

International Investor

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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%	Bullish	Neutral	Neutral	Bearish	+9.7%	-7.6%	+3.5%	5,691.20
Austria	63%	Bullish	Bullish	Neutral	Bearish	+18.2%	+1.5%	+5.5%	4,272.13
Belgium	60%	Bullish	Bearish	Neutral	Bullish	+3.1%	-5.5%	-4.1%	3,672.84
Canada	80%	Neutral	Bullish	Bullish	Bullish	+9.7%	+6.5%	+13.0%	14,969.55
Denmark	59%	Bearish	Bullish	Neutral	Bullish	+7.3%	-0.2%	+9.6%	447.41
Finland	52%	Bullish	Bearish	Bullish	Neutral	-5.7%	-15.7%	-2.5%	9,311.38
France	56%	Bullish	Bearish	Neutral	Neutral	+6.3%	-9.3%	-4.2%	3,410.46
Germany	56%	Bullish	Bearish	Neutral	Neutral	+6.6%	-8.7%	+5.6%	6,803.81
Ireland	50%	Bullish	Bearish	Neutral	Bullish	-3.8%	-14.0%	-27.1%	5,806.84
Italy	55%	Bullish	Bearish	Neutral	Bullish	+1.9%	-12.2%	-11.0%	24,635.00
Japan	60%	Neutral	Neutral	Neutral	Bullish	+9.9%	-4.4%	-6.6%	14,489.44
Netherlands	61%	Bullish	Neutral	Neutral	Neutral	+10.5%	-1.6%	+3.8%	471.23
New Zealand	36%	Bullish	Bearish	Bearish	Neutral	-8.7%	-18.7%	-24.7%	1,947.93
Norway	77%	Neutral	Bullish	Bullish	Neutral	+24.7%	+13.6%	+30.0%	433.86
Spain	52%	Bullish	Bearish	Neutral	Neutral	+3.2%	-12.8%	+0.4%	1,392.75
Sweden	68%	Bullish	Bearish	Bullish	Bullish	+7.1%	-5.5%	-7.5%	317.62
Switzerland	48%	Bullish	Bearish	Neutral	Bearish	+3.7%	-6.9%	-2.2%	7,386.42
Un. Kingdom	47%	Bullish	Bearish	Neutral	Neutral	+1.4%	-12.5%	-9.1%	5,906.80
USA	64%	Neutral	Bearish	Bullish	Bullish	+5.2%	-9.6%	-9.7%	1,360.68
Argentina	60%	Bearish	Bullish	Neutral	Neutral	+7.5%	+2.5%	+4.5%	8,199.86
Brazil	66%	Bearish	Bullish	Bullish	Bearish	+16.0%	+15.4%	+61.3%	69,785.87
Czech Rep.	62%	Bearish	Bullish	Bearish	Bullish	+15.2%	+0.2%	+21.2%	1,632.60
Chile	70%	Bearish	Bullish	Neutral	Bullish	+2.2%	-0.5%	+8.7%	14,228.88
China	43%	Bearish	Bearish	Bullish	Bearish	-18.6%	-26.9%	-6.0%	245.30
Greece	64%	Neutral	Bearish	Bullish	Bullish	+6.5%	-14.4%	-0.5%	4,096.50
Egypt	64%	Bullish	Bullish	Bearish	Neutral	-1.2%	+28.3%	+65.3%	11,041.52
Hong Kong	68%	Neutral	Neutral	Bullish	Neutral	+8.1%	-15.6%	+19.1%	24,402.18
Hungary	41%	Bearish	Bearish	Bearish	Bullish	+8.7%	-9.2%	+2.0%	21,977.58
India	26%	Bearish	Bearish	Bearish	Neutral	-7.7%	-28.2%	+6.4%	15,572.18
Indonesia	52%	Bearish	Bearish	Neutral	Bullish	-11.1%	-12.9%	+15.8%	2,402.24
Israel	69%	Bearish	Bullish	Bullish	Neutral	+11.6%	+3.2%	+17.1%	1,034.17
Korea	44%	Bearish	Neutral	Neutral	Bearish	+2.2%	-15.6%	-4.1%	1,832.31
Malaysia	32%	Neutral	Bearish	Bearish	Bearish	-6.5%	-11.2%	-1.8%	1,248.57
Mexico	57%	Bearish	Bullish	Bearish	Bullish	+13.9%	+4.0%	+4.8%	31,149.06
Philippines	42%	Bullish	Bearish	Neutral	Bearish	-17.3%	-31.6%	-18.7%	2,739.70
Poland	42%	Neutral	Bearish	Bearish	Neutral	+7.5%	-11.6%	-3.4%	45,819.40
Portugal	42%	Bearish	Bearish	Neutral	Bullish	+2.1%	-12.1%	-2.6%	3,405.23
Russia	61%	Bearish	Bullish	Neutral	Bearish	+22.2%	+18.0%	+42.7%	3,508.26
Singapore	72%	Bullish	Bearish	Bullish	Bullish	+11.3%	-7.0%	+1.6%	3,146.73
Sth Africa	38%	Neutral	Bullish	Bearish	Bullish	+5.6%	-10.9%	+4.2%	31,696.42
Taiwan	58%	Neutral	Bullish	Bearish	Bearish	+3.8%	+7.2%	+14.7%	8,745.35
Thailand	50%	Bullish	Bearish	Neutral	Bearish	-5.4%	-10.8%	+13.6%	817.33
Turkey	43%	Bullish	Bearish	Bearish	Bullish	-4.2%	-34.0%	-3.6%	39,645.54
Venezuela	47%	Bullish	Bearish	Bearish	Bearish	+7.8%	-5.5%	-4.9%	36,991.58

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.

Recommended International Investment Funds

Fund Report

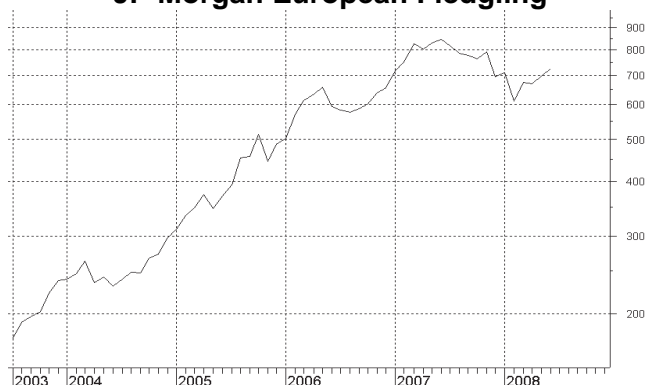
JPMorgan European Fledgling Investment Trust plc recorded an 8.4% decline in net assets for the year to 31 March, in line with the smaller companies index which was down 8.5%. The shares, however, declined from an 8% discount to net assets to a 15% discount, so the share price fell 15.5% for the year.

The Fund Manager is concerned about rising oil and food prices reducing consumer spending and the impact of the higher Euro on export profitability. While share valuations are “becoming more attractive”, the “earnings outlook is deteriorating”, so remains cautious about the immediate outlook for the stockmarket.

Invesco English and International Trust plc recorded an 18.6% decline in net assets over the year to 31 March. That was in line with its benchmark index, which fell 19.1%. A final 1.3 pence dividend will be paid on 28 July, with the shares trading ex-dividend 4 July.

While concerned about the economic outlook for the United Kingdom, the Fund Manager does note that

JP Morgan European Fledgling



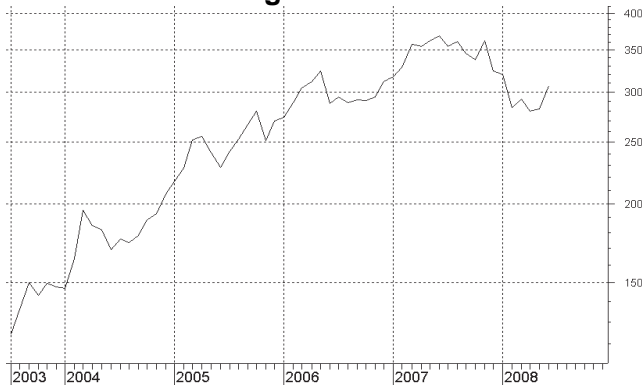
smaller company valuations have improved considerably with “historical price earnings multiples approximately halved” over the last two years. It therefore believes that “a broadly spread portfolio of quality small companies which are lowly valued is likely to reward well the investor willing to take a medium term view”. The Manager has sought to avoid “companies reliant on strong UK growth”.

Recommended Funds Geographic Portfolio Spread

Fund Name	Size (Mil)	Leverage (% debt)	Top 10 Hldgs (%)	Portfolio invested in (%):-												
				Cash	HK	Australia	Malay	Taiwan	Korea	Sing.	Thail'd	Phil.	China	India		
Aberdeen Asian Sm Coys	£127	3	32.2	3.0	17.1		14.0			5.0	16.9	11.0	5.0		13.0	Indo 6.0%, Sri Lanka 4.0%
Baring Korea	£324	Nil	42.3	5.7						94.3						
Gartmore China Opps	£636	Nil	36.5	4.9										95.1		
Gartmore Pacific Opps	£120	Nil	26.3	1.0	16.8	28.3	2.9	14.4	17.3	4.9	1.3	0.8	10.2			Indonesia 2.1%
HSBC Asian Fund	£56	Nil	25.3		12.8		4.4	19.4	22.3	6.5	2.7	0.7	23.6			Indonesia 2.0%
Hend Asia Pacific Cap	£151	Nil	37.4		16.1		4.8	8.5	13.9	8.7	2.5		30.6	4.3		UK 3.4%
Scottish Oriental Sm Coys	£104	Nil	17.8	3.4	9.1		11.8	11.6	11.3	14.4	10.1	6.1	9.9	4.3		Indonesia 3.8%
					Cash	USA	UK	Europe	Japan	Other						
Aberforth Small Cos Trust	£666	Nil	22.4		1.0		99.0									
Baillie Gifford Shin Nippon	£56	20	30.9		3.0				97.0							
Fidelity European Values	£930	14	28.3		8.0			82.0		1.0						
Fidelity Japan Values plc	£81	23	23.2		9.9				90.1							
Herald Investment Trust	£374	15	20.9		19.0	15.0	53.0	5.0		8.0						
JPM Fleming Euro Fledgling	£419	Nil	27.5		3.0			97.0								
Invesco English & Int'l	£93	3	17.1		0.0		100.0			2.0						
Invesco Perp Japan Small	£50	Nil	39.6		4.0?				96.0							
Private Equity Investor plc	£85	Nil	25.9		39.0	61.0										
					Cash	Asia	Latin Amer	Africa	Europe & Middle East							
Aberdeen E/Markets	£566	Nil	36.1		1.6	49.5	29.0	4.8	16.9							

Fidelity European Values plc continues to have its largest investments in Germany (17.0% of the portfolio), followed by France (15.0%) and Switzerland (10.8%). It has smaller holdings in Spain (8.0%), Netherlands (5.2%), Italy (5.0%), Greece (5.0%), Russia (4.0%), Finland (4.0%) and other European holdings.

JPMorgan Fleming European Fledgling has its largest investments in the Netherlands (17.0% of the portfolio), Italy (16.0%), Spain (14.0%), France (10.6%), Switzerland (10.0%), Germany (6.0%), Belgium (3.0%), Ireland (3.0%), Greece (3.0%), Finland (3.0%), Denmark (3.0%) and Austria (2.0%).

Invesco English & International**Share Buy-Backs**

Fidelity European Values plc has bought back a further 326,900 shares for £4.5 million in six on-market trades.

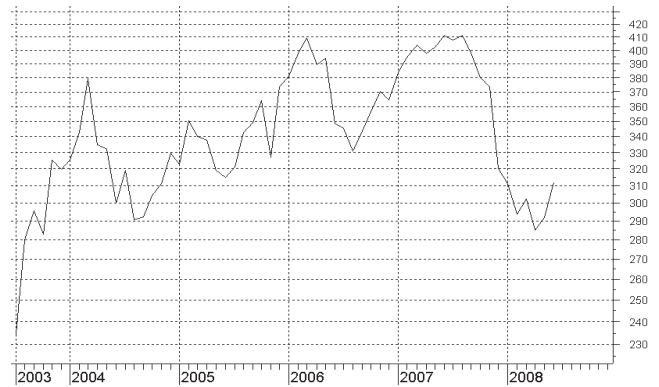
JPMorgan Fleming European Fledgeling IT plc re-purchased just 63,000 shares at 720¼ pence each.

Aberforth Smaller Companies Trust plc has bought back 1,423,648 shares in six transactions at a total cost of £8.4 million. This adds around £1.6 million to the net assets of the remaining shares!

Invesco English & International Trust plc repurchased 89,308 and 12,496 shares on-market.

Aberdeen Asian Smaller Companies Trust plc repurchased 26,000 shares and 125,000 warrants.

Herald Investment Trust plc repurchased 730,000 shares on-market in three trades for £2.2 million. Repurchasing these shares at around an 18-20% discount to net assets adds about £520,000 to the net assets of the remaining shares.

Herald Investment Trust

Current Advice	Investment Fund	EPIC Code	Initial Recommendation		Prem/ Disc to Net Assets	Recent Price		Gain or Loss %
			--- Date ---	Offer Price		Bid-Offer or Last Sale	NZ Cents	
Europe								
HOLD	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-5%	1357.0p	%3470.6 +169
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-16%	726.0p	%1856.8 +142
United Kingdom								
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-17%	562.5p	%1438.6 +38
HOLD	Invesco English & Int'l Trust	IEI	10/01/06	273.5p	700.6	-4%	303.0p	774.9 +11
Asian Regional								
BUY	Aberdeen Asian Sm Co WARRANTSAASW	*	09/09/03	75.3p	209.1		196.25p	501.9 +140
BUY	Gartmore China Opportunities	*	09/07/07	548.9p	1410.4		569.7p	1457.0 +3
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		351.31p	898.5 +753
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		79.89p	204.3 +92
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		501.0p	1281.3 +14
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-12%	303.0p	774.9 +134
Japan								
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-8%	139.5p	356.8 -19
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-11%	62.0p	158.6 -51
BUY	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		44.77p	114.5 -37
Korea								
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		219.0-230.8p	575.2 +175
International								
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		339.39p	868.0 +372
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-20%	309.0p	790.3 -4
HOLD	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-25%	142.0p	363.2 -14

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +112.9%. This is equal to an average annual rate of +14.1%, 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 +12.7%.

Other Shares and Warrants

Alternative investments in the UK listed investment trust warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 295 pence (trading at a 14% discount to net asset value).

World Stockmarket Valuations

Country	Dividend Yield	Price/Earn. Ratio
Australia	4.2	13.7
Austria	2.2	12.3
Belgium	4.7	10.3
Canada	2.3	18.7
Denmark	1.8	14.5
Finland	4.0	12.4
France	4.7	11.7
Germany	3.3	11.8
Ireland	4.5	8.9
Italy	5.2	11.4
Japan	1.7	16.8
Netherlands	3.9	9.3
New Zealand	4.8	10.1
Norway	2.7	12.4
Spain	3.6	11.3
Sweden	4.0	11.3
Switzerland	2.5	15.1
Un. Kingdom	3.9	11.7
USA	1.9	18.6
Argentina	0.9	15.8
Brazil	1.2	15.5
Czech Rep.	3.1	17.8

Country	Dividend Yield	Price/Earn. Ratio
Chile	2.8	18.4
China	1.5	19.7
Greece	2.9	9.8
Egypt	6.7	8.9
Hong Kong	2.7	9.8
Hungary	2.7	9.6
India	0.9	20.8
Indonesia	2.2	16.6
Israel	0.9	46.5
Korea	1.6	14.9
Malaysia	3.2	12.8
Mexico	1.3	14.6
Philippines	3.0	10.7
Poland	2.8	12.2
Portugal	4.1	13.3
Russia	1.0	10.0
Singapore	3.2	11.5
Sth Africa	2.9	13.2
Taiwan	3.2	16.6
Thailand	3.7	14.0
Turkey	3.4	9.4
Venezuela	10.9	4.2

United States: Dividend Yield



United States: Price/Earnings Ratio



United Kingdom: Dividend Yield



United Kingdom: Price/Earnings Ratio



Japan: Dividend Yield



Japan: Price/Earnings Ratio



Germany: Dividend Yield



Germany: Price/Earnings Ratio



China: Dividend Yield



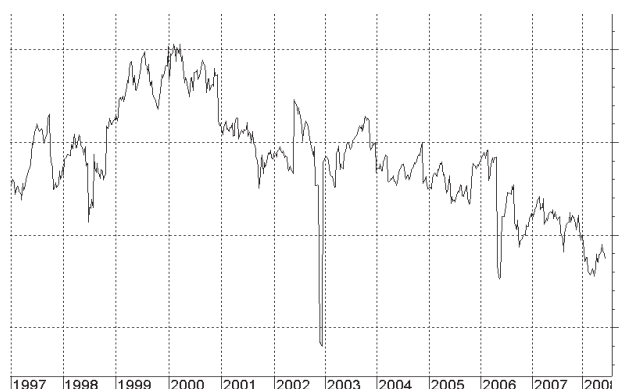
China: Price/Earnings Ratio



Australia: Dividend Yield



Australia: Price/Earnings Ratio



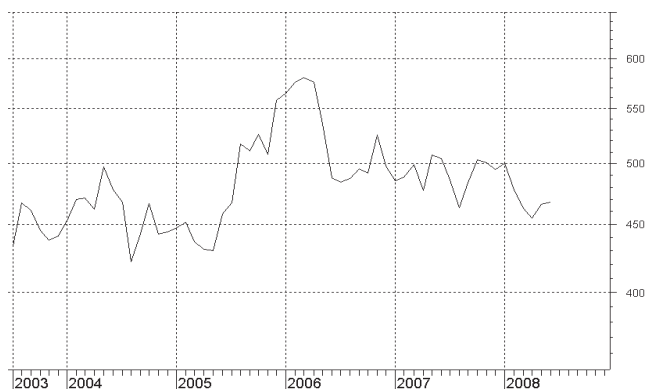
Listed Investment Trust Warrant Analysis

Review of Speculative Warrants

Finsbury Worldwide Pharmaceuticals shares rose 22 pence or 5.0% over the last quarter to 462 pence. The warrants fell 28.5% to 35¾ pence. This movement in the warrants reflects that they were 31% over-valued at our last quarterly review and are now 15% *under-valued*.

The warrants now have just over a year until their final exercise/expiry date of 31 July 2009. The break-even rate is 8% while the leverage is now an extremely high 8.5 times. So *if* the shares fall even slightly over the next year then the warrants will expire worthless. On the other hand, *if* the shares rise more than 8% then the warrants will quickly start to appreciate in value!

Finsbury Worldwide Pharmaceuticals



Warrant	Current Share Price	Warrant Exercise Price	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued (%)	Share Volatility	Warrant Leverage	Warrant Return (%p.a.) from Break-Share Price appreciation of:			
									5%pa	10%pa	20%pa	Even Rate
<u>GOLD & MINING</u>												
City Natural Resources	198.0p	85.0p	1-4	113.50p	119.36p	-5	0.224	1.7	+8.3	+16.9	+33.9	+0%
Blackrock World Mining	730.0p	565.0p	0-8	181.50p	189.66p	-4	0.233	3.7	+6.4	+27.0	+70.8	+3%
<u>EUROPE</u>												
Blue Planet Growth & Income	1480.0p	1000.0p	2-1	925.00p	633.00p	+46	0.331	2.2	-16.3	-6.4	+11.7	+13%
<u>UNITED KINGDOM</u>												
Midas Income & Growth	138.0p	100.0p	2-2	43.50p	50.05p	-13	0.150	2.7	+9.9	+24.3	+50.1	+2%
Perpetual Income & Growth	217.0p	218.9p	5-2	50.50p	58.81p	-14	0.121	3.4	+3.5	+21.2	+44.5	+4%
<u>FAR EASTERN</u>												
Aberdeen Asian Income	115.8p	120.0p	4-11	21.00p	30.94p	-32	0.163	3.2	+5.3	+25.8	+51.8	+4%
Aberdeen Asian Smaller Coys	295.0p	100.0p	2-5	196.25p	208.14p	-6	0.192	1.4	+7.2	+14.4	+28.3	+0%
Aberdeen New India	148.0p	100.0p	2-1	57.75p	59.93p	-4	0.200	2.4	+4.9	+17.3	+40.0	+3%
<u>TECHNOLOGY</u>												
Finsbury W/Wide Pharm	462.0p	464.0p	1-1	35.75p	42.27p	-15	0.145	8.5	-33.2	+31.9	+155.8	+8%
<u>INTERNATIONAL</u>												
Impax Environmental	129.3p	96.0p	1-12	43.00p	44.52p	-3	0.200	2.8	+3.7	+18.3	+44.7	+4%
Jupiter Green	114.5p	100.0p	3-1	27.75p	32.07p	-13	0.140	3.4	+5.9	+23.8	+52.0	+4%

World Stockmarket Capitalisations

The world's total stockmarket capitalisation rose 3.4% to US\$50,717 billion over the three months to the end of May 2008.

China's total market capitalisation slipped a further 11% to US\$3,081 billion, slipping back to fourth place.

Country	Market Capitalisation (US\$ Billions)	Percentage of Total	Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States	16,646	32.82	Malaysia	234	0.46
Japan	4,412	8.70	Greece	214	0.42
United Kingdom	3,367	6.64	Austria	209	0.41
China	3,081	6.08	Luxembourg	204	0.40
France	2,413	4.76	Israel	177	0.35
Canada	1,891	3.73	Chile	171	0.34
Germany	1,777	3.50	Thailand	170	0.33
Brazil	1,371	2.70	Turkey	169	0.33
Russia	1,325	2.61	Indonesia	148	0.29
Switzerland	1,286	2.50	Poland	170	0.33
Australia	1,247	2.46	Portugal	121	0.24
India	1,005	1.98	Ireland	119	0.23
Italy	974	1.92	Columbia	103	0.20
Spain	971	1.92	Egypt	87	0.17
South Korea	916	1.81	Peru	85	0.17
Hong Kong	775	1.53	Morocco	85	0.17
Taiwan	734	1.45	Nigeria	76	0.15
Sweden	542	1.07	Czech Republic	75	0.15
Netherlands	525	1.04	Philippines	59	0.12
Mexico	447	0.88	Argentina	59	0.12
South Africa	419	0.83	Hungary	41	0.08
Singapore	390	0.77	New Zealand	37	0.07
Norway	369	0.73	Pakistan	33	0.06
Belgium	338	0.67	Jordan	28	0.05
Finland	316	0.62	Iceland	22	0.04
Denmark	270	0.53	Slovenia	16	0.03
			TOTAL	\$450,717	100.00%

Next Issue:

The next issue of *International Investor* will be emailed in five weeks time on Monday July 14, 2008.

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

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