

# International Investor

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## Inside International Investor

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International, United States, United Kingdom,  
Europe and Germany

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## World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical Performance (in US\$)			Share Index
						3 mths	6 mths	12 mths	
Australia _____	54%	Bearish	Bullish	Neutral	Bearish	+8.7%	+19.7%	+54.7%	6,617.30
Austria _____	54%	Neutral	Bullish	Neutral	Bearish	+1.1%	+8.8%	+42.7%	4,843.89
Belgium _____	62%	Bullish	Bullish	Neutral	Bullish	-0.6%	+3.1%	+22.5%	4,460.29
Canada _____	71%	Neutral	Bullish	Bullish	Neutral	+7.6%	+24.2%	+39.9%	14,233.34
Denmark _____	62%	Bearish	Bullish	Bullish	Bullish	+6.0%	+13.7%	+41.0%	509.02
Finland _____	65%	Bearish	Bullish	Bullish	Bearish	+8.0%	+21.3%	+53.9%	12,099.30
France _____	62%	Bullish	Bullish	Neutral	Bearish	-0.8%	+5.8%	+25.3%	4,146.21
Germany _____	58%	Bearish	Bullish	Neutral	Neutral	+3.2%	+18.6%	+47.7%	8,002.18
Ireland _____	42%	Bullish	Bearish	Neutral	Bearish	-6.9%	-5.3%	+15.1%	8,478.48
Italy _____	50%	Bullish	Neutral	Neutral	Neutral	-1.0%	+0.7%	+19.8%	31,675.00
Japan _____	53%	Neutral	Bullish	Neutral	Bullish	-0.7%	-0.9%	+5.8%	17,065.04
Netherlands _____	51%	Neutral	Bullish	Neutral	Bearish	+2.2%	+10.8%	+26.3%	546.60
New Zealand _____	34%	Bullish	Bearish	Bearish	Neutral	-6.3%	-0.9%	+20.0%	2,512.07
Norway _____	65%	Bearish	Bullish	Bullish	Bearish	+2.6%	+19.3%	+65.5%	414.42
Spain _____	54%	Neutral	Bullish	Neutral	Bearish	+2.2%	+3.7%	+28.1%	1,633.18
Sweden _____	58%	Bullish	Bullish	Neutral	Neutral	-0.0%	+5.9%	+34.2%	402.79
Switzerland _____	40%	Neutral	Bullish	Bearish	Bearish	+1.4%	+2.8%	+14.1%	9,075.35
Un. Kingdom _____	60%	Bullish	Bullish	Neutral	Bearish	-0.0%	+6.7%	+20.0%	6,595.80
USA _____	62%	Bearish	Bullish	Bullish	Bullish	+1.8%	+7.9%	+15.4%	1,557.59
Argentina _____	58%	Bearish	Bullish	Bullish	Neutral	-0.3%	+8.9%	+43.3%	8,284.00
Brazil _____	63%	Bearish	Bullish	Bullish	Bearish	+15.9%	+49.7%	+96.0%	62,318.72
Czech Rep. _____	43%	Bearish	Bullish	Bearish	Neutral	+7.0%	+15.1%	+50.5%	1,881.50
Chile _____	49%	Bearish	Bullish	Bearish	Bullish	+3.9%	+17.5%	+48.2%	15,033.60
China _____	53%	Bearish	Bullish	Neutral	Bearish	+44.8%	+102.7%	+258.8%	367.35
Greece _____	64%	Bearish	Bullish	Neutral	Neutral	+7.8%	+16.6%	+46.6%	5,198.80
Egypt _____	66%	Bearish	Bullish	Bullish	Bearish	+7.7%	+21.4%	+38.5%	2,959.39
Hong Kong _____	56%	Bearish	Bullish	Neutral	Neutral	+24.5%	+38.8%	+56.0%	27,831.52
Hungary _____	76%	Bearish	Bullish	Bullish	Bullish	-2.4%	+20.5%	+54.8%	27,963.03
India _____	37%	Bearish	Bullish	Bearish	Neutral	+21.7%	+50.3%	+65.8%	17,773.36
Indonesia _____	76%	Bearish	Bullish	Bullish	Bullish	+11.7%	+32.1%	+63.5%	2,500.58
Israel _____	59%	Bearish	Bullish	Bullish	Neutral	+5.2%	+13.7%	+37.4%	1,127.66
Korea _____	67%	Bearish	Bullish	Bullish	Bearish	+7.6%	+36.8%	+52.8%	1,996.03
Malaysia _____	67%	Bearish	Bullish	Bullish	Neutral	+1.3%	+9.1%	+53.2%	1,372.39
Mexico _____	64%	Bearish	Bullish	Bullish	Neutral	-3.4%	+8.7%	+43.7%	31,540.94
Philippines _____	60%	Neutral	Bullish	Bullish	Bearish	+3.4%	+23.1%	+64.8%	3,775.91
Poland _____	61%	Bullish	Bullish	Neutral	Neutral	-5.5%	+13.6%	+60.3%	61,554.11
Portugal _____	34%	Bearish	Bearish	Neutral	Bearish	-3.8%	+13.8%	+40.4%	4,040.65
Russia _____	57%	Bearish	Bullish	Bullish	Bearish	+6.1%	+8.1%	+27.0%	22,773.10
Singapore _____	77%	Bearish	Bullish	Bullish	Bullish	+10.7%	+17.3%	+55.6%	3,822.62
Sth Africa _____	71%	Bearish	Bullish	Bullish	Bearish	+8.3%	+17.3%	+57.6%	30,927.64
Taiwan _____	57%	Bullish	Bullish	Bearish	Neutral	+5.4%	+21.9%	+39.5%	9,617.26
Thailand _____	68%	Bullish	Bullish	Neutral	Bullish	+1.8%	+25.5%	+34.6%	852.33
Turkey _____	89%	Neutral	Bullish	Bullish	Bullish	+23.9%	+43.0%	+95.7%	56,792.97
Venezuela _____	40%	Bullish	Bearish	Neutral	Bearish	-4.7%	+19.0%	+39.5%	38,352.84

**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.

# Risks in the New Zealand Dollar

Don't panic! - that is *never* a good strategy. But the NZ dollar exchange rate could become the next Sub-Prime Mortgage crisis! Probably not this year - but there is a risk of a crisis and sharp decline in the exchange rate at some stage in the future!

Over recent weeks the NZ dollar exchange rate has fluctuated widely in line with investor sentiment towards the global liquidity problem. This shows global liquidity and interest rates are important factors in the rise of the NZ dollar exchange rate which has appreciated 85% against the US dollar since 2001.

It is widely recognised that high NZ interest rates have inflated the exchange rate. Offshore investors buy NZ dollars to invest in NZ interest bearing investments. Some hedge fund investors have leveraged that by borrowing in low yielding currencies (e.g. the Japanese Yen) to invest in NZ.

That leveraged investment is not unlike a hedge fund investor borrowing at low US interest rates to invest in high yield US mortgages. In fact, Sub-Prime Mortgages are probably less risky as there is no exchange rate risk. With the recent liquidity problems, the NZ dollar fell 20% against the US dollar - even though NZ was still seen as a low risk investment.

Ultimately there *could* be some doubt over these debts. The high exchange rate and easy credit has encouraged people to increase mortgage and consumer debt and overspend. NZ is recording ever higher current account deficits - importing and consuming more than it produces and exports - which is being financed by growing foreign debts or the sale of NZ assets overseas.

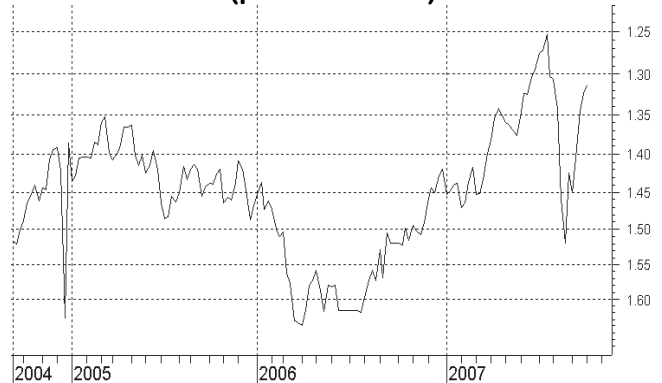
This situation is *never* sustainable. No country can borrow and consume more than it produces. A country must correct this imbalance or eventually face the consequences. Foreign investors will become reluctant to advance further credit - even at higher interest rates. Interest rates will remain high, but the exchange rate will decline as the flow of new capital into the country slows. A negative change in sentiment could see a very sharp drop in the exchange rate.

There are perhaps some signs that the borrowing and exchange rate boom are near a peak. The number of house sales and the average sales price have declined. This may indicate a slowdown in the property boom. Or an inability to debt finance property purchases at current prices and interest rates. There have been a number of Finance company failures. In some cases, this may be the result of bad management or bad lending, but Finance companies tend to make riskier consumer or property loans than banks. Bad debts in this "sub-prime" sector should be a warning.

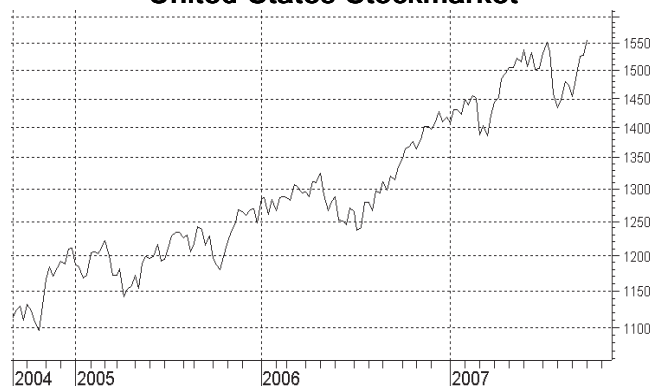
Regardless of its current account deficit and high consumer debt levels, the NZ economy and exchange rate are exposed to the same risks as other small countries with relatively narrowly based economies. The dairy sector is performing well - and likely to continue to enjoy rising demand and prices - but farming faces risks

## Impact of the Recent Liquidity Crisis on:

**NZ Dollar Exchange Rate  
(per US Dollar)**



**United States Stockmarket**



from the weather and disease. The whole country sits above an active earthquake zone. Even a natural disaster overseas, such as an epidemic which temporarily closed borders and disrupted trade, could have a major impact on the economy.

### Summary and Recommendation

The risks to the NZ exchange rate have always existed and have resulted in some major fluctuations since the NZ dollar was allowed to float 22½ years ago. Today the dollar is very high - inflated by high interest rates - and the risk is that it will decline significantly over the next several years.

The best way to hedge against this risk is to invest some part of your investment portfolio offshore. Investing in Australian shares helps, but some part should also be invested in international shares (which are valued in their local currencies).

The current high exchange rate continues to offer the opportunity for investors to move more money offshore, buying foreign currencies at a favourable exchange rate for investment in foreign equity funds, and hedging against any future weakness in the NZ dollar.

# Recommended International Investment Funds

## Fund Restructure

**Invesco Japan Discovery Trust plc** held its Extraordinary General Meeting last Friday (5 October) where the restructuring proposals were passed. Investors electing to receive cash will be paid 80.26 pence per share on 11 October.

The “rollover” option was valued at 80.7072 pence per share which has been converted into **Invesco Perpetual Japan Smaller Companies Fund** units at their current value of 51.82 pence. So investors will receive 1.55745 units in that fund for every share previously held in the listed trust.

As we originally recommended these shares at 95½ pence (284.0 NZ cents), our equivalent cost of the new fund is 61.3 pence (182.3 NZ cents).

## Fund Reports

**Baillie Gifford Shin Nippon plc's** net asset value fell 8.2% over its half year to 31 July, under-performing its benchmark index which fell 5.9%. Gearing is partially

responsible for that under-performance, but the Fund Manager believes that with the low cost of Yen borrowings that gearing will boost returns over the long term.

Smaller Japanese companies continue to “deliver impressive growth in profits” and that low valuations in this sector “now look compelling”. Increased trade with Asia has left the economy “substantially less dependent on the US”. The domestic economy has been supported by capital equipment investments by companies. Domestic consumption has been weak, but a tight labour market is expected to boost wages and domestic consumption.

## Share Re-Purchases

**JPMorgan European Fledgeling Investment Trust plc** re-purchased 162,500 shares on-market on 26 September, 72,000 shares on 28 September and 90,000 shares on 4 October.

**Invesco English & International Trust plc** re-purchased 216,121 shares on 2 October at 342 pence.

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		
<b>Europe</b>										
HOLD	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-4%	1385.0p	3726.1	+189	
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-13%	766.0p	2060.8	+169	
<b>United Kingdom</b>										
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-15%	700.0p	1883.2	+81	
HOLD	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-8%	350.0p	941.6	+34	
<b>Asian Regional</b>										
BUY	Aberdeen Asian Sm Co WARRANTSAASW		09/09/03	75.3p	209.1		218.0p	586.5	+180	
BUY	Gartmore China Opportunities	*	09/07/07	548.9p	1410.4		691.89p	1861.4	+32	
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		397.45p	1069.3	+915	
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		89.55p	240.9	+127	
HOLD	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		540.7p	1454.7	+30	
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-8%	335.5p	902.6	+173	
<b>Japan</b>										
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-10%	164.75p	443.2	+1	
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-11%	65.0p	174.9	-46	
BUY	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		51.82p	139.4	-24	
<b>Korea</b>										
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		262.2-278.4p	727.2	+247	
<b>International</b>										
BUY	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		321.1p	863.9	+370	
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-13%	378.0p	1016.9	+24	
HOLD	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-10%	155.0p	417.0	-1	

\* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +147.1%. This is equal to an average annual rate of +20.0%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 17 current and 46 closed out) is +14.9%.

## Other Shares and Warrants

Alternative investments in the UK listed investment trust warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 324 pence (trading at an 11% discount to net asset value).



Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Aberdeen American Growth	Medium	+2%	0.71		-0	3
	Aegon American	High	-1%	0.69	23	3	5
	BG American	Medium	+1%	0.68	30	-0	5
	Baring American Gth	High	+0%	0.71	28	3	5
	CF Canlife North American	Low	-1%	0.57		-3	5
	CIS US Growth	High	-1%	0.81	20	-3	0
	CS United States	Medium	-0%	0.65		-2	3
	F & C North American 1	High	-1%	0.79	22	-1	3
	Fidelity American	Very High	+1%	0.72	31	1	4
	Frank Temp US Equity	Medium	+1%	0.73		2	5
	GAM North America	Medium	-0%	0.58	19	-9	-1
	Gartmore US Growth	High	+3%	0.54	9	9	13
	Gartmore US Opportunities	Very High	-2%	0.52		9	11
	HSBC American Growth	Medium	-1%	0.77	21	-2	2
	HSBC American Index	Medium	+1%	0.74	22	-1	4
	Halifax North American	Medium	-1%	0.75		-2	4
	Henderson North American	High	+2%	0.74	2	5	
	Inscape US Equities	High	+1%	0.81	27	-3	3
	Insight US Equity	Medium	-1%	0.79	20	-1	4
	Invesco Perp US Aggressive	High	-2%	0.55	9	-3	-0
	Invesco Perp US Equity	Medium	-3%	0.71	10	-4	0
	Investec American	Medium	+4%	0.76	41	3	3
	JPM United States Growth	High	+2%	0.75	35	-1	2
	Jupiter North America	Medium	+3%	0.37	34	6	11
	L & G North American	Medium	+0%	0.70	25	2	6
	L & G US Index	Medium	+0%	0.83	24	-1	3
	Legg Mason US Equity	Very High	-3%	0.66		-3	-0
	Lincoln North American	High	+0%	0.76	23	-0	3
	Liv Victoria US Growth	Medium	-1%	0.69		0	3
Buy	M & G North American Value	Medium	+2%	0.63	-4	-1	
	MSDW UK Equity	Low	+9%	0.48	57	4	3
	Martin Currie North American	High	+6%	0.58	46	7	4
	New Star American Portfolio	High	+3%	0.68	35	4	3
	New Star North America Ret A	High	-0%	0.76	20	-3	-2
	Newton American	Medium	+3%	0.74	38	5	9
	Old Mutual North American	Very High	+6%	0.66	47	3	1
	Prudential North American	High	-1%	0.73	17	-3	2
	SG American Growth	High	-0%	0.68	21	2	4
	SJP North American	Medium	+1%	0.45		-6	-5
	SWIP North American	High	-1%	0.78	21	-0	5
	Scot Mutual North American	High	+2%	0.75	34	4	6
	Scot Wid. American	High	-1%	0.76	21	2	5
	Scot Wid. American Sel Gth	Medium	+1%	0.69	26	5	8
	Sing & Fried Amer Growth	Very High	-1%	0.70	26	3	9
	Skandia American	High	-2%	0.74		3	7
	Skandia US Equity Blend	High	-1%	0.74		-1	2
	Stan Life America	High	+1%	0.70	28	3	5
	Stan Life US Equity Index	High	+2%	0.69		1	4
	Threadneedle American Gth	Medium	+3%	0.64	35	3	5
	Threadneedle American Select	Very High	+2%	0.67		8	6
	UBS US Equity	Medium	+2%	0.78	26	-4	0

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

	Edinburgh US Tracker	Medium	+0%	0.73	24	-3	4
	JPMF American	High	+1%	0.73	28	-1	2

**UNITED STATES SMALLER COS**

**UNITED KINGDOM BASED UNIT TRUSTS**

	F & C US Smaller Coys	Low	-2%	0.62	15	-11	-6
	Fidelity American Spec Sits	Medium	-3%	0.77	23	-0	3
	Gartmore US Smaller Coys	High	+2%	0.79		-3	-4
	Invesco Perp US Smaller Coys	Medium	-6%	0.57	4	-6	-4
	JPM US Smaller Companies	High	+2%	0.79		8	8
	SWIP North American Small Cos	Low	+2%	0.71	45	3	4
	Schroder US Small & Mid Cap	Low	+6%	0.71		5	4
	Schroder US Smaller Coys	Low	+5%	0.80	47	6	4
	Scot Wid. American Small Cos	Medium	+2%	0.71	45	4	4
	Threadneedle Amer Small Cos	Medium	+4%	0.81	46	13	4

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

	F & C US Smaller Coys	Medium	+1%	0.67	31	-8	-5
	JPMF US Discovery	Low	+4%	0.58	41	1	-2
Buy	Nth Atlantic Smaller	Very Low	+13%	0.27	62	10	-2
Buy	Renaissance U.S.	Very Low	+9%	0.03	56	1	4

**United States**



Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
<b>UNITED KINGDOM</b>							
<b>UNITED KINGDOM BASED UNIT TRUSTS</b>							
	33 KWS Diversified	Very Low	+2%	0.06		1	-1
	33 KWS Equity	Very Low	+3%	0.11		1	-2
	33 KWS Growth	Very Low	+6%	0.15		8	1
	33 KWS Growth & Recovery	Very Low	+8%	0.26		9	-2
Buy	33 KWS Income & Growth	Very Low	-8%	0.02		0	2
Avoid	33 KWS UK Specialist	Very Low	+4%	0.05		6	-2
	AXA Ethical B	Low	+6%	0.43	49	-3	-3
	AXA Framlington UK Growth	Medium	+2%	0.78	50	1	0
	AXA UK Equity Income	Low	+1%	0.71	36	-1	1
	AXA UK Growth	Medium	+3%	0.77	50	0	-0
	AXA UK Opportunities	High	+4%	0.61	51	1	-3
	AXA UK Tracker	Low	+1%	0.91	44	1	2
	Abbey Nat'l Growth	Very Low	-0%	0.67		1	4
	Abbey Nat'l N & P UK Growth	Medium	+1%	0.86	46	1	1
	Abbey Nat'l Stockmarket 100	Low	+3%	0.90	52	5	3
	Abbey Nat'l UK Growth	Medium	+1%	0.85	47	3	2
Buy	Aberdeen UK Growth	Medium	+11%	0.42	92	1	-1
Buy	Aberdeen UK Mid-Cap	Very Low	+8%	0.15	-45	0	-7
	Aberdeen UK Opportunities	Very Low	+5%	0.45		2	-1
	Aegon UK Equity Growth	Medium	+6%	0.81	69	10	3
	Allchurches UK Equity Growth	Low	+3%	0.66		1	-2
	Allianz Dres UK Growth	Low	+3%	0.78	53	2	1
	Allianz Dres UK Index	Medium	+1%	0.89	48	4	2
	Allianz UK Equity Income	Low	+0%	0.70		-2	-1
	Allianz UK High Alpha	Low	+1%	0.76		3	3
	Artemis Capital	Very Low	+4%	0.54		5	1
	Artemis UK Growth	Low	+4%	0.43	41	4	-4
Buy	Artemis UK Special Sits	Medium	+7%	0.64	65	8	0
	BG British 350	Medium	+1%	0.79	39	-1	0
	Baring UK Growth	Medium	+2%	0.79	51	1	1
	CF Canlife Growth	Low	+0%	0.80		2	2
	CIS UK FTSE-4-GOOD Tracker	Low	+0%	0.89	42	0	1
	CIS UK Growth	Medium	+1%	0.79	47	1	2
	CS Alpha Growth	Low	-1%	0.84		0	1
Buy	CS Core UK Equity	Low	+7%	0.81		8	2
	CS MM UK Growth	Low	+5%	0.56	54	1	-2
	CS UK Growth & Income	Very Low	+5%	0.73		5	-0
	Cazenove UK Growth & Income	Low	+1%	0.74	41	-0	1
Buy	Cazenove UK Opportunities	Very Low	+7%	0.34		9	1
	Cler Med FTSE 100	Low	+1%	0.94		3	3
Buy	Dimension UK Value	Low	+8%	0.34		2	-3
	Direct Line FTSE 100 Tracker	Medium	+1%	0.96	50	3	2
	Direct Line FTSE-4-GOOD Tracker	Low	+1%	0.93	45	2	2
	F & C Blue	Very Low	-0%	0.48	24	-0	4
Buy	F & C FTSE 100 Tracker	Medium	+7%	0.54	67	3	3
	F & C FTSE All Share	Medium	+1%	0.86	44	1	2
Buy	F & C Progressive Growth	Very Low	-3%	0.16		-5	3
Buy	F & C Special Situations	Medium	+8%	0.55		6	-2
	F & C UK Equity 1	Medium	+2%	0.83	44	1	0
	F & C UK Opportunities	Very Low	+2%	0.51		-1	1
	Fidelity Growth & Income	Low	-0%	0.77		0	-1
Buy	Fidelity Special Situations	Low	+8%	0.59	68	8	1
	Fidelity UK Aggressive	Low	+5%	0.66	56	5	2
Buy	Fidelity UK Growth	Medium	+1%	0.63	39	-1	-1
	First State British Opps	Medium	+8%	0.56	63	8	-2
	Frank Temp Growth	Low	+3%	0.74		2	1
	Frank Temp UK Equity	Low	+5%	0.44		-2	-3
	GAM UK Diversified	Medium	+5%	0.72	61	5	-1
	Gartmore UK Focus	High	+3%	0.70	55	3	1
	Gartmore UK Growth	Medium	+2%	0.80	53	2	2
	Gartmore UK Index	Low	+6%	0.65	60	4	2
	Gartmore UK Tracker	Medium	+1%	0.94	49	3	2
	HSBC FTSE 100 Index	Medium	+0%	0.93	43	3	3
Buy	HSBC FTSE 250 Index	Medium	+8%	0.44	72	2	-1
	HSBC FTSE All Share Index	Medium	+0%	0.88	44	1	2
	HSBC Growth Fund of Funds	Very Low	+3%	0.35		4	3
	HSBC UK Freestyle	Very Low	+5%	0.46		4	1
	HSBC UK Gth & Inc	Medium	-1%	0.78	31	-5	-1
	Halifax Special Situations	Medium	+0%	0.84		5	1
	Halifax UK All-Share Index	Medium	+1%	0.92		3	2
	Halifax UK Equity Income	Low	-0%	0.85		0	1
	Halifax UK FTSE 100 Index	Low	+0%	0.96		2	2
	Halifax UK Growth	Low	+0%	0.91		2	1
Buy	Henderson Mainstream UK	Low	+5%	0.80		3	1
	Henderson UK Capital Growth	Medium	+7%	0.46	63	3	-3
	Henderson UK Enhanced	Low	+4%	0.87		4	2
	Henderson UK Equity	Low	+2%	0.77		-0	-0
	Inscape UK Equities	Medium	+3%	0.83	55	2	1
	Insight UK Discretionary	Medium	+1%	0.76	41	-0	-1
	Insight UK Dynamic Managed	Low	+6%	0.57	61	3	0
Buy	Insight UK Equity	Medium	+3%	0.76	50	6	1
	Invesco Perp UK Aggressive	Medium	+9%	0.62	72	6	-1
	Invesco Perp UK Growth	Medium	+4%	0.73	54	5	0
	Investec UK Alpha	Medium	+3%	0.64		2	1
	Investec UK Blue Chip	Medium	+2%	0.81	48	1	1
Buy	JPM UK Active 350	Low	+1%	0.77		-2	0
	JPM UK Dynamic	Medium	+8%	0.73	80	5	2
	JPM UK Equity Income	Very Low	-1%	0.43		-10	-1
Buy	JPM UK Strategic Value	Low	+2%	0.74		1	1
	Jupiter Environmental	Very Low	+11%	0.18	80	7	6
Buy	Jupiter Growth & Income	Very Low	+3%	0.15		5	9
	Jupiter UK Growth	Medium	+8%	0.37	81	5	6
	Jupiter UK Special Situations	Low	+3%	0.33	54	5	8
	Jupiter Undervalued Assets	Very Low	+5%	0.22	56	2	7



Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth						36 mth	12 mth	3 mth
								Buy	Stan Life Growth & Income	Low	+10%	0.60		12	1
									Stan Life UK Equity Gth	Medium	+6%	0.80	70	7	2
								Buy	Stan Life UK Opportnities	Low	+13%	0.37	82	4	-2
									TU British	Medium	+1%	0.84	43	5	0
									Threadneedle UK Accel.	Low	+5%	0.65		8	6
									Threadneedle UK Growth & Inc	Low	-0%	0.75		1	0
									Threadneedle UK Overseas Earn.	Low	-0%	0.80		1	1
									Threadneedle UK Select	Low	+4%	0.76		7	1
									Tilney Growth Portfolio	Low	+1%	0.71		2	2
									Tilney Income & Growth	Very Low	-0%	0.67		-1	1
									UBS UK Select	Low	+4%	0.60	46	4	-2
<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>															
								Buy	3i Group	Very High	+7%	0.44	76	-0	-12
								Buy	Advance UK	Low	+8%	0.53	68	4	-2
								Buy	Albany	Medium	+12%	0.45	86	5	-3
									Aurora Invest Trust	Very High	-5%	0.48	14	-13	-10
									British American IT	Medium	+1%	0.30	44	-12	-4
									British Assets	Medium	-1%	0.66	37	-0	1
									British Portfolio Trt	Medium	+2%	0.76	48	1	-0
								Avoid	City Merchants High Yld	Very Low	-8%	0.28	1	-9	-1
									City of London	Low	+4%	0.38	48	-1	3
									Dunedin Income Growth	Low	+4%	0.42		1	2
									Edinburgh UK Tracker	Medium	+1%	0.80	45	-1	1
									F & C Capital & Income	Medium	+1%	0.68	41	-2	1
									Fidelity Special Values	Medium	+5%	0.52	55	4	-1
								Buy	Finsbury Growth	Medium	+7%	0.48	55	-4	-4
								Buy	Gartmore Growth Opps	Very Low	+10%	0.13	67	11	-2
									Glasgow Income Trust	Medium	+2%	0.39	39	-12	-9
								Buy	Hansa Trust	Low	+24%	0.10	151	10	-5
									Henderson High Income	Medium	-3%	0.39		-6	1
								Buy	Independent Invest Trt	Medium	+10%	0.17	58	-12	-14
									Invesco Income Growth	Low	+6%	0.35	60	4	2
									JPMF Claverhouse	Medium	+3%	0.76	53	-1	-1
								Buy	JPMF Mid Cap	High	+12%	0.42	88	-5	-8
									Life Offices Opport.	Very Low	+6%	0.16	58	7	6
									London & St Lawrence	Low	+2%	0.55	39	-1	-0
								Buy	Lowland Investment Co	Very High	+10%	0.60	86	14	4
									Merchants Trust	Very High	+1%	0.53	49	-4	3
									Murray Income Trust	Medium	+3%	0.41	53	-1	4
								Buy	Perpetual Income & Gth	Low	+4%	0.37	55	-1	4
								Buy	SVM UK Active	Very High	+10%	0.52	8	-8	-8
									Schroder Income & Grwth	Low	-1%	0.51	27	-7	-3
									Schroder UK Growth	Medium	+5%	0.73	64	9	3
									Shires Income	High	-1%	0.40	32	-7	2
									Standard Life Eq Inc	Low	-0%	0.56		-2	1
									Temple Bar Inv. Trust	Low	+1%	0.55	35	-5	1
								Buy	UK Select	High	+9%	0.38		3	-9
									Value & Income Trust	Medium	+6%	0.44	50	1	-2
<b>UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL</b>															
								Buy	Ecofin Water & Power(c)	High	+67%	0.16	834	51	-4
								Buy	Equity Partnership	Very Low	+9%	0.07	70	10	7
								Buy	Framlington I & C - Cap	Medium	+22%	0.30	165	9	-8
								Buy	Investec High Income	High	+15%	0.39	118	4	-4
								Buy	JPMF Income & Capital	Very High	+11%	0.45	100	2	-5
								Buy	M & G Equity Trust - Cap	Very High	+13%	0.45	127	12	-7
								Buy	M & G High Income - Cap	Very High	+51%	0.18	455	72	-8
								Buy	M & G Income	High	+5%	0.40	61	0	-7
									M & G Recovery	High	+4%	0.38	48	7	-9
									Merrill FTSE100 G&I (c)	Very Low	+1%	0.10	24	-2	6
								Buy	Rights & Issues	Very Low	+18%	0.11	109	23	0
									Schroder Split Invest.	Very High	+6%	0.57	81	-2	-8
<b>UNITED KINGDOM SMALLER COS</b>															
<b>UNITED KINGDOM BASED UNIT TRUSTS</b>															
									AXA Framlington UK Small Coys	Medium	+6%	0.67	79	2	-7
									Aberdeen UK Emerging	Medium	+0%	0.74	39	-2	-7
								Buy	Aberforth UK Small Coys	Medium	+7%	0.89	73	4	-3
								Buy	Allianz Dres UK Mid-Cap	Medium	+8%	0.81	82	2	-1
									Artemis New Enterprises	Medium	-2%	0.57	45	22	1
									Artemis UK Smaller Coys	Medium	+5%	0.63	72	15	-1
								Buy	BG British Smaller Coys	Medium	+10%	0.75	89	8	-0
									Baring UK Small Coys	Medium	+4%	0.81	59	6	-5
								Avoid	CF Canlife UK Small Coys	Medium	-16%	0.52		-14	-8
								Buy	CS Smaller Companies	Medium	+7%	0.91	76	6	-4
									CS UK Mid 250	Medium	+5%	0.80	66	3	-1
									Cavendish AIM	Very Low	-6%	0.31		7	-3
									Cavendish Opportunities	Low	+2%	0.65	55	-0	-3
								Buy	Cazenove UK Smaller Coys	High	+8%	0.76	99	15	-1
									Dimensional UK Smaller Coys	High	+6%	0.82		3	-3
									F & C UK Mid-Cap	Medium	+2%	0.80	4	1	
								Buy	F & C UK Smaller Companies	Medium	+8%	0.89	82	11	-2
									First State British Small Cos	Medium	+4%	0.46	58	13	-5
									Gartmore UK & Irish Small Cos	Medium	+1%	0.74	52	6	-2
								Buy	HSBC UK Smaller Companies	High	-1%	0.73	40	-1	-4
									Halifax Smaller Companies	Medium	+1%	0.87	0	-5	
									Henderson UK Small Coys	High	+6%	0.90	70	4	-4
									Insight UK Small Cap	Medium	+4%	0.92	56	2	-3
									Invesco Perp UK Small Coys	Medium	+0%	0.73	52	7	-2
								Buy	Invesco Perp UK Small Cos Equ.	Medium	+8%	0.93	88	6	-2
								Buy	Investec UK Smaller Cos	Medium	+10%	0.87	98	13	-0
									JPM UK Smaller Companies	High	+8%	0.93	100	9	-3
									Jupiter UK Small Cos	Medium	+3%	0.48	66	6	1
									L & G UK Small Coys	Medium	+5%	0.83	67	-1	-6
								Buy	Lazard UK Smaller Companies	High	+7%	0.94		4	-4
									Legg Mason US Smaller Coys	Medium	-3%	0.36	49	5	3

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	M & G Smaller Companies	Medium	+10%	0.76	97	8	-1
Buy	Marlborough Special Situations	Medium	+10%	0.71	93	21	-2
Buy	Marlborough UK Micro Cap Gth	Low	+12%	0.50		15	-2
	Norwich UK Smaller Cos	Medium	+2%	0.91	49	3	-5
Buy	Old Mutual UK Select Mid Cap	Medium	+11%	0.80	104	11	2
Buy	Prudential Smaller Companies	Medium	+8%	0.84	84	6	-1
Buy	Rathbone Smaller Coys	Low	+8%	0.80	76	12	-1
	SG UK Smaller Companies	Medium	+1%	0.84	52	1	-4
	SWIP UK Smaller Companies	High	+5%	0.94		7	-2
	Schroder UK Smaller Coys	High	+5%	0.89	70	8	-6
	Scot Wid. UK Smaller Coys	High	+4%	0.91	61	-1	-5
Buy	Stan Life UK Smaller Cos	High	+12%	0.86	114	14	-2
	Threadneedle UK Mid 250	Medium	+6%	0.74		7	2
	Threadneedle UK Smaller Cos	High	+5%	0.87	72	2	-4
Buy	UBS UK Smaller Companies	Medium	+8%	0.57	82	12	-3
	Unicorn UK Smaller Coys	Low	-2%	0.58	41	3	-1

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

	Aberforth Smaller Coys	High	+1%	0.66	52	-6	-6
	Active Capital Trust	Very High	-4%	0.49	36	5	-9
	Chelverton Growth Trust	Medium	+0%	0.19	48	12	-2
Buy	Dunedin Smaller Coys IT	High	+7%	0.64	74	-6	-11
	Eaglet Investment Trust	High	-3%	0.52	32	-4	-7
	Framlington Innovation	Medium	+6%	0.57	72	1	-5
	Gartmore Fledgling Indx	High	-1%	0.62	33	-4	-8
	Gartmore Small Coys	Medium	+1%	0.51	52	2	-4
Buy	Henderson Smaller Cos	Very High	+8%	0.83	90	2	-4
	Invesco England	High	+6%	0.54	81	9	-2
Buy	Invesco Perp UK Smaller	High	+9%	0.74	93	4	-4
Buy	JPMF Mercantile	Very High	+7%	0.77	92	1	-5
Buy	JPMF Smaller Cos	Very High	+12%	0.86	121	6	-5
Buy	Merrill British Sm Coys	Very High	+9%	0.88		11	-3
Buy	Montanaro UK Small Coys	Very High	+9%	0.77	95	8	-5
	Osprey Small Cos Income	Very High	-1%	0.59	40	-9	-12
Buy	SVM UK Emerging Fund	Low	+34%	0.10		68	13
Buy	Schroder UK Mid & Small	Very High	+10%	0.74	102	9	-1
	Shires Smaller Coys	Very High	-4%	0.62	30	-7	-11
	Throgmorton Trust	High	+6%	0.69	84	5	-6
Buy	UK Smaller	Very High	+13%	0.56		16	-3

**UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL**

Buy	Aberforth Geared (cap)	Very High	+28%	0.64	293	47	-2
	Small Companies Div.	Low	+2%	0.49		-8	-7
Buy	Small Cos Value Trt (c)	Very High	+22%	0.32	200	15	-8

**United Kingdom**



**EUROPE**

**AUSTRALIAN BASED UNIT TRUSTS**

	BT Europe Growth	Medium	+2%	0.76	65	8	3
	Platinum Europe	Medium	-4%	0.58	29	-0	-9

**NEW ZEALAND BASED UNIT TRUSTS**

	Tower Spotlight Europe	Low	-2%	0.64	36	1	-1
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**UNITED KINGDOM BASED UNIT TRUSTS**

	AXA European Growth	High	+4%	0.85	76	5	3
	AXA Framlington European	High	+4%	0.83	86	11	2
	Aberdeen European Opps	Medium	+1%	0.84		4	-1
	Aegon European	Medium	+4%	0.87	83	15	7
	Allchurches Euro Growth	Low	+2%	0.89	61	7	2
	Artemis European Growth	Very High	+6%	0.86	97	16	4
	BG Europe	Medium	+3%	0.77	73	8	3
Buy	Baring Euro Sel.	Medium	+12%	0.66	125	17	3
	Baring European Growth	Medium	+6%	0.88	96	13	4
	CF Canlife European	Medium	+2%	0.71		9	1
	CIS European	Medium	-1%	0.89	60	6	5
	CS Core European	Medium	+4%	0.81		13	5
Buy	CS Euro Frontiers	Very High	+11%	0.36	153	27	12
	CS European	Medium	+0%	0.87	61	9	4
	Cazenove European Portfolio	Medium	+6%	0.79	85	10	3
	F & C European 1	Medium	+4%	0.87	78	15	4
	Fidelity European	Medium	+6%	0.83	83	11	4
Buy	Fidelity European Opps	Medium	+7%	0.80	97	16	6
	Frank Temp Europe	High	+4%	0.85		6	1
	Gartmore European	Medium	+2%	0.86	61	3	2

**France**



**Switzerland**



**Italy**



**Spain**



Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Gartmore European Focus	Medium	+3%	0.85	70	2	2
	Gartmore European Sel Opps	Medium	+4%	0.91	85	12	5
	HSBC European Growth	Medium	+2%	0.94	67	8	3
	HSBC Eurotrack 100	Medium	+2%	0.90	68	9	5
	Halifax European	Medium	+0%	0.92		6	4
	Henderson Euro Cap Gth	Medium	+3%	0.84	75	10	4
	Henderson European	Medium	+2%	0.88		8	6
	Henderson Pan European Enhanc.	Medium	+2%	0.87		10	4
	Inscap Europe	Medium	+4%	0.89	85	11	4
	Insight European	Low	+6%	0.57	71	8	4
	Insight European Ethical	Medium	+3%	0.74		4	0
	Invesco Perp Euro Growth	Medium	+2%	0.86	71	6	4
	Invesco Perp European Equity	Medium	+4%	0.88	74	8	3
	Investec European	Medium	+4%	0.84	75	10	5
	Investec Pan European	Medium	+2%	0.88		8	5
Buy	JPM European Dynamic	Medium	+12%	0.86		20	5
Buy	JPM New Europe	High	+14%	0.33	176	36	16
Buy	Jupiter Emerging European	Medium	+12%	0.20		26	18
Buy	Jupiter European	Very Low	+7%	0.17	77	16	14
	L & G (A & L) European	Medium	+0%	0.93	62	7	3
	L & G Euro Index	Medium	+2%	0.88	70	9	3
	L & G European	High	+0%	0.86	68	9	3
	Lazard European Growth	Medium	+3%	0.89	74	9	4
	Legg Mason Cont European	Medium	+1%	0.82		8	2
	Lincoln European	Medium	+2%	0.88	67	9	1
	Liv Victoria European	Medium	+6%	0.90		16	6
	M & G European	Medium	+3%	0.86	80	14	3
	M & G European Index Tracker	Medium	+6%	0.81	91	11	5
	MSDW Europe (ex-UK)	Medium	+0%	0.88	67	7	3
	Martin Currie European	High	+4%	0.80	84	14	1
	Merrill Continental Euro	Medium	+4%	0.89	85	9	6
	Merrill European Dynamic	High	+6%	0.90	101	12	5
Buy	Neptune European Opps	High	+9%	0.62		17	2
Buy	Neptune Russia & Gtr Russia	Very High	+23%	0.34		32	13
	New Star European Growth	High	+6%	0.78	83	6	-1
	New Star European Leaders	Medium	+3%	0.86	70	10	4
	New Star European Portfolio	Medium	+4%	0.74	79	12	4
	Newton Continental European	Medium	+3%	0.84	76	11	7
	Newton Pan-European	Medium	+2%	0.87	66	10	5
	Norwich European Equity	Low	+3%	0.77		10	5
	Old Mutual European Equity	High	+3%	0.85	82	12	3
Buy	Premier European Growth	Medium	+8%	0.67	93	9	-1
	Prudential Euro Index	Medium	+0%	0.72	60	9	4
	Prudential European	Medium	+2%	0.82	67	10	4
	Royal London European Gth	Medium	+5%	0.53	77	11	2
	SG European	Medium	+6%	0.71	70	2	3
	SG European Spec Opps	Medium	+1%	0.88		8	2
Buy	SVM Continental European	Medium	+9%	0.58	113	17	2
	SWIP European	Medium	+6%	0.74	93	18	6
	SWIP Pan Euro Equity	Medium	+5%	0.83	78	10	3
	SWIP Pan European SRI	Medium	+4%	0.85		10	3
	Schroder European	Medium	+2%	0.86	61	3	1
	Schroder European Alpha	Medium	+6%	0.72		10	3
	Scot Mutual European Gth	Medium	+3%	0.90	72	8	1
Buy	Scot Wid. Euro Select Gth	Medium	+8%	0.67	101	21	3
Buy	Scot Wid. Euroland	Medium	+7%	0.79	89	14	4
Buy	Scot Wid. European Growth	Medium	+7%	0.74	96	18	6
Buy	Sing & Fried European Growth	Medium	+7%	0.85	92	14	2
	Skandia European Equity Blend	High	+2%	0.86		9	3
	St James's Gtr Euro Prog.	Low	+4%	0.81	72	9	2
Buy	Stan Life Euro Equity Gth	High	+9%	0.82	114	22	3
	Stan Life European Eq Ind Trk	Medium	+4%	0.87		13	5
	TU European	Medium	-0%	0.89	53	3	4
	Threadneedle Euro Growth	Medium	+3%	0.84	74	9	3
	Threadneedle Euro Sel Growth	Medium	+3%	0.83	71	9	2
	Threadneedle Pan Euro Gth	Medium	+1%	0.89	62	7	4
	UBS European Equity	Medium	+2%	0.82		5	3

## UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Artemis Alpha	High	+1%	0.24	47	2	-7
Buy	Baring Emerging Europe	Very High	+14%	0.28	179	29	8
Buy	Blue Planet Euro Fin.	Very High	+13%	0.32		-7	-14
Buy	Blue Planet Gth & Inc	Very High	+8%	0.20	102	-1	-18
	Charter Pan European	High	+3%	0.75	82	15	7
Buy	Eastern European	Very High	+12%	0.35	166	25	9
Buy	European Assets	High	+10%	0.51	108	8	-6
	Gartmore European	Very High	+6%	0.91	104	10	5
Buy	Gartmore Irish Small	Very High	+8%	0.45	82	-3	-6
	Henderson Eurotrust	Very High	+6%	0.61	90	5	3
	Invesco Perp European	Very Low	+5%	0.29	55	-2	2
Buy	JPMF Russia	Very High	+19%	0.26	231	35	16

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	Jupiter European Opps	Medium	+13%	0.54	116	22	7
	Merrill Greater Europe	Medium	+5%	0.75		12	9
Buy	SR Europe	Low	+13%	0.22	150	15	7

## UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Buy	Premier Euro Utilities	High	+14%	0.35		13	-6
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**EUROPE SMALLER COS**

## UNITED KINGDOM BASED UNIT TRUSTS

Buy	Aberdeen European Small Coys	High	+9%	0.72		13	-0
Buy	BG Euro Small Coys	Medium	+10%	0.56	102	10	1
Buy	Henderson European Small Cos	Medium	+16%	0.54	136	23	-4
Buy	Insight European Small Cap	Medium	+13%	0.69	113	18	0
Buy	Invesco Perp Euro Smaller Cos	High	+13%	0.61	139	21	-0
Buy	JPM European Smaller Coys	High	+15%	0.66	136	19	-1
Buy	Jupiter Euro Spec Sits	Low	+9%	0.25	96	11	11
Buy	Lazard European Smaller Coys	Medium	+8%	0.54		11	-1
Buy	SWIP Pan-Euro Small Companies	High	+11%	0.65	123	13	-2
Buy	Schroder Euro Small Coys	Medium	+12%	0.59	110	9	-3
Buy	Threadneedle Euro Small Cos	Medium	+14%	0.58	128	18	-1

## UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Fidelity Euro V.	Very High	+5%	0.67	96	13	5
Buy	JPMF Euro Fldgling	Very High	+17%	0.60	188	18	-4
Buy	TR European	Very High	+13%	0.62	141	25	-0

**GERMANY**

## UNITED KINGDOM BASED UNIT TRUSTS

	Baring German Growth	Medium	+3%	0.84	105	22	3
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**Germany****Next Issue:**

The next issue of *International Investor* will be emailed in five weeks time on **Monday November 12, 2007**.

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