

International Investor

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Inside International Investor

Extreme under-valuation of the
Brazil Stockmarket 2, 3

Investment Fund Survey: 5 - 8
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	45%	Bullish	Bearish	Bearish	Neutral	-5.6%	-22.7%	-19.5%	6,744.30
Austria	40%	Bullish	Bearish	Bearish	Neutral	-8.7%	-23.3%	-36.9%	2,755.78
Belgium	28%	Bullish	Bearish	Bearish	Neutral	-14.5%	-28.3%	-31.4%	3,366.12
Canada	39%	Neutral	Bearish	Neutral	Neutral	-7.6%	-22.0%	-17.1%	18,583.13
Denmark	37%	Bearish	Bearish	Bullish	Neutral	-11.4%	-22.9%	-22.4%	1,563.67
Finland	36%	Bullish	Bearish	Neutral	Bearish	-8.7%	-20.9%	-32.4%	9,969.16
France	36%	Bullish	Bearish	Bearish	Neutral	-7.3%	-20.1%	-25.8%	4,423.84
Germany	35%	Bullish	Bearish	Bearish	Neutral	-9.4%	-22.7%	-31.8%	12,273.00
Ireland	31%	Neutral	Bearish	Bearish	Neutral	-5.0%	-18.7%	-35.7%	6,403.23
Italy	40%	Bullish	Bearish	Bearish	Neutral	-8.4%	-24.5%	-32.7%	22,728.57
Japan	38%	Bullish	Bearish	Bearish	Bearish	-4.1%	-14.0%	-25.3%	27,116.11
Netherlands	29%	Bullish	Bearish	Bearish	Neutral	-7.7%	-19.7%	-29.1%	647.11
New Zealand	32%	Bullish	Bearish	Bearish	Neutral	-11.5%	-29.3%	-35.6%	1,546.99
Norway	45%	Bullish	Bearish	Bearish	Neutral	-7.4%	-25.0%	-17.2%	1,322.63
Spain	36%	Bullish	Bearish	Bearish	Neutral	-11.7%	-22.2%	-29.3%	740.78
Sweden	39%	Bullish	Bearish	Bearish	Neutral	-15.8%	-35.7%	-41.8%	1,213.99
Switzerland	39%	Bullish	Bearish	Neutral	Neutral	-7.7%	-22.4%	-18.1%	10,308.57
Un. Kingdom	37%	Bullish	Bearish	Bearish	Neutral	-10.3%	-22.3%	-19.7%	6,991.09
USA	31%	Bearish	Bearish	Bearish	Neutral	-6.7%	-18.9%	-17.1%	3,639.66
Argentina	62%	Bullish	Bullish	Bearish	Neutral	+13.3%	+18.0%	+23.6%	144,645.30
Brazil	63%	Bullish	Bullish	Bearish	Neutral	+17.9%	-10.3%	+9.1%	116,375.00
Czech Rep.	34%	Bullish	Bearish	Bearish	Neutral	-8.1%	-22.9%	-24.8%	1,168.74
Chile	49%	Bullish	Neutral	Bearish	Bullish	+4.3%	-6.5%	+16.1%	27,468.73
China	42%	Bullish	Bearish	Bearish	Bullish	-15.2%	-16.8%	-23.8%	3,024.39
Greece	35%	Neutral	Bearish	Bearish	Neutral	-2.4%	-19.2%	-22.9%	814.06
Egypt	62%	Bullish	Bearish	Bullish	Neutral	+9.6%	-15.9%	-24.1%	10,010.78
Hong Kong	29%	Bullish	Bearish	Bearish	Neutral	-18.4%	-19.0%	-29.2%	17,740.05
Hungary	27%	Bullish	Bearish	Bearish	Neutral	-9.1%	-25.4%	-47.7%	39,256.29
India	46%	Bearish	Neutral	Neutral	Neutral	+2.5%	-10.0%	-11.9%	58,191.29
Indonesia	50%	Neutral	Neutral	Neutral	Bearish	+2.1%	-8.4%	+0.9%	7,026.78
Israel	48%	Bullish	Bearish	Neutral	Neutral	-2.8%	-18.2%	-6.5%	1,903.10
Korea	38%	Bullish	Bearish	Neutral	Neutral	-13.4%	-28.3%	-36.4%	2,232.84
Malaysia	43%	Bullish	Bearish	Neutral	Bearish	-6.1%	-20.6%	-19.2%	1,406.00
Mexico	39%	Bullish	Bearish	Bearish	Neutral	-1.9%	-16.2%	-7.4%	45,728.87
Philippines	35%	Neutral	Bearish	Neutral	Bearish	-11.7%	-26.0%	-26.3%	5,932.19
Poland	37%	Bullish	Bearish	Bearish	Neutral	-18.8%	-36.8%	-48.7%	46,911.05
Portugal	37%	Bullish	Bearish	Bearish	Neutral	-12.8%	-16.7%	-12.5%	4,166.41
Russia	71%	Bullish	Bearish	Bullish	Bullish	-8.0%	+20.2%	-37.3%	1,005.04
Singapore	34%	Bullish	Bearish	Bearish	Neutral	-2.3%	-11.9%	-4.0%	328.73
Sth Africa	40%	Bullish	Bearish	Bearish	Bearish	-11.1%	-29.2%	-16.8%	59,279.98
Taiwan	48%	Bullish	Bearish	Neutral	Neutral	-11.1%	-27.6%	-27.1%	13,702.28
Thailand	38%	Neutral	Bearish	Neutral	Bearish	-3.1%	-16.3%	-13.1%	1,579.66
Turkey	73%	Neutral	Bullish	Bullish	Neutral	+36.4%	+18.3%	+23.0%	3,567.60
Venezuela	54%	Bullish	Neutral	Bearish	Bearish	-11.9%	-14.6%	-26.3%	8,518.12

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.

The “Unprecedented” Extreme Undervaluation of the Brazil Stockmarket

As we have discussed over recent months, the Brazil stockmarket appears to be at an unprecedented extreme of under-valuation. Here is a chart of the average Dividend Yield on Brazilian shares:



As you can see, average Dividend Yields have historically remained between 2½-4½% . . . but have currently risen to around 13-14%. How has this happened? What does it mean?

Firstly, many stockmarkets are at extremes of undervaluation, with Dividend Yields *near the top of their historical ranges*. In recent years, large US Technology shares rose to extremes of over-valuation while other world stockmarkets - and other sectors - have been neglected and under-valued.

Secondly, in the case of Brazil, 16.7% of the index weighting is made up of **Petroleo Brasileiro SA** (commonly called **Petrobras**) ordinary and preferred shares. These currently offer dividend yields of 43.6% and 48.5% - with this one company accounting for about two-thirds of the market's dividend distributions.

At first sight dividend yields that were recently over 50% look just “too good to be true” and therefore probably not sustainable . . . but there are two factors that may provide a logical explanation for the current extremely low valuation.

Firstly, oil and gas companies are under-valued worldwide. In May 2021, for example, the NZ Government required default KiwiSaver providers “to exclude investments in fossil fuel production and illegal weapons” (see more on the “illegal weapons” in this month's *Market Analysis*). Many other institutional investors worldwide also avoid oil and gas investments owing to pressure from ESG activists or for ESG marketing reasons. That means that no matter how cheap Petrobras shares may be, NZ KiwiSaver funds and many other institutional investors are required by

law (or by their investment committees) to SELL any shares they own. And no matter how cheap the shares may become, they can never purchase them.

With forced selling (at any price) and no buying allowed from most institutional investors it is logical that the share prices will be depressed to an extreme of under-valuation.

Fossil fuels are, of course, a “dying business” . . . but that just means the companies no longer need to spend billions of dollars to *discover* and *develop* new resources or to build new refining capacity. Petrobras has huge reserves and will be producing oil and gas for many decades. The company is still *increasing* annual production volumes, but if a lot of money does not need to be re-invested in new discoveries, new production capacity and new refineries, then strong operating cashflows can finance continued high dividend distributions to shareholders.

Secondly, there is a significant political risk. Brazil held Presidential elections on 2 October, with 11 candidates. A candidate needs more than 50% of the vote to win, so the two candidates with the most votes will enter a second round on 30 October. The two leading candidates were the current President Jair Bolsonaro and former President Luiz Inacio Lula da Silva. Both have very different plans for Petrobras.

Governors and Vice Governors were also elected in all states at the same time, by the same method (i.e. some run offs will occur on 30 October).

All members of the **Chamber of Deputies** and one-third of the **Senate** were also elected on 2 October.

The Federal Government has a major shareholding in Petrobras, owning a controlling 50.26% of the ordinary voting shares (equal to 28.67% of the total share capital). The **Banco Nacional de Desenvolvimento Economico e Social** (the National Bank for Economic and Social Development) owns 18.5% of the preferred shares (equal to 7.9% of the total capital).

Lula da Silva - the front-runner in the 2 October vote - would use Petrobras as “a vehicle for national development”, diverting the company's cashflows for other purposes . . . and possibly corruption, as has been alleged in the past. Lula had spent almost 18 months in prison for corruption . . . before the Supreme Court removed his conviction on procedural grounds.

Petrobras argues that it already maximises its *social* value by being run as a *commercial* venture. 85% of the value created by this company goes to the Federal

Government (i.e. in royalties, income tax and dividends), the government owned development bank (dividends) or Brazilian shareholders (dividends). “Every Brazilian is directly or indirectly a shareholder”. Under Brazilian law, the government would need to compensate Petrobras *if* the government directed the company to undertake some non-commercial activity. Also while Brazil may soon have a socialist President, the recent elections for Governors, the Chamber of Deputies and Senate all resulted in wins by the various conservative parties, so radical change would be difficult.

A greater political risk may be that Bolsonaro does not accept a possible election defeat and refuses to leave. He has repeatedly alleged electoral fraud (since 2015), but without presenting any evidence. Recently he stated that if he doesn't win 60% of the vote then “something abnormal” will have happened in the electoral court responsible for counting the votes. His party has strong ties to the military and police.

Whatever *may* happen, this is a situation of high political uncertainty . . . which tends to depress share prices but *whatever* the outcome, uncertainty will be reduced and share values should improve.

Ordinary and Preferred Shares

Most Brazilian companies issue both ordinary and preferred shares, which are similar with a few differences:

The preferred shares have slightly superior dividend rights, receiving the greater of (1) the same dividends as ordinary shares or (2) at least a minimum 3-5% annual dividend (the actual calculation is a little complicated), providing the company is profitable.

Preferred shares have slightly superior rights to capital on the winding up of the company. After paying all other debts, the capital value of the preferred shares will be paid first, then the capital value of the ordinary shares, then the preferred and ordinary shares will participate equally in the remaining capital.

The only advantage of the ordinary shares is that they have voting rights, while the preferred shares are non-voting . . . although in the case of Petrobras the company is controlled by the government so the voting rights of the other minority shareholders are effectively useless.

Nevertheless, Petrobras ordinary shares trade at about a 10% premium to the non-voting preferred shares . . . so the cheaper preferred shares offer investors a higher dividend yield and would generally be the best investment.

The ordinary shares trade in Brazil under the code PETR3 at BRL 37.36 and the preferred shares as PETR4 at BRL 33.54.

The ordinary and preferred shares are also traded as American Depositary Receipts (ADR) in the US in US dollars, with each ADR equal to two Brazilian shares. The ADR of the ordinary shares trades as PBR at US\$14.45 and the preference shares as PBR A at

US\$13.00. The shares are also listed in Spain (even though Brazil was a former colony of Portugal).

27.8% of the ordinary shares are held as ADRs and 13.4% of the PETR3 ordinary shares (traded in Brazil) are held by other non-Brazilian investors. 9.4% of the preferred shares are held as ADRs and 40.2% of the PETR4 preferred shares are held by non-Brazilian investors.

Dividend Policy

The current dividend policy is to distribute a “minimum mandatory” dividend of at least 25% of “adjusted net income”. Plus, while debts remain below US\$60 billion, the company *may* distribute up to 60% of the amount by which operating cashflows exceed capital expenditure. That would still leave 40% of free cashflow accumulating in the company so the company “may, in exceptional cases” pay extraordinary dividends exceeding these amounts.

“Preferred shares will participate on equal terms with common shares, when higher than the minimum percentage guaranteed to them”.

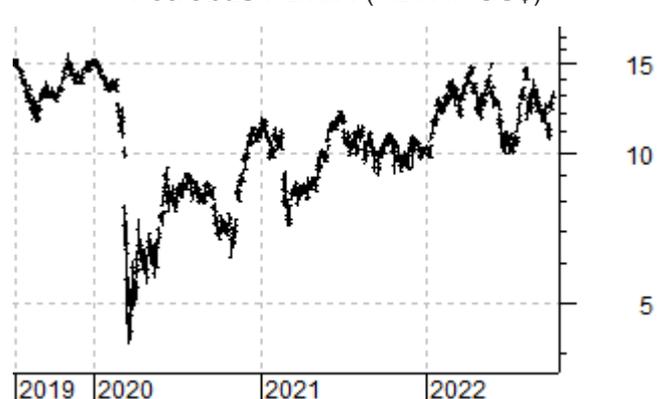
The company is also selling some non-core assets but has not directly indicated what it will do with the cash proceeds. If retained in the company this would reduce debts, but the company has also stated that it would be “inefficient” to reduce debts below US\$40 billion, which suggests proceeds could be distributed as special dividends,

Summary and Recommendation

We are not formally recommending Petrobras preferred ADRs, but this should be an attractive, long term investment in the oil and gas sector. The around 50% dividend yield provides a significant “margin of safety” against lower oil prices, lower profits or political uncertainty. The preferred shares trade on a Price/Earnings Ratio of just 2.7.

Brazil and Petrobras have *multi-decade* reserves. Oil and gas may be a declining industry but Petrobras is currently still growing. It is a well managed company and aims to have all of its projects viable at an oil price as low as US\$30. If this industry declines, Petrobras (and some Middle East countries) will be among the last to remain in profitable production.

Petrobras PBR.A (ADR in US\$)



Recommended International Investment Funds

Company Reports

CQS Natural Resources Growth and Income plc will pay a quarterly dividend of 1.26 pence on 25 November (ex-dividend 27 October).

India Capital Growth Fund reported a drop of -14.7% in net assets over the half year to 30 June 2022, under-performing its benchmark index which was down only -8.5%. The share price was down -19.8%.

The Fund Manager notes that Oil imports of US\$164 billion last year are now exceeded by Information Technology exports which reached US\$178 billion. Foreign investment is also up, the country has a balance of payments surplus and is accumulating large hard currency reserves.

Domestic investors are also shifting from traditional investments in property and gold to financial assets, much from small investors making monthly contributions

to “systematic investment plans” where monthly inflows into the stockmarket are running at around US\$1 billion per month!

Baillie Gifford Shin Nippon plc experienced a -4.8% decline in net assets over the half year to 31 July 2022 despite its benchmark index rising +0.9%. The share price was down -9.9%. Internet and semi-conductor shares performed poorly.

Shares Repurchases

Aberforth Smaller Companies Trust plc made nine on-market share re-purchases over the last month. It acquired 434,000 of its own shares for £4,985,614.

Scottish Oriental Smaller Companies bought back a total of 76,000 shares on-market in eight trades for £903,805.

Herald Investment Trust made five on-market trades to repurchase 234,396 shares and return £3,979,745 to investors.

Current Advice	Investment Fund	EPIC Code	Initial Recommendation		Prem/ Disc to Net Assets	Recent Price		Gain or Loss %	
			--- Date ---	Offer Price		Bid-Offer or Last Sale	NZ Cents		
	United States								
HOLD	iShares S&P500 Utilities	IUSU	13/08/18	422.3p	819.4		645.88p	1277.7	+56
	United Kingdom								
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-16%	1118.0p	2211.7	+112
	Gold & Commodities								
BUY	VanEck V. Gold Miners	GDGB	14/01/19	1731.0p	3253.8		2415.0p	4777.4	+47
BUY	VanEck V. Junior Gold Miners	GJGB	14/01/19	2011.0p	3780.1		2380.0p	4708.2	+25
BUY	CQS Natural Resources G&I	CYN	11/01/21	136.8p	256.1	-20%	186.5p	368.9	+44
	Asian Regional								
HOLD	abrdn Asia Focus	AAS	09/09/03	17.8p	49.6	-10%	261.5p	517.3	+944
HOLD	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-13%	1162.5p	2299.7	+596
	India								
HOLD	India Capital Growth plc	IGC	07/11/16	80.5p	137.6	-13%	122.75p	242.8	+76
	Japan								
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	31.2p	88.1	-10%	153.6p	303.9	+245
BUY	Fidelity Japan Trust plc	FJV	10/01/06	126.0p	322.7	-10%	164.0p	324.4	+1
	International								
HOLD	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-17%	1692.0p	3347.2	+308
BUY	iShares Oil & Gas Exp & Prod	SPOG	08/04/19	1287.0p	2491.8		2357.25p	4663.2	+87
HOLD	Templeton Emerging Markets	TEM	11/01/21	199.2p	373.0	-12%	143.2p	283.3	-24

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +193.6%. This is equal to an average annual rate of +17.3%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 13 current and 59 closed out) is +13.0%.

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 STATES SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

AXA Framlington UK Mid Cap	Medium	-5%	0.63	-11	-32	-11
Fidelity American Spec Sits	Very Low	+6%	0.82	37	20	7
GS US Small Cap CORE Equity	Medium	+2%	0.88	21	-4	10
Schroder US Mid Cap	Medium	+4%	0.91	25	4	9
Schroder US Smaller Coys	Medium	+5%	0.91	24	0	7

UNITED KINGDOM

UNITED KINGDOM BASED UNIT TRUSTS

AXA Framlington UK Select Opps	Medium	-1%	0.73	-7	-19	-5
Abrdn UK Equity	Medium	-3%	0.63	-5	-20	-3
Abrdn UK Income Equity	Medium	+1%	0.83	2	-11	-3
Abrdn UK Mid Cap Equity	Medium	-6%	0.45	-17	-44	-12
Abrdn UK Real Estate	Medium	+1%	0.54	-14	-34	-22
Abrdn UK Responsible Equity	Medium	-0%	0.66	-3	-25	-6
Aegon UK Equity	Medium	-0%	0.82	1	-17	-4
Aegon UK Opportunities	Medium	-2%	0.61	-6	-31	-9
Allianz UK Equity Income	Very High	+5%	0.91	2	-11	-8
Buy Allianz UK Opportunities	Very High	+11%	0.87	21	-9	-8
Avoid Ardevora UK Equity	Very Low	-9%	0.24	-13	-23	1
Artemis Income	Medium	-1%	0.92	-9	-9	-3
Buy Artemis UK Select	Very High	+8%	0.68	11	-23	-9
Artemis UK Special Sits	Very High	+3%	0.86	2	-22	-9
Buy Artemis US Extended Alpha	Very Low	+8%	0.32	34	0	6
Artemis US Select	Very Low	+6%	0.25	27	-5	8
Aviva UK Equity Income	High	+1%	0.86	-3	-14	-8
Aviva UK Index Tracking	Medium	+1%	0.94	-7	-6	-3
Avoid BG UK Equity Alpha	Medium	-10%	0.49	-22	-33	-0
Barclays UK Alpha	Medium	+0%	0.82	-1	-12	-2
Barclays UK Equity Income	Medium	+3%	0.81	2	-3	-3
Blackrock Growth & Recovery	High	+1%	0.50	-1	-35	-9
Blackrock UK	Low	-4%	0.52	-7	-24	-2
Blackrock UK Absolute Alpha	Very Low	-4%	0.48	9	7	3
Blackrock UK Equity	Medium	+1%	0.80	0	-10	-0
Blackrock UK Income	Medium	+4%	0.92	5	-2	-2
Blackrock UK Special Sits	High	-0%	0.76	-8	-24	-4
Dimensional UK Core Equity	High	+4%	0.94	3	-6	-3
Dimensional UK Value	Very High	+6%	0.87	4	0	-3
Avoid EdenTree Resp & Sust UK Equity	Very High	-10%	0.59	-33	-47	-8
Fidelity Index UK	Medium	+4%	0.96	3	-3	-1
Fidelity Special Situations	Very High	+5%	0.88	4	-9	-4
Fidelity UK Opportunities	High	+2%	0.76	2	-27	-13
Fidelity UK Select	Medium	+2%	0.79	5	-8	1
Buy GS US Core Equity	Very Low	+9%	0.26	40	3	12
HL MM Income & Growth	Medium	+1%	0.92	-3	-9	-5
HL MM Special Situations	Very Low	-0%	0.51	8	-13	5
HSBC FTSE 100 Index	Medium	+3%	0.96	4	3	0
HSBC FTSE 250 Index	High	-0%	0.71	-8	-25	-8
HSBC FTSE All Share Index	Medium	+4%	0.94	4	-2	-1
HSBC UK Gth & Inc	High	+2%	0.93	-4	-2	-2
Halifax Ethical	Very Low	+4%	0.45	19	-7	3
Halifax Special Situations	High	-6%	0.84	-22	-19	-5
Halifax UK Equity Income	Medium	-0%	0.95	-9	-7	-3
Halifax UK Equity Tracker	Medium	+6%	0.76	13	14	-2
Halifax UK Growth	Medium	-1%	0.93	-12	-10	-4
IFSL Marlborough Multi Cap Inc	High	-1%	0.76	-13	-24	-12
Invesco Income & Growth (UK)	Medium	+1%	0.81	-1	-8	-3
Invesco UK Companies (UK)	Medium	-1%	0.61	-15	-17	-7

JOHCM UK Dynamic	Very High	+3%	0.90	-4	-7	-6
JOHCM UK Equity Income	Very High	+5%	0.89	2	-9	-4
JOHCM UK Growth	Very High	+2%	0.83	5	-22	-6
JOHCM UK Opportunities	Medium	-1%	0.78	-5	-12	-1
JPM MultiManager Growth	Low	+1%	0.54	12	-19	-0
JPM UK Dynamic	High	+3%	0.89	-0	-8	-1
JPM UK Equity Core	Medium	+5%	0.95	5	-3	-1
JPM UK Equity Growth	High	-1%	0.73	-4	-19	-1
Janus Hend UK Alpha	Very High	-2%	0.73	-13	-30	-8
Janus Hend UK Equity Income	High	-1%	0.90	-12	-10	-8
Jupiter Growth & Income	Very High	+4%	0.94	0	-4	-3
Jupiter Income Trust	High	+3%	0.89	1	2	-3
Jupiter Responsible Income	Medium	+2%	0.87	2	-9	-7
Jupiter UK Growth	Medium	-3%	0.73	-12	-6	1
Jupiter UK Special Situations	High	+6%	0.89	7	-0	-5
L & G UK 100 Index	Medium	+4%	0.96	4	3	-0
L & G UK Equity Income	High	+4%	0.88	0	-3	-5
L & G UK Index	Medium	+4%	0.96	4	-3	-1
Lazard UK Omega	High	+3%	0.94	0	-8	-2
Liontrust Income	Medium	+3%	0.86	4	-2	-1
Liontrust Special Situations	Medium	-1%	0.69	-1	-17	-1
Liontrust UK Growth	Medium	+2%	0.82	0	-6	-1
M & G Dividend	High	+4%	0.92	3	-4	-4
M & G Index Tracker	Medium	+4%	0.93	2	-3	-1
M & G Recovery	Very High	-3%	0.87	-16	-17	-3
M & G UK Sust Paris Aligned	Medium	-2%	0.71	-5	-21	-5
MFS Meridian UK Equity	Low	-0%	0.82	-1	-7	1
Man GLG Undervalued Assets	Very High	+3%	0.88	-3	-8	-2
PUTM UK Equity	Medium	-0%	0.89	-8	-2	-1
Royal London UK Equity Inc	High	+0%	0.90	-10	-9	-5
Royal London UK Equity	Medium	+4%	0.93	4	-2	-0
Royal London UK FTSE4GOOD	Medium	+3%	0.96	0	-2	-2
Royal London UK Growth Trust	Medium	-1%	0.75	-5	-17	-2
Royal London UK Opportunities	Very High	-0%	0.77	-8	-26	-5
SJP Equity Income	High	+3%	0.78	-4	-7	-6
SJP UK Income	High	+2%	0.91	-4	-7	-4
SVM UK Growth	High	-6%	0.53	-22	-44	-10
SVM UK Opportunities	Very High	+4%	0.84	-2	-27	-12
Santander Equity Income	High	-0%	0.68	-23	-10	
Santander UK Growth	High	+1%	0.77	-2	-22	-6
Schroder Income	Very High	+6%	0.84	4	-2	-7
Buy Schroder Recovery Income	Very High	+8%	0.83	7	-5	-7
Schroder UK Alpha Income	High	+0%	0.91	-6	-10	-7
Schroder UK Alpha Plus	High	-2%	0.82	-7	-20	-6
Schroder UK Mid 250	Very High	+3%	0.72	-2	-26	-7
Scot Wid UK All Share Track	Medium	+4%	0.63	2	-5	-1
Scot Wid UK Equity Income	Medium	-1%	0.86	-8	-8	-2
Scot Wid UK Growth	Medium	-3%	0.84	-11	-11	-3
Scot Wid UK Select Gth	Medium	-3%	0.76	-10	-20	-4
T Bailey Growth	Very Low	-1%	0.33	12	-22	1
Buy UBS S&P 500 Index	Very Low	+10%	0.28	44	4	9
UBS UK Equity Income	Very High	+5%	0.90	3	4	-1
Unicorn Outstanding British	Low	-6%	0.55	-12	-20	-3
Unicorn UK Ethical Income	High	-2%	0.79	-10	-21	-10
Unicorn UK Growth	High	+1%	0.62	-0	-31	-4
Unicorn UK Income	High	-4%	0.79	-19	-25	-12
Vanguard FTSE UK All Share	Medium	+3%	0.92	3	-3	-3
Virgin UK Index Tracking	Medium	-0%	0.88	-7	-6	-5

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Aurora Invest Trust	Very High	+4%	0.66	-4	-10	-1
Avoid British American IT	Very Low	-8%	0.02	-52	-49	-34
Dunedin Income Growth	Medium	-1%	0.72	-1	-17	-5
Fidelity Special Values	Very High	+3%	0.79	-8	-17	-8
Finsbury Growth	Very Low	-6%	0.49	-14	-9	3
Independent Invest Trt	High	-6%	0.43	-15	-25	4
JPM Claverhouse	High	-1%	0.80	-8	-13	-2
Avoid JPM Mid Cap	Very High	-8%	0.49	-30	-46	-10
Lowland Investment Co	Very High	-1%	0.76	-18	-21	-9
Avoid Manchester & London	Very Low	-18%	0.03	-34	-39	-4
Buy Merchants Trust	Very High	+7%	0.86	2	-4	-5
Murray Income Trust	High	-2%	0.76	-12	-16	-10
Schroder Income & Grwth	High	+2%	0.77	-4	-11	-6
Shires Income	Very High	+0%	0.74	-11	-17	-12
Buy Strategic Equity Cap.	High	+9%	0.62	19	-12	-8
Value & Indexed Prop In	Very High	+5%	0.31	-23	-13	-28

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Rights & Issues	Low	-1%	0.34	1	-27	-10
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Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth

United Kingdom



UNITED KINGDOM SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
	AXA Framlington UK Small Coys	High	-4%	0.84	-8	-43	-12
	Aberforth UK Small Coys	High	+1%	0.73	-2	-24	-6
	Aegon UK Smaller Companies	High	-4%	0.81	-9	-40	-10
	Artemis UK Smaller Coys	Medium	+2%	0.75	6	-17	-5
	Artemis US Smaller Coys	Low	+3%	0.39	26	-14	13
Avoid	BG British Smaller Coys	High	-8%	0.76	-10	-46	-10
	Blackrock UK Smaller Coys	High	-1%	0.80	-3	-35	-10
	Dimensional UK Smaller Coys	High	-1%	0.81	-7	-26	-10
Buy	Fidelity UK Smaller Companies	High	+7%	0.82	22	-20	-7
	Halifax Smaller Companies	High	-4%	0.81	-8	-30	-10
	IFSL Marlborough Nano Cap Gth	Medium	+2%	0.74	23	-29	-7
	IFSL Marlborough Spec Sits	Medium	-2%	0.82	6	-35	-11
	IFSL Marlborough UK Micro Cap	Medium	-1%	0.75	8	-39	-11
	Invesco UK Small Coys (UK)	Medium	-1%	0.79	-3	-32	-12
	JPM UK Smaller Companies	High	+1%	0.81	8	-34	-7
	Janus Hend UK Small Coys	High	-2%	0.82	-4	-36	-12
	Jupiter UK Small Cos	High	-4%	0.77	-6	-35	-11
	L & G UK Small Coys	Medium	-4%	0.79	-8	-34	-10
	Liontrust UK Small Coys	Medium	+1%	0.76	16	-29	-5
	M & G Smaller Companies	High	-3%	0.80	-4	-35	-8
	Royal London UK Mid-Cap	High	-5%	0.77	-14	-31	-10
	Royal London UK Smaller Coys	Medium	-1%	0.82	0	-36	-10
	Schroder Small Cap Discovery	Very Low	+0%	0.57	24	-11	6
	Schroder UK Dynamic Sm Coys	High	+2%	0.83	12	-29	-7
	Schroder UK Smaller Coys	High	-1%	0.85	5	-35	-7
	Scot Wid UK Smaller Coys	Medium	-4%	0.74	-7	-30	-8
	T Rowe Price US Small Coys	Very Low	+6%	0.33	36	-3	8
	Unicom UK Smaller Coys	Medium	-2%	0.66	3	-29	-6

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
Avoid	Aberforth Smaller Coys	Very High	-1%	0.64	-12	-28	-8
	Blackrock Smaller Coys	Very High	-5%	0.75	-11	-42	-4
	Chelverton Growth Trust	Very Low	-14%	0.13	-30	-55	-14
	Henderson Opportunities	Very High	+3%	0.71	7	-32	-8
	Henderson Smaller Cos	Very High	-5%	0.71	-16	-44	-12
	JPM Smaller Coys	Very High	+4%	0.42	7	-44	-8
	Montanaro UK Small Coys	Very High	-5%	0.66	-14	-45	-11
Avoid	SVM UK Emerging Fund	Low	-11%	0.34	-20	-40	-7
	Schroder UK Mid & Small	Very High	-1%	0.78	-10	-36	-7
Avoid	The Mercantile IT plc	Very High	-9%	0.79	-21	-40	-8

EUROPE

UNITED KINGDOM BASED UNIT TRUSTS

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	36 mth	12 mth	3 mth
	Aberdeen Std European	Low	+0%	0.64	2	-22	-1
	Abrdn Europe Equity	Medium	+0%	0.71	2	-23	-2
	Abrdn Europe Ethical Equity	High	+1%	0.82	2	-28	-6
	Abrdn Europe Growth Equity Ret	Medium	+3%	0.89	7	-20	-2
	Abrdn Europe Income Equity Ret	Medium	+4%	0.94	14	-6	3
	Allianz Cont European	High	+3%	0.68	7	-35	-5
	Allianz Europe Equity Growth	Very High	-5%	0.71	-34	-5	
	Artemis European Opportunities	Medium	-1%	0.77	-2	-19	2
	BG Europe	High	-1%	0.62	1	-45	-4
	Baring European Growth	High	+3%	0.74	1	-14	-1
	Blackrock Cont European Income	Medium	+5%	0.92	9	-11	0
Buy	Blackrock Cont'l Europe	Medium	+7%	0.66	26	-27	-2
	Blackrock European Absolute	Very Low	+2%	0.08	20	4	5
	Blackrock European Dynamic	Medium	+5%	0.70	21	-28	-1
	Capital European Gth & Inc	Low	+3%	0.83	8	-7	0
	EdenTree European	Medium	+2%	0.87	4	-13	-4
	Fidelity Euro Dynamic Gth	Low	-0%	0.80	4	-18	-0

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

	Fidelity European	Low	+6%	0.90	17	-7	0
	Fidelity Index Europe	Medium	+4%	0.96	7	-13	-1
	GAM Star Cont European	Medium	+3%	0.81	16	-21	1
	HSBC Eurotrack 100	Medium	+4%	0.96	7	-14	-1
	Halifax European	Medium	+3%	0.97	1	-15	-2
Buy	IFSL Marlborough European	Very High	+12%	0.86	36	-22	-9
Buy	IFSL Marlborough US Multi-Cap	Very Low	+9%	0.27	28	5	6
	Invesco Euro Equity Inc (UK)	High	+4%	0.89	4	-11	-7
	JGF-Jupiter European Gth	Medium	-0%	0.69	1	-23	0
	JOHCM Cont European	High	+3%	0.95	6	-13	-2
	JOHCM European Select Value	Medium	-5%	0.90	-15	-24	-8
	JPM Europe	Medium	+5%	0.94	11	-11	3
	JPM European Dynamic	High	+6%	0.94	16	-10	3
	Janus Hend European Focus	Medium	+5%	0.95	13	-13	-2
	Janus Hend European Growth	Medium	+4%	0.93	10	-12	-2
	Janus Hend European Sel Opps	Medium	+4%	0.94	11	-13	1
	Jupiter European	Medium	+0%	0.69	2	-22	-1
	Jupiter European Income	Medium	+1%	0.95	3	-9	1
	L & G European Index	High	+5%	0.89	6	-14	-1
	Lazard European Growth	Medium	+3%	0.95	6	-13	-1
Buy	Liontrust European Growth	High	+10%	0.92	31	-10	-0
Buy	Liontrust Russia & Gtr Russia	Very High	+77%	0.19	-47	-59	-13
	M & G European	Medium	+4%	0.88	11	-7	-2
Buy	MFS Meridian Cont European	Medium	+7%	0.84	21	-10	0
	MFS Meridian European Research	Medium	+3%	0.79	5	-14	-2
	MFS Meridian US Value	Medium	+5%	0.69	10	-12	-1
	Man GLG Cont European Gth	Medium	+2%	0.60	11	-25	-1
	Royal London Europe	Medium	+3%	0.91	6	-15	0
	Royal London European Gth	Medium	+4%	0.91	11	-12	2
	SJP Continental European	Medium	+0%	0.89	-2	-14	1
	SJP Greater European Prog.	Low	-2%	0.82	-7	-10	2
	SVM All Europe	Very High	+4%	0.93	4	-25	-9
Buy	SVM Continental European	High	+14%	0.87	43	-14	-3
	Schroder European Alpha Plus	High	-3%	0.89	-14	-27	-8
	Scot Wid Euro Select Gth	Medium	+1%	0.86	-1	-18	-4
	Scot Wid European Growth	Medium	+1%	0.91	1	-16	-2
	T Rowe Price Cont Euro Equity	Medium	+2%	0.88	6	-18	-2
	Vanguard FTSE Dev Europe Index	Medium	+3%	0.91	7	-14	-2
	Vanguard SRI European Stock	Medium	+3%	0.90	6	-11	0

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	3i Infrastructure	Low	+5%	0.62	5	-3	-7
	Artemis Alpha	Very High	+1%	0.72	-1	-36	-8
Avoid	Baring Emerging Europe	Very High	-9%	0.57	-35	-29	7
	Blackrock Greater Euro.	Very High	+4%	0.74	11	-40	-3
	European Assets	Very High	-6%	0.74	-21	-44	-14
	Henderson Eurotrust	Medium	-3%	0.69	-7	-28	-5
Avoid	JPM European IT	Very High	-15%	0.60	-50	-50	-4
Avoid	JPM Russia	Very High	-33%	0.48	-89	-91	20

France



Switzerland



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

Spain



GERMANY

UNITED KINGDOM BASED UNIT TRUSTS

Baring German Growth	Medium	+1%	0.91	-3	-21	-4
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Germany



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UNITED KINGDOM BASED UNIT TRUSTS

Abrdn European Smaller Coys	High	+4%	0.75	8	-31	-6
JPM Europe Smaller Companies	Very High	+4%	0.87	7	-30	-6
Janus Hend European Small Cos	High	+6%	0.86	21	-27	-8
Jupiter Euro Spec Sits	Medium	-2%	0.75	-5	-27	-2
Lazard European Smaller Coys	Very High	+2%	0.88	2	-32	-9
Schroder Euro Small Coys	High	+2%	0.76	6	-32	-9

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Fidelity Euro V.	Medium	+5%	0.89	11	-14	-3
JPM Euro Discovery	Very High	+4%	0.82	-0	-33	-5
Buy Montanaro European SC	Very High	+9%	0.59	6	-48	-11

Next Issue:

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