

International Investor

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Inside International Investor

Credit Crunch worries continue 2

Investment Fund Survey: 4 - 8

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New Zealand, Australia, Gold & Mining, Emerging Markets,
Latin America, Far Eastern, 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 _____	52%	Bearish	Bullish	Neutral	Bearish	+20.0%	+15.3%	+45.7%	6,607.40
Austria _____	39%	Neutral	Neutral	Bearish	Bearish	+11.0%	+6.6%	+27.2%	4,587.42
Belgium _____	43%	Bullish	Bearish	Bearish	Bullish	+6.0%	-5.9%	+9.5%	4,048.61
Canada _____	58%	Neutral	Bullish	Neutral	Neutral	+15.4%	+17.0%	+34.9%	13,869.82
Denmark _____	55%	Bearish	Bullish	Neutral	Bullish	+10.9%	+9.6%	+32.5%	494.97
Finland _____	55%	Bearish	Bullish	Neutral	Bearish	+19.3%	+21.8%	+48.4%	12,033.38
France _____	45%	Bullish	Bearish	Bearish	Bearish	+8.4%	-1.1%	+16.0%	3,923.10
Germany _____	49%	Neutral	Bullish	Bearish	Bearish	+14.1%	+13.3%	+40.2%	7,812.40
Ireland _____	37%	Bullish	Bearish	Neutral	Bearish	-8.4%	-19.3%	-6.3%	7,128.69
Italy _____	34%	Bullish	Bearish	Bearish	Neutral	+3.9%	-5.5%	+7.9%	29,445.00
Japan _____	43%	Neutral	Bearish	Neutral	Bullish	-1.1%	-3.7%	+2.6%	15,583.42
Netherlands _____	36%	Neutral	Neutral	Bearish	Bearish	+9.1%	+4.3%	+18.2%	510.65
New Zealand _____	27%	Bullish	Bearish	Bearish	Neutral	-1.4%	-5.4%	+9.3%	2,415.62
Norway _____	65%	Bearish	Bullish	Bullish	Neutral	+23.4%	+25.5%	+50.2%	434.04
Spain _____	54%	Neutral	Bullish	Bearish	Neutral	+14.9%	+13.3%	+27.2%	1,702.86
Sweden _____	39%	Bullish	Bearish	Bearish	Neutral	+2.6%	-3.7%	+14.1%	362.27
Switzerland _____	26%	Neutral	Bearish	Bearish	Bearish	+4.6%	-3.0%	+6.3%	8,417.15
Un. Kingdom _____	46%	Bullish	Neutral	Bearish	Bearish	+8.1%	+1.3%	+11.1%	6,304.90
USA _____	47%	Bearish	Bearish	Bullish	Bullish	+0.0%	-3.5%	+5.3%	1,453.70
Argentina _____	58%	Bearish	Bullish	Bullish	Neutral	+14.9%	+9.6%	+25.9%	8,398.13
Brazil _____	63%	Bearish	Bullish	Bullish	Bearish	+36.6%	+45.5%	+93.9%	64,320.56
Czech Rep. _____	50%	Neutral	Bullish	Bearish	Neutral	+18.2%	+16.1%	+43.6%	1,832.10
Chile _____	48%	Bearish	Bullish	Bearish	Bullish	+5.4%	+3.6%	+34.1%	14,566.28
China _____	50%	Bearish	Bullish	Neutral	Bearish	+13.4%	+26.2%	+244.7%	352.42
Greece _____	62%	Bearish	Bullish	Neutral	Bullish	+19.2%	+17.8%	+37.9%	5,148.13
Egypt _____	61%	Bearish	Bullish	Bullish	Neutral	+14.4%	+20.0%	+43.4%	3,056.16
Hong Kong _____	60%	Bearish	Bullish	Neutral	Neutral	+32.7%	+41.3%	+52.4%	28,783.41
Hungary _____	52%	Bearish	Neutral	Neutral	Bullish	+4.5%	+9.7%	+34.4%	26,894.88
India _____	35%	Bearish	Bullish	Bearish	Bearish	+32.2%	+44.4%	+62.7%	18,907.60
Indonesia _____	66%	Bearish	Bullish	Neutral	Bullish	+25.8%	+30.3%	+62.7%	2,707.67
Israel _____	60%	Bearish	Bullish	Bullish	Neutral	+20.0%	+7.6%	+38.6%	1,168.11
Korea _____	58%	Bearish	Bullish	Neutral	Neutral	+12.0%	+27.0%	+47.0%	1,990.47
Malaysia _____	66%	Bearish	Bullish	Bullish	Neutral	+14.2%	+6.7%	+50.5%	1,402.25
Mexico _____	33%	Bearish	Bearish	Bearish	Neutral	+0.4%	-3.7%	+22.1%	29,158.86
Philippines _____	56%	Neutral	Bullish	Neutral	Bearish	+21.0%	+21.7%	+52.6%	3,703.66
Poland _____	47%	Bullish	Neutral	Bearish	Neutral	+11.1%	+9.5%	+42.7%	58,222.82
Portugal _____	31%	Bearish	Bearish	Bearish	Bearish	+9.0%	+16.4%	+46.4%	4,219.99
Russia _____	59%	Bearish	Bullish	Bullish	Neutral	+14.3%	+23.7%	+28.4%	24,174.64
Singapore _____	75%	Bearish	Bullish	Bullish	Bullish	+13.4%	+10.0%	+41.5%	3,599.67
Sth Africa _____	35%	Neutral	Bullish	Bearish	Bearish	+23.8%	+13.4%	+41.4%	30,920.21
Taiwan _____	47%	Bullish	Bullish	Bearish	Neutral	+2.6%	+15.3%	+27.1%	8,970.92
Thailand _____	62%	Neutral	Bullish	Bearish	Neutral	+17.2%	+35.3%	+36.8%	874.64
Turkey _____	70%	Neutral	Bullish	Neutral	Bullish	+18.6%	+33.6%	+63.7%	53,689.08
Venezuela _____	31%	Bullish	Bearish	Bearish	Bearish	-5.7%	+27.2%	+43.7%	38,564.65

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 *Credit Crunch* is being described as “the worst crisis in ten years”. We agree - it has been a very quiet decade!

There was an Asian crisis in 1997 forcing local currencies to devalue and which are now considered under-valued.

A hedge fund, **Long Term Capital Management**, failed in October 1998. The fund had US\$4 billion in investors' capital, traded derivatives worth US\$1.25 trillion and lost \$4.6 billion in just four months! And was quickly forgotten.

On the other hand, a terrorist attack on the United States in September 2001 received (and continues to receive) plenty of attention, but weren't things more unstable in the past? The IRA, for example, with weapons imported from the United States and Libya, was *active* for 37 years from 1969-97.

Investors did get a little too enthusiastic about Technology shares and “internet-economics” leading to a downturn in world stockmarkets and a mild recession in the early 2000's.

Overall it was a rather uneventful decade.

US consumers have continued to over-spend -aided by easy credit which led to the Sub-Prime Mortgage problem. Correcting that imbalance must - in the long term - be a favourable development.

The current *Credit Crunch* results from the uncertainty about the financial position of particular banks which has resulted in a sharp decline in inter-bank lending and liquidity in the short term money market. This is simply a question of confidence. Things will get worse while that confidence remains weak, but could quickly improve and return to normal.

The *Credit Crunch* is not impacting on Asian domestic banks with no exposure to the US market. There is still plenty of liquidity in the Chinese market, in most Asian economies and amongst the oil exporting countries. Ultimately these global markets are all linked. It is very difficult, for example, for any central bank to control money supply in its own country as money flows between international financial markets.

The problems at UK based **Northern Rock** was that the company borrowed short term to lend long term - a business model that has failed throughout history! The bank's long term lending on mortgages was funded mainly from short term borrowing in the money market. The *Credit Crunch* effectively closed off its money market financing - but sooner or later *something* would have triggered a funding crisis and its current problems.

The point we want to make, however, is that a business like Northern Rock (or a more sound one that gets into trouble owing to the *Credit Crunch*) could easily be taken over cheaply (or perhaps for nothing) by the people who still have cash: the Asian exporting nations with massive foreign currency reserves or the Sovereign Wealth Funds operated by cash rich oil exporting countries.

If the *Credit Crunch* continues, it will offer an outstanding opportunity for cash rich Asian exporters or oil exporters to cheaply acquire businesses in the developed western world. We do not think that central banks and western governments will allow that to happen - which means the *Credit Crunch* will be allowed to punish over-extended borrowers but not deteriorate to the stage that we get a major economic crisis!

United States Stockmarket



Hong Kong Stockmarket



Recommended International Investment Funds

Fund Reports

Aberdeen Asian Smaller Companies Investment Trust plc plans to pay an annual dividend of 3.45 pence and a special dividend of 2.7 pence (being from special dividends received from its investments) on 30 November, ex-dividend 26 October. We currently hold *warrants* to buy the shares in three years time, so don't participate in this distribution.

The trust's portfolio is weighted towards domestic demand - retailers, utility and energy companies - rather than export companies. This should cushion the portfolio from any slowdown in exports, while rising wealth throughout Asia should support growth in domestic consumption.

The Fund Manager believes that with "mounting foreign exchange surpluses" Asian "currencies are fundamentally under-valued".

Smaller Asian shares have under-performed the

liquidity driven boom in larger Asian shares, where "the justification for valuations seems tenuous" and a correction is possible. Smaller company shares are less at risk of a correction and should outperform in a less "feverish" market.

When the trust was first formed it invested in *smaller companies* with a market capitalisation of under US\$250 million. That was raised to under US\$600 million in 2002 and will now be raised to under US\$750 million.

Scottish Oriental Smaller Companies Trust plc will pay a 27.8% higher final dividend of 4.6 pence on 25 January, ex-dividend 21 December.

The Fund Manager notes that "Asia's exposure to the global economy has fallen over the last ten years" although "exports remain a key factor driving economic growth". The trust holds 5% of its portfolio in cash - "reflecting a somewhat cautious view on the immediate future" - but the "longer term (Continued on Page 8)

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	
Europe									
HOLD	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-5%	1314.0p	3571.6	+177
BUY	JFMorgan Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-13%	763.0p	2073.9	+171
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-18%	637.0p	1731.4	+66
HOLD	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-6%	350.0p	951.3	+36
Asian Regional									
BUY	Aberdeen Asian Sm Co WARRANTSAASW		09/09/03	75.3p	209.1		211.5p	574.9	+175
BUY	Gartmore China Opportunities	*	09/07/07	548.9p	1410.4		699.15p	1900.4	+35
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		383.09p	1041.3	+888
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		86.85p	236.1	+122
HOLD	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		543.6p	1477.6	+32
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-15%	298.0p	810.0	+145
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-10%	153.75p	417.9	-5
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-13%	59.75p	162.4	-50
BUY	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		48.89p	132.9	-27
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		270.5-286.3p	756.7	+261
International									
BUY	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		323.4p	879.0	+378
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-15%	352.5p	958.1	+17
HOLD	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-6%	151.5p	411.8	-2

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +142.2%. This is equal to an average annual rate of +19.2%, 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 +14.6%.

Other Shares and Warrants

Alternative investments in the UK listed investment trust warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 289 pence (trading at an 18% discount to net asset value).

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							
	AMP NZ Share	Very Low	-1%	0.74	41	15	2
	ASB NZ Shares	Low	-2%	0.58	31	6	-8
	Fisher Fledgling Fund	Very Low	+3%	0.32	7	-2	
Buy	Fisher NZ Growth Fund	Low	+9%	0.38	12	-2	
	ING NZ Share	Medium	-5%	0.50	30	5	-0
	NZ Guardian NZGT 30	Medium	-4%	0.80	27	10	-4
	NZ Guardian Small Coys	Very Low	+5%	0.37	54	8	0
	Tower New Zealand Equity	Very Low	-2%	0.71	31	9	-1

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
NEW ZEALAND LISTED INVESTMENT TRUSTS							
	Mid-Cap Index	Medium	-0%	0.64	42	10	-1
Avoid	TeNZ	High	-9%	0.80	18	13	-4

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
Buy	NZ Investment Trust	Low	+7%	0.43	63	19	0

AUSTRALIA

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
AUSTRALIAN BASED UNIT TRUSTS							
Avoid	AMP Blue Chip Trust	Very High	-13%	0.44	34	11	13
Avoid	AMP Equity Trust	Very High	-13%	0.53	43	7	13
Avoid	AMP FLI Aust	Very High	-14%	0.45	35	-4	10
Avoid	AMP FLI Small Companies	Very High	-17%	0.33	23	10	8
Avoid	ANZ Equity Imputation Trt	Very High	-13%	0.56	36	7	14
Avoid	ANZ Equity Trust No 1	Very High	-21%	0.55	26	4	13
Avoid	ANZ ING Aust Shares	Very High	-14%	0.51	37	15	13
Avoid	ANZ ING Blue Chip	High	-9%	0.50	49	15	13
Avoid	AXA Australia Industrial	Very High	-23%	0.41	4	0	14
Avoid	Advance Imputation Fund	High	-16%	0.50	17	4	12
Avoid	Aust Ethical Equities	Medium	-14%	0.28	12	6	4
Avoid	BT Australia	Very High	-10%	0.64	57	12	12
Avoid	BT Smaller Companies	Very High	-13%	0.43	41	14	10
Avoid	BT Split Trust Growth	Low	-7%	0.59	52	2	7
	Challenger Aust Shares	Medium	-6%	0.46	59	13	7
Avoid	Col First State Aust Sh.	High	-17%	0.56	23	2	11
Avoid	Col First State Dev. Coys	High	-13%	0.30	16	7	6
Avoid	Col First State Future Ld	Very High	-24%	0.39	5	-6	8
Avoid	Col First State Imput'n	Medium	-16%	0.53	22	2	12
Avoid	Commonwealth Aust Share	Medium	-14%	0.31	28	10	9

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Avoid	Commonwealth Share Income	High	-14%	0.32	30	9	9
Avoid	Gold Sachs Emerging Lead.	Very High	-25%	0.29	-16	-8	7
Avoid	Gold Sachs Leaders Trust	Very High	-14%	0.50	39	10	15
Avoid	Hunter Hall Value Growth	Medium	-9%	0.34	40	8	6
Avoid	ING Australia Share	Very High	-21%	0.42	13	0	13
Avoid	ING Blue Chip	Very High	-16%	0.46	26	8	13
Avoid	MLC Aust Tr - Aust Share	Very Low	-9%	0.17	27	10	13
	MLC Aust Trust - Index	Medium	-0%	0.61	85	25	14
	Macquarie Active Aust Equ	Very High	-6%	0.64	69	12	14
Avoid	NAFM In Trt - Equities	Very High	-23%	0.27	-11	-5	-2
Avoid	NAFM Inv Trust - Div Imp	High	-14%	0.54	27	5	12
Avoid	Parker Enhanced Leaders	Medium	-5%	0.45	55	23	16
Avoid	Perpetual ICSav - Aust	High	-7%	0.59	56	9	12
Avoid	Perpetual ICSav - Sm Coys	Very High	-14%	0.41	21	6	8
Avoid	Perpetual ICSav - Indust.	Very High	-15%	0.22	29	43	50
Avoid	Portfolio Ptnrs Emerging	High	-21%	0.21	-8	14	4

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
NEW ZEALAND BASED UNIT TRUSTS							
	AMP Australian Shares	Very Low	+0%	0.42	72	24	13
Avoid	ANZ TranzEquity	Very Low	-8%	0.15	10	0	0
Buy	Fisher Australian Growth	Very Low	+10%	0.08	22	1	1
	ING Australian Share	Very Low	+1%	0.24	77	22	9

Australia



Investment Fund Survey Information.

Fund Listings. Unit trusts are listed under the country where they invest, and then sub-divided according to the country where the Fund Manager is based. For example, "Australian Funds" hold principally Australian shares and other Australian investments although these funds may be based in either the UK, NZ or Australia.

Risk Ratings. Most equity funds follow general stockmarket trends but some are far more volatile than others. The "Risk Rating" measures just how volatile a fund is relative to the stockmarket in the country where it invests. "Very High" and "High" risk funds will usually rise very fast during a Bull Market (i.e. during a rising stockmarket trend) but will also fall fastest in value when the stockmarket dips. "Low" and "Very Low" risk funds will experience smaller price fluctuations.

Superiority Ratings. The "Superiority Rating" is the most important statistic for selecting the best managed funds to buy and the worst managed funds to avoid. The "Superiority Rating" shows whether a fund's actual return was above or below its expected return based upon its volatility. For example, if the stockmarket rises 10% then a fund with a volatility of 1.5 would be expected to rise 15% (i.e. 10% x 1.5). If the fund rose 20% it would have a "Superiority Rating" of +5%. On the other hand, if the fund rose only 10% it would be given a "superiority rating" of -5%. (Actually, the "Superiority Ratings" are calculated from a statistical analysis of each fund's monthly performance over the last three years, with extra importance given to its performance over the latest twelve month period.)

Many funds can beat the stockmarket by a substantial margin during a Bull Market simply invested in very risky, volatile shares but these are not managed in a superior way. Only funds that perform better than can be expected from their volatility (or risk exposure) can be said to be benefiting from genuinely superior management.

Current Advice. The "Superiority Rating" measures the annual amount by which a fund's performance is above or below its expected return based upon

its level of risk exposure. As a high "Superiority Rating" indicates excellent management of the fund's investment portfolio these trusts are automatically given "Buy" ratings. A negative "Superiority Rating" shows poor investment results and the funds with the worst management record have been given an "Avoid" rating.

Market Correlation. The "Market Correlation" measures how closely a fund's price follows general stockmarket movements (in the country where it invests). Correlations, which statisticians call R^2 ("R-squared"), vary from 0 (no correlation) to 1 (100% correlation). Most equity funds have "Market Correlations" between 0.60 and 0.95.

Investors who buy and sell funds on the basis of "market timing" should choose funds with high market correlations. The performance of these funds will closely reflect general stockmarket movements. Other investors may wish to minimise the impact of general stockmarket fluctuations and buy funds with lower market correlations.

How to Maximise Profits from this Investment Fund Survey.

First decide whether you want to invest in a fund that holds New Zealand, Australian, International, United Kingdom, European, Japanese or Gold & Mining shares, then turn to the appropriate section.

If you expect the stockmarket to rise strongly (in the country where the fund invests) the "High" and "Very High" risk funds with high superiority ratings and high market correlations will be your choice.

If uncertain about the general stockmarket trend then "Medium", "Low", or even "Very Low", risk funds with the highest superiority ratings will be the best investments.

Most NZ based and Australian based unit trusts are sold through sharebrokers and other commission sales organisations. UK based trusts are not sold through NZ agents but may be bought and sold (by telephone or by post) directly from the management organisations or through a stockbrokers like FasTrade (www.fastrade.co.uk). Prices can also be found at the TrustNet web site (www.trustnet.com).

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

AUSTRALIAN LISTED INVESTMENT TRUSTS

Buy	Argo Investments	Very Low	+7%	0.01	79	11	8
Buy	Australian Foundation	Very Low	+9%	0.04	97	29	11
Buy	Choiseul Plantation	Very Low	+8%	0.00	70	14	11
Buy	Diversified United Inv.	Very Low	+12%	0.03	119	33	5
	Huntley Investment Coy	Very Low	+1%	0.05	42	8	5

NEW ZEALAND LISTED INVESTMENT TRUSTS

	Ozzy Tortis	Medium	+1%	0.51	97	29	16
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GOLD & MINING

AUSTRALIAN BASED UNIT TRUSTS

Avoid	BT Natural Resources	Very High	-9%	0.81	83	36	16
Avoid	Col First State Glb Res.	High	-9%	0.91	84	31	21
	Gold Sachs Resources	Medium	+2%	0.80	143	33	22
Avoid	ING Resources	Very High	-25%	0.60	20	1	20

UNITED KINGDOM BASED UNIT TRUSTS

	First State Global Resources	Medium	+6%	0.85	168	49	25
Buy	JPM Natural Resources	Medium	+7%	0.92	45	19	
	Merrill Gold & General	High	-3%	0.75	136	42	35

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	City Nat Res High Yld	Low	+12%	0.64	48	7	
Buy	Merrill World Mining	Low	+15%	0.69	246	46	22
	Resources Invest Trust	Very Low	+4%	0.28	121	9	7

EMERGING MARKETS

UNITED KINGDOM BASED UNIT TRUSTS

	AXA Framlington Emerging Mkts	Medium	+4%	0.90	190	49	19
	Aberdeen Emerging Markets	Medium	+2%	0.96	150	30	17
	BG Emerging Markets	Medium	+3%	0.89	186	39	22
	BG Emerging Mkts Large Cap	Medium	+2%	0.92	31	22	
	CS MM Emerging Markets	Medium	+2%	0.80	125	30	9
	Dimensional Emerging Markets	Medium	+1%	0.93	145	35	17
	F & C Emerging Markets	Medium	-2%	0.93	146	40	18
	First State Global E/M Leaders	Medium	+1%	0.92	125	29	12
	First State Global Emerg Mkts	Medium	+2%	0.91	130	29	12
	Frank Tern Glb E/Markets	Medium	-0%	0.93	155	47	26
	Gartmore Emerging Markets Opps	High	+1%	0.96	176	51	23
	Henderson Emerging Markets	High	-5%	0.95	141	35	21
	Invesco Perp Emerging Country	Medium	-1%	0.97	154	34	19
	JPM Emerging Markets	Medium	+3%	0.95	168	33	19
	Lazard Emerging Markets	Medium	+0%	0.94	142	27	14
	Lincoln Emerging Markets	Medium	-3%	0.94	105	24	13
	Lloyd George E/Markets	Medium	-5%	0.94	118	23	15
	Martin Currie Emerging Mkts	High	-1%	0.95	172	41	21
	Merrill Emerging Markets	High	-4%	0.97	149	36	19
	SG Global Emerging Markets	Medium	-2%	0.88	141	30	23
	SWIP Emerging Markets	High	-2%	0.94	149	30	19
	Schroder Gbl Emerging Mkts	Medium	-0%	0.98	162	43	23
	Scot Wid. Emerging Markets	Medium	-4%	0.92	117	29	17
	UBS Global Emerging Markets	Medium	-3%	0.97	152	37	22

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Advance Developing Mkts	Medium	+4%	0.85	170	37	14
	Genesis Emerging Mkts	Low	+5%	0.70	143	23	6
	JPMF Emerging Mkts	High	+1%	0.85	202	37	20
	Templeton Emerging Mkts	High	+2%	0.90	209	59	25

LATIN AMERICA

UNITED KINGDOM BASED UNIT TRUSTS

	F & C Latin American Equity	Medium	+2%	0.96	210	45	15
	Invesco Perp Latin America	Medium	-1%	0.99	216	36	16
	Scot Wid. Latin America	Medium	+1%	0.98	245	44	16
	Threadneedle Latin America	High	-3%	0.98	227	39	19

FAR EASTERN / PACIFIC (EXCL JAPAN)

NEW ZEALAND BASED UNIT TRUSTS

	AMP Asian Shares	Medium	-6%	0.85	73	24	12
Avoid	Tower Spotlight Asia	Medium	-8%	0.82	64	16	10

UNITED KINGDOM BASED UNIT TRUSTS

	AXA Pacific Growth	Medium	+2%	0.89	133	50	25
	Allianz Dres Tot Ret Asian Eq	Medium	+1%	0.92	150	50	27
	BG Developing Asia Pacific	Medium	+5%	0.85	137	44	27
	BG Pacific	Medium	+6%	0.87	159	57	22
	Baring East	High	+5%	0.93	182	68	26
	CF Canlife Far East	High	+5%	0.87	71	29	
	CS Asia Pacific	High	-2%	0.86	36	17	
	CS Orient	High	-5%	0.95	103	42	22
	F & C Pacific Growth	Medium	+5%	0.94	170	58	24
	Fidelity South East Asian	High	+6%	0.91	218	74	30
	First State Asia Pac Leaders	Medium	+3%	0.96	137	40	20
	First State Asia Pac Sust.	Low	+4%	0.92	32	14	
	First State Asia Pacific	Medium	+4%	0.95	136	38	17
	Gartmore Pacific	Medium	-1%	0.96	127	46	20
	HSBC Asia Growth	Medium	+1%	0.95	136	47	22
	HSBC Pacific Index	Medium	-1%	0.97	100	30	19
	Halifax Far Eastern	Low	-4%	0.91	17	14	

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

Brazil



Mexico



Chile



Argentina



Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Henderson Asia Pacific Capital	High	-4%	0.96	116	36	20
	Inscape Pacific Basin	Medium	+5%	0.93	161	53	28
	Insight Asia Pacific Equity	Medium	-0%	0.96	110	36	22
	Invesco Perp Asian	Medium	+2%	0.96	136	36	18
	Invesco Perp Pacific	Low	-2%	0.86	92	17	13
Buy	Investec Asia	Medium	+9%	0.93	61	27	
	JPM Asia	Medium	+3%	0.95	53	26	
	L & G Pacific Growth	Medium	-1%	0.91	124	38	18
	L & G Pacific Index	Medium	-1%	0.97	103	33	18
	Legg Mason Asia Pacific	High	+6%	0.91	62	29	
	Liv Victoria Pacific	Medium	+2%	0.95	48	26	
	Lloyd George Asia Pacific	Medium	-1%	0.93	35	22	
	Lloyd George Developed Asia	Medium	-1%	0.80	30	21	
	Lloyd George Eastern Opps	High	-0%	0.79	56	19	
	Martin Currie Asian Pacific	Medium	+4%	0.94	161	53	24
	New Star Asia Portfolio	Medium	+4%	0.81	129	35	6
	New Star Pacific Growth	Medium	-1%	0.96	124	41	19
	Newton Oriental	Medium	+1%	0.92	129	34	22
	Old Mutual Asian Select	Very High	+2%	0.83	173	72	35
	Premier Eastern Enterprise	Medium	-2%	0.82	29	9	
	Prudential Pacific Markets	Medium	-3%	0.94	97	28	16
	Royal London Far East Gth	Medium	-0%	0.97	128	44	21
	SG Pacific	Medium	+3%	0.86	44	27	
Avoid	SJP Far East	Medium	-9%	0.91	11	11	
	SWIP Asian Pacific	Medium	+1%	0.85	113	30	21
	Schroder Pacific Growth	High	-3%	0.96	126	35	21
	Scot Mutual Far Eastern	Medium	+1%	0.95	135	43	25
	Scot Wid. Pacific	Medium	-0%	0.94	116	34	19
Avoid	Sing & Fried Pacific Growth	Medium	-8%	0.90	80	16	11
	Skandia Far East Equity Blend	Medium	-4%	0.91	26	11	
	Stan Life Asian Pacific	Medium	+4%	0.89	137	46	15
	Stan Life Pacific Basin Eq Ind	Medium	+1%	0.82	36	18	
	Threadneedle Asia Growth	High	+4%	0.96	170	57	29

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid	Aberdeen Asian Income	Low	-13%	0.57	5	12	
Avoid	Aberdeen Asian Small Co	Medium	-7%	0.54	73	3	2
Avoid	Aberdeen New Dawn	High	-11%	0.76	95	6	14
Avoid	Edinburgh Dragon Trust	High	-9%	0.75	119	16	18
	Fidelity Asian Values	High	+2%	0.84	172	54	28
	Henderson TR Pacific	High	-2%	0.80	139	44	21
	Invesco Asia	High	-4%	0.87	123	30	15
	JPMF Asian	High	-2%	0.85	155	52	20
	Pacific Assets	High	+3%	0.81	167	68	25
Buy	Pacific Horizons	Very High	+9%	0.66	198	54	18
	Schroder Asia Pacific	Medium	+1%	0.91	133	40	19
Avoid	Schroder Oriental Inc.	High	-7%	0.80	30	18	
	Scottish Oriental Sm Co	Low	+3%	0.54	96	18	-1

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

FAR EASTERN / PACIFIC (INCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS

	BT Asian	High	+2%	0.88	110	25	12
	Invesco Asian Growth	High	-5%	0.81	73	9	9

UNITED KINGDOM BASED UNIT TRUSTS

	L & G Far East	Medium	-1%	0.88	77	17	14
	Lincoln Far East	Medium	+0%	0.90	60	16	8
	Schroder Far Eastern	Medium	+2%	0.93	80	17	11

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Henderson Far East Inc.	Very Low	+4%	0.51	42	19	12
	Martin Currie Pacific	High	+2%	0.91	105	30	15
	Witan Pacific	Medium	-4%	0.89	9	12	

HONG KONG / CHINA REGION

UNITED KINGDOM BASED UNIT TRUSTS

Buy	First State Gtr China Growth	Very Low	+19%	0.45	174	63	21
Buy	Gartmore China Growth	Medium	+20%	0.57	236	108	38
	HSBC Greater China	Low	+5%	0.66	114	53	29
Buy	Invesco Perp HK and China	Medium	+17%	0.63	204	88	34
Buy	Neptune China	Medium	+15%	0.63	73	38	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	JPMF Chinese	Very High	+4%	0.51	166	79	38
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China



Singapore



Hong Kong



Malaysia



Taiwan



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

UNITED KINGDOM BASED UNIT TRUSTS

Baring Korean	High	+0%	0.72	189	46	16
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THAILAND

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy Aberdeen New Thai IT	Low	+7%	0.38	89	1	-3
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INDIA

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid JPMF Indian	Medium	+0%	0.74	244	42	32
New India	Low	-16%	0.66	8	15	



JAPAN

AUSTRALIAN BASED UNIT TRUSTS

Platinum Japan	Medium	-3%	0.66	12	-18	1
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UNITED KINGDOM BASED UNIT TRUSTS

AXA Framlington Japan & Gen.	Medium	-0%	0.82	21	-17	-3
AXA Japan Growth	Medium	+0%	0.72	21	-15	-4
Aberdeen Japan Growth	Medium	-5%	0.81	1	-20	-5
BG Japan	Medium	-2%	0.82	16	-16	-1
Baring Japan Growth	Medium	-3%	0.80	19	-19	-2
CF Canlife Japanese Growth	High	-7%	0.89	-21	-1	
CS Core Japan	High	-5%	0.77	-19	-6	
F & C Japan Growth	Medium	-5%	0.82	9	-20	-1
Fidelity Japan	Medium	-1%	0.84	23	-13	-2
Gartmore Japan Opportunities	Medium	+1%	0.79	30	-12	-1
HSBC Japan Index	Medium	+1%	0.85	24	-14	-2
Halifax Japanese	Medium	+2%	0.83	-13	-3	
Inscape Japan Equities	Medium	-2%	0.84	17	-16	-1
Insight Japan Equity	Medium	+2%	0.77	27	-14	-3

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance 36 mth	12 mth	3 mth
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Avoid Invesco Perp Japan	Low	-1%	0.74	14	-15	1
JPM Japan Growth	Medium	-7%	0.62	6	-16	1
L & G Japan Index	Medium	+0%	0.84	24	-15	-3
L & G Japanese	Medium	-4%	0.75	18	-14	-1
Avoid Legg Mason Japan Equity	Low	-34%	0.21	-42	4	
Lincoln Japan	Medium	-1%	0.76	16	-16	-4
Liv Victoria Japan Growth	Medium	-2%	0.92	-17	-2	
M & G Japan & General	Medium	-4%	0.76	14	-24	-3
Martin Currie Japan	Medium	-3%	0.82	18	-20	-1
Martin Currie Japan Alpha	High	-3%	0.71	-13	1	
Merrill Japan	Medium	-1%	0.79	16	-16	0
Avoid Neptune Japan Opportunities	Medium	-11%	0.72	-17	-1	
New Star Japan A	Medium	-6%	0.74	6	-12	1
Avoid Newton Japan Growth	Medium	-8%	0.79	-3	-18	-3
Old Mutual Japanese Select	Medium	-1%	0.81	16	-15	-3
Prudential Japanese	Medium	-4%	0.76	9	-21	-4
Royal London Japan Growth	Medium	-3%	0.82	11	-19	-3
SWIP Japanese	Medium	-3%	0.82	15	-16	-0
Schroder Japan Alpha Plus	Low	-2%	0.69	19	-10	-2
Schroder Tokyo	Low	-0%	0.79	15	-13	-1
Scot Mutual Japanese	Medium	-2%	0.79	18	-19	-2
Scot Wid. Japan Growth	Medium	-3%	0.81	15	-16	-0
Scot Wid. Japan Select	Medium	-4%	0.82	9	-20	-2
Skandia Japanese Equity	Medium	-4%	0.78	-15	-2	
Stan Life Japan Eq Ind Trk	Medium	+0%	0.79	-16	-5	
Stan Life Japanese	Medium	-1%	0.74	19	-17	-4
Avoid Threadneedle Japan Growth	High	-7%	0.82	3	-23	-6

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid JPMF Japanese	Very High	-8%	0.74	11	-24	-2
Perpetual Japan	Medium	+1%	0.54	25	-18	5
Schroder Japan Growth	High	-3%	0.69	16	-17	-0

Japan



JAPAN SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Avoid BG Japan Small	Medium	-6%	0.70	4	-23	-2
Fidelity Japan Sp Sits	Medium	-8%	0.59	1	-20	0
Henderson Japan Capital Gth	Low	-0%	0.61	16	-19	-2
Avoid Invesco Perp Japan Small Coys	Low	-12%	0.35	-9	-16	5
Avoid M & G Jap Small Cos	Low	-12%	0.46	-20	-29	-3
SWIP Japan Small Coys	Medium	-2%	0.50	22	-14	2
Avoid Threadneedle Japan Small Cos	Medium	-10%	0.58	-7	-18	4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid Atlantis Japan Growth	High	-8%	0.40	-8	-36	-7
B Gifford Shin Nippon	Very High	-5%	0.67	15	-22	-4
Baillie Gifford Japan	Very High	+0%	0.74	36	-19	-3
Avoid Fidelity Japan Values	Very High	-9%	0.63	7	-24	2
Avoid JPMF Japan Small	Very High	-9%	0.47	12	-26	2

TECHNOLOGY

AUSTRALIAN BASED UNIT TRUSTS

CFS Global Health Biotech	Low	+1%	0.52	28	-6	6
CFS Tech & Comms	High	+2%	0.87	46	6	7
Platinum Intl Technology	Medium	-1%	0.68	31	-5	4

UNITED KINGDOM BASED UNIT TRUSTS

AXA Framlington Biotech	Very High	-6%	0.76	17	-5	7
AXA Framlington Glb Tech.	Very High	+2%	0.78	46	10	9
AXA Framlington Health	Medium	-4%	0.77	19	0	9
Abbey Nat'l Technology	High	-2%	0.66	23	7	9
Frank Temp Biotech	Very High	-5%	0.72	15	-2	9
Henderson Global Technology	High	+2%	0.75	46	13	10
Investec Global Technology	High	-4%	0.79	2	9	
Jupiter Global Technology	Medium	-4%	0.54	15	3	8
L & G Global Health & Pharm.	Very Low	+1%	0.38	-9	4	
L & G Global Technology	Medium	+0%	0.73	32	6	9
Lincoln Internet Tollkeeper	Very High	-1%	0.77	29	9	12
M & G Global Technology	High	+2%	0.88	47	2	6
New Star Technology	High	-1%	0.74	36	10	13
SG Technology	Very High	-1%	0.80	37	2	3
Schroder Medical Discovery	Very Low	+1%	0.44	22	-9	4
Threadneedle Global Healthcare	Very Low	+2%	0.63	26	-5	5

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Finsbury W/wide Pharm.	Medium	-5%	0.55	13	-11	11
Herald Investment Trust	Low	+1%	0.30	20	-5	-7
International Biotech	Low	+5%	0.32	42	-13	7
Buy Merrill New Energy Tech	Very High	+22%	0.49	183	38	9
Polar Cap Technology	High	+1%	0.60	46	-5	7
Buy Private Equity Investor	Very Low	+10%	0.07	47	-12	-5

Recommended Funds

(Continued from Page 3)

outlook remains positive” with growth in “outsourcing both manufacturing and services to the region, high savings rates and improving corporate governance”.

Share Buy-Backs

With most trusts trading at a significant discount to net assets, many have been actively re-purchasing their own shares on-market.

Aberdeen Asian Smaller Companies Investment

Trust plc repurchased 110,000 warrants and 100,000 shares.

Fidelity European Values plc re-purchased 206,500 shares in seven transactions.

Invesco English & International Trust plc received quarterly redemption requests for 1,478,127 shares (4.7% of its capital) and then made two on-market trades to re-purchase a further 151,312 shares.

JPMorgan European Fledgeling Investment Trust plc acquired 475,385 shares in four buys.

Gartmore China Opportunites



Aberdeen Emerging Markets



Scottish Oriental Smaller Companies



JFMorgan European Fledgeling



Next Issue:

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