerging Mkts	High	-3%	0.94	11	6	-2
	Allianz Emerging Markets	Medium	+1%	0.94	15	-3	
	Artemis Global E/Mkts	Medium	+2%	0.94	32	16	0
	BG Emerging Markets	High	+4%	0.84	34	12	-1
	BG Emerging Mkts Leading Cos	High	+4%	0.84	36	10	-0
	Baring Global Emerging Mkts	High	+3%	0.90	36	18	-0
	Blackrock Aquila E/Mkts	Medium	+2%	0.52	21	15	-2
	Blackrock Emerging Markets	High	+1%	0.95	31	20	1
	Cap Int Emerging Markets	High	+3%	0.90	36	16	1
	Dimensional Emerging Markets	Medium	+1%	0.97	25	14	-1
	F & C Emerging Markets	Medium	-1%	0.80	20	13	3
	Fidelity Emerging E/M/E & A	Medium	-2%	0.73	11	11	-3
	Fidelity Emerging Markets	Medium	+1%	0.91	22	15	-1
	Fidelity Index E/Markets	High	+2%	0.86	35	23	-0

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

China



Hong Kong



KOREA

UNITED KINGDOM BASED UNIT TRUSTS

Baring Korean	Medium	-1%	0.57	4	15	-3
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THAILAND

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Aberdeen New Thai IT	Very Low	-0%	0.56	18	17	-4
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INDIA

UNITED KINGDOM BASED UNIT TRUSTS

Aberdeen Global Indian Equity	Medium	+1%	0.90	20	17	7
Fidelity India Focus	Medium	+3%	0.91		18	6
GS India Equity	Medium	+2%	0.78		13	1
Jupiter India	High	-2%	0.69	6	-3	-2
Matthews Asia India	Low	+1%	0.74	18	16	1
Neptune India	Medium	-1%	0.84	13	8	0
Pictet Indian Equities	Medium	+4%	0.64	36	12	2
Stewart India Subcontinent	Very Low	+3%	0.73	20	20	4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	India Capital Growth	Medium	+8%	0.22	17	7	-15
Avoid	Infrastructure India	Very Low	-56%	0.00	-93	-53	-44
	JPM Indian	High	-2%	0.81	10	6	0

JAPAN

AUSTRALIAN BASED UNIT TRUSTS

Platinum Japan	Low	-2%	0.60	11	11	-5
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UNITED KINGDOM BASED UNIT TRUSTS

AXA Framlington Japan & Gen.	Low	+5%	0.83	36	25	1
AXA Rosenberg Japan	Medium	+3%	0.51	24	24	3
Aberdeen Global Japanese	Medium	-0%	0.88	18	18	2
Allianz Japann	Medium	+0%	0.84	16	17	2
BG Japan	Medium	+6%	0.88	41	29	3
Baring Japan Growth	Medium	+2%	0.88	25	26	5
Capital Group Japan Equity	Low	+1%	0.84	22	25	6
Fidelity Index Japan	Low	-3%	0.77	11	15	3
Fidelity Japan	Medium	-2%	0.90	11	22	4
GAM Star Japan Equity	Low	+6%	0.81	42	28	4
GS Japan Portfolio	Low	+2%	0.88	25	3	

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

	HSBC Japan Index	Medium	+5%	0.74	37	24	3
	Halifax Japanese	Medium	-1%	0.92	15	20	2
	Invesco Perp Japan	Medium	-1%	0.76	12	18	-0
	JOHCM Japan	Medium	-0%	0.85	21	-0	
	JOHCM Japan Dividend Gth	Medium	-5%	0.88		14	1
Buy	JPM Japan Growth	Low	+7%	0.71	40	40	7
	Jupiter Japan Income	Medium	+3%	0.81	31	34	5
	L & G Japan Index	Medium	+4%	0.88	33	23	3
Buy	Legg Mason Japan Equity	Very Low	+20%	0.14	106	49	11
	Legg Mason Martin Japan Alpha	Medium	+2%	0.89	27	26	1
	M & G Japan & General	Medium	+1%	0.78	22	18	-2
	Man GLG Japan Core Alpha	Medium	+2%	0.72		19	-1
	Neptune Japan Opportunities	Very High	-5%	0.76	-11	20	-3
	Pictet Japanese Equity Opps	High	+4%	0.90	35	23	2
	Royal London Japan Growth	Medium	-0%	0.93	20	23	3
	SSGA Japan Equity Tracker	Medium	-0%	0.88	20	22	3
	Santander Japan	Medium	-1%	0.93	16	22	2
	Schroder Tokyo	Medium	+1%	0.89	20	22	2
	Sot Wid Japan Growth	Medium	-1%	0.90	14	19	3
	Stan Life Japanese	Medium	+1%	0.93	23	28	4
	Stan Life TM Japan	Medium	+1%	0.90	22	27	4
	Threadneedle Japan Growth	Medium	-6%	0.62	1	7	6
Buy	Threadneedle Japan Return	Medium	+7%	0.59	41	48	6
	Vanguard Japan Stock Index	Medium	-0%	0.91	19	23	3

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Atlantis Japan Growth	Low	+8%	0.43	30	36	-2
	JPM Japanese	Medium	+6%	0.67	30	40	7
	Schroder Japan Growth	Medium	-0%	0.78	10	20	0

JAPAN SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen Global Japan Sm Coys	Medium	+4%	0.80	29	29	2
Buy	BG Japan Small	Low	+15%	0.58	82	52	10
	Fidelity Japan Small Coys	Medium	+6%	0.82	32	25	-0
Buy	Invesco Perp Japan Small Coys	Very Low	+15%	0.37	82	36	6
	Janus Hnd Japan Opportunities	High	+1%	0.90	24	19	5
	M & G Jap Small Cos	Medium	+6%	0.78	39	17	-4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	B Gifford Shin Nippon	Medium	+22%	0.52	101	60	8
Buy	Baillie Gifford Japan	High	+12%	0.79	54	41	7
Buy	Fidelity Japan Values	Medium	+13%	0.68	54	44	7
Buy	JPM Japan Small Co	Low	+10%	0.57	50	36	3

TECHNOLOGY

AUSTRALIAN BASED UNIT TRUSTS

	CFS Global Health Biotech	Medium	-2%	0.67	12	20	13
	CFS Tech & Comms	Low	+5%	0.71	44	25	11
	Platinum Intl Technology	Very Low	-4%	0.38	12	16	4

UNITED KINGDOM BASED UNIT TRUSTS

Avoid	AXA Framlington Biotech	Very High	-9%	0.73	-10	26	13
Buy	AXA Framlington Glb Tech.	Medium	+11%	0.71	74	46	16
Avoid	AXA Framlington Health	High	-7%	0.81	-1	19	13
	Aberdeen Global Technology	Medium	+3%	0.71	42	31	13
Avoid	Close FTSE techMARK	High	-9%	0.70		20	6
	Fidelity Global Health Care	Medium	-6%	0.80		25	13
Buy	Fidelity Global Technology	Very Low	+14%	0.47		35	14
Avoid	Fidelity Global Telecom.	Very Low	-12%	0.36		4	1
Buy	Janus Hnd Global Technology	Medium	+10%	0.70	70	39	13
	L & G Global Health & Pharm.	Low	-3%	0.79	5	24	12
Buy	L & G Global Technology	Low	+10%	0.50	64	41	15
	MFM Techinvest Spec Sits	Very Low	+6%	0.32	34	26	5
	MFM Techinvest Technology	Medium	-2%	0.57	18	22	18
Buy	Neptune Global Technology	Low	+15%	0.66		51	16
Avoid	Pictet Biotech	Very High	-11%	0.63		18	16
	Pictet Digital Communications	Medium	+6%	0.72		31	14
Avoid	Pictet Health	High	-11%	0.81		21	16
	Schroder Global Healthcare	Medium	-5%	0.80	9	24	12

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Herald Investment Trust	Medium	+9%	0.67	46	37	6
Avoid	International Biotech	Very High	-8%	0.72	-8	17	17
Buy	Polar Cap Technology	Very High	+12%	0.78	80	40	14
Avoid	Polar Global Healthcare	Medium	-7%	0.55	-6	15	12
Avoid	The Biotech Growth Trt	Very High	-12%	0.66	-21	11	15
	World Healthcare Trust	Medium	-0%	0.69	13	23	12

Next Issue:

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