

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
						3mths	6mths	12mths	
Australia	43%	Bullish	Bearish	Bullish	Bearish	-8.5%	-5.7%	-4.8%	3,052.80
Austria	55%	Neutral	Bearish	Bullish	Bullish	-10.4%	+4.5%	+1.2%	1,134.23
Belgium	60%	Bullish	Bearish	Bullish	Bullish	-17.4%	-10.6%	-16.9%	2,210.32
Canada	39%	Neutral	Bearish	Neutral	Neutral	-13.3%	-10.4%	-14.9%	6,645.92
Denmark	58%	Bullish	Bearish	Bullish	Bullish	-14.9%	-9.9%	-23.1%	211.49
Finland	55%	Bullish	Bearish	Bullish	Bullish	-15.9%	-27.0%	-17.7%	5,331.26
France	59%	Bullish	Bearish	Bullish	Bullish	-15.3%	-9.2%	-20.1%	2,299.23
Germany	55%	Bullish	Bearish	Bullish	Bullish	-18.0%	-13.5%	-24.8%	3,760.86
Ireland	60%	Bullish	Bearish	Bullish	Bullish	-13.0%	+0.4%	-19.9%	4,293.81
Italy	59%	Bullish	Bearish	Bullish	Bullish	-11.1%	-4.9%	-19.3%	18,848.00
Japan	42%	Bearish	Bearish	Bullish	Neutral	-7.8%	+15.8%	-13.4%	9,999.79
Netherlands	62%	Bullish	Bearish	Bullish	Bullish	-20.3%	-14.8%	-25.1%	519.60
New Zealand	35%	Bearish	Bearish	Neutral	Bearish	-5.8%	-2.3%	-6.2%	1,884.45
Norway	40%	Bullish	Bearish	Neutral	Bearish	-16.8%	-3.0%	-15.4%	516.18
Spain	58%	Bullish	Bearish	Bullish	Bullish	-13.0%	-6.1%	-10.4%	662.55
Sweden	38%	Bearish	Bearish	Neutral	Bullish	-19.3%	-21.8%	-27.1%	157.28
Switzerland	56%	Neutral	Bearish	Bullish	Bullish	-13.7%	-4.1%	-9.4%	5,324.00
Un. Kingdom	46%	Bullish	Bearish	Bullish	Neutral	-13.0%	-9.2%	-14.7%	4,322.40
USA	46%	Neutral	Bearish	Bullish	Bullish	-13.9%	-17.1%	-23.7%	908.64
Argentina	46%	Neutral	Neutral	Bearish	Bullish	-4.5%	-32.9%	-27.5%	1,523.29
Brazil	43%	Bullish	Bearish	Neutral	Bullish	-32.9%	-35.5%	-41.5%	9,985.77
Czech Rep.	78%	Bullish	Bullish	Bullish	Neutral	-1.5%	+26.4%	+47.0%	451.70
Chile	44%	Neutral	Bearish	Neutral	Bullish	-9.1%	-4.9%	-12.2%	5,059.48
China	48%	Bearish	Neutral	Bullish	Bearish	+5.2%	+5.6%	-11.3%	150.32
Greece	58%	Bullish	Bearish	Bullish	Neutral	-2.5%	-6.3%	-10.1%	2,131.71
Egypt	37%	Neutral	Bearish	Bearish	Bullish	+0.6%	+1.4%	-3.4%	632.08
Hong Kong	49%	Neutral	Bearish	Bullish	Bullish	-14.0%	-4.8%	-14.9%	10,014.06
Hungary	64%	Bullish	Bearish	Bullish	Bullish	-15.9%	+1.0%	+18.3%	7,008.14
India	36%	Bearish	Bearish	Bullish	Neutral	-12.7%	-14.9%	-13.1%	2,976.34
Indonesia	51%	Neutral	Neutral	Neutral	Neutral	-14.3%	+17.7%	+5.0%	450.24
Israel	34%	Bearish	Bearish	Bearish	Bullish	+0.5%	-18.3%	-26.6%	352.08
Korea	51%	Bearish	Bearish	Bullish	Neutral	-9.8%	+2.4%	+32.9%	692.45
Malaysia	48%	Bearish	Neutral	Neutral	Neutral	-8.3%	+1.7%	+11.6%	723.18
Mexico	48%	Bullish	Bearish	Neutral	Bullish	-21.0%	-17.6%	-16.9%	5,913.21
Philippines	42%	Neutral	Bearish	Bullish	Bearish	-21.5%	-18.7%	-14.4%	1,102.37
Poland	49%	Bearish	Bearish	Bullish	Bullish	-18.4%	-16.8%	+1.8%	12,744.16
Portugal	54%	Bullish	Bearish	Bullish	Bullish	-8.4%	-5.9%	-9.2%	1,649.92
Russia	52%	Bearish	Neutral	Bullish	Neutral	-15.8%	+14.2%	+69.2%	4,114.64
Singapore	37%	Neutral	Bearish	Neutral	Bearish	-12.4%	-11.0%	-9.6%	1,486.81
Sth Africa	36%	Bullish	Bearish	Bearish	Neutral	-21.6%	-5.2%	-14.4%	9,272.59
Taiwan	36%	Bearish	Bearish	Neutral	Neutral	-14.3%	-14.8%	+11.3%	4,851.44
Thailand	45%	Bearish	Neutral	Neutral	Bearish	-2.8%	+7.6%	+24.2%	367.07
Turkey	49%	Bearish	Bearish	Bullish	Neutral	-11.5%	-15.1%	-10.8%	10,040.29
Venezuela	34%	Bullish	Bearish	Bearish	Neutral	-25.5%	-32.6%	-47.5%	7,052.61

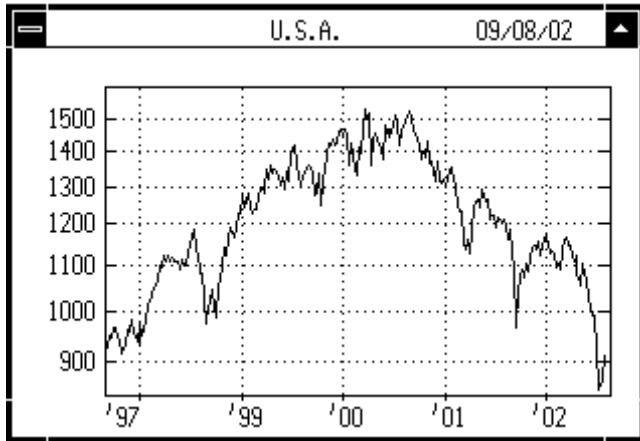
One Year Forecasts predict the probability that a stock-market will rise over the next year. Investors should seek to invest in markets with forecasts of 60-100%, while avoiding markets with forecasts of 0-40%. Bullish = Favourable. Bearish = Unfavourable.

Stockmarket Outlook

Although our one-year *World Stockmarket Forecasts* remain mostly Neutral, stockmarkets have shown the first signs of recovery over the last three weeks. Last week alone, major stockmarkets jumped about 8%.

One short term rally does not make a new Bull Market - although sharp, volatile movements are a characteristic of a market low.

If you look at a stockmarket chart, either this one of the US over recent years . . .



. . . or any other market over any other period, there is a fairly obvious difference between most market tops and most market bottoms.

Market tops *tend* to be broad, upside-down saucer shaped patterns that extend over 6-24 months. The market's rate of appreciation slows, then prices go sideways, then slowly begin to decline.

Market bottoms are *usually* very different. They make a sharp "V" pattern. Prices fall very rapidly, then quickly turn around and go up just as quickly. The US stockmarket shows this pattern during the Asian crisis in September/October 1998, the sell-off in March 2001, after the November 2001 terrorist attack and appears to be doing the same at the present time.

Unfortunately, while these characteristics are easy to recognise they are less useful at predicting *long term* stockmarket trends. The stockmarket may recover quickly from the March 2001 sell-off, the November 2001 sell-off and the July 2002 sell-off - but that does not tell us whether the market hit its ultimate low or will experience another sell-off a few months or a year from now.

Being aware that market highs tend to be broad formations and that market lows exhibit extreme short term volatility is, however, extremely important for determining a long term investment strategy involving market timing. Market forecasting and market timing is, of course, far from a perfect science - but even moderate success can add to one's long term investment returns.

As market tops tend to be broad formations the actual timing of when to sell is not too critical. Invariably markets will tend to continue moving sideways, so even if you are lucky enough to sell at the very peak it may be 6-12 months before the market is significantly lower.

Given that it is practically impossible to ever sell at the very peak, a well timed decision to sell near a market

high will probably be followed by 6-18 months of uncertainty over whether you have done the right thing as short term rallies threaten to take the market to new highs.

Seeking to buy back in at the bottom is considerably more difficult owing to the extreme volatility at these times. If you are just one week off picking the very bottom then the market will already be up 5-10%. If you are one month off, the market will be up 15-25%. In practice, no-one can pick the turning point that closely on a consistent basis. If you are *very good* at market timing then you should expect to miss out on the first 20-50% of any new uptrend as markets simply jump so quickly when they turn up.

In fact, it is very easy for market timers to do significantly worse. When stockmarkets jump 20-50% off their lows the general economic news is still very depressing. This rapid rate of appreciation - when the outlook is uncertain, markets have been fallen and corporate profitability is weak - appears unwarranted and it is easy to fall into the trap of waiting for a dip before buying back. That dip often doesn't happen - while prices rise another 20-50% over the next year. Unfortunately, there is a very real risk of being left on the sidelines, holding cash, while the market moves steadily higher.

All of this is not to say that there is no value in attempting market timing. Only that it is very difficult. You need to predict the future trend of the stockmarket, which is never easy as the stockmarket *anticipates* future events and reacts to *unexpected* future events. You need to correctly time both the decision to sell and, even more difficult, the decision to buy back into the market.

Selling during a market decline invariably looks profitable initially as share prices continue to fall 5%, 10% or 20%. Unless you have timed your sale correctly and got out very near the top, this situation will change very quickly when the market jumps 20-50%!

Another factor to take into account in strategic planning is that the stockmarket appreciates about 10% per annum over the longer term. So an investor should tend to favour being invested in shares - to profit from this long term return, even if there are short term periods when prices fall. For example, if you remain fully invested in shares during every Bear Market and every Bull Market you will do better over the long term than investors owning property or bank deposits. Holding cash may sometimes be able to yield superior short term returns, but is at odds with the higher long term returns offered by the stockmarket.

As readers of this newsletter will know, we *correctly* sold some investments and built up a cash reserve in early 2000 but *incorrectly* re-invested most of that money *too early* in late 2001 and early 2002 as markets have declined sharply over recent months. Nevertheless, we would rather make the "mistake" of holding equities in the final decline to the markets ultimate low, than the mistake of holding cash when the markets rally.

Recommended International Investment Funds

Fund News

The gross assets of **Legg Mason Investors International Utilities Trust plc** is £216 million, but at the December 2003 winding up date there will be £240.7 million of prior claims (i.e. the bank loan of £50.9 million, ZDP shares of £141.2 million and Income shares of £48.6 million). So if the portfolio doesn't appreciate at *least* 11% there will be nothing left for the Ordinary shareholders.

Nevertheless, the Ordinary shareholders do participate in income distributions - which will probably continue at about the historical rate of 8.9 pence (plus Tax Credits) per year, or about 12½ pence over the life of the trust. Furthermore, *when* stockmarkets recover from a major decline they usually appreciate *very strongly* over the first several months! In fact, the trust's portfolio appreciated by 11% last week alone!

There is still 16 months until the winding up date and based upon the *current* value of the ZDP and Income shares, the net asset backing of the Ordinary shares is 7 pence.

So there is a good chance that the trust will appreciate at least 11% over the next 16 months. If it does, then every additional 1% will add 4.2 pence to the value of the Ordinary shares!

Our holding in Legg Mason Investors International Utilities Trust ordinary shares was a highly leveraged investment from which we sought to profit from a recovery in world stockmarkets. Unfortunately, we bought in far too early and stockmarkets continued to decline sharply. In addition, the trust has underperformed. Adding in the high leverage and we have suffered a very significant capital loss!

While it is possible that the shares will be worthless when the trust is wound up in December 2003, the shares are worth continuing to hold for their high income and the chance of some recovery in their capital value. Hold!

Name Change

As we discussed last month, **Fleming European Fledgeling Investment Trust plc** has now changed its name to **JP Morgan** *(Continued on Page 4)*

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									
BUY	JPM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-21%	175.0p	590.2	-23
United Kingdom									
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-8%	248.5p	838.1	-28
Asia Regional									
HOLD	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p	49.7		9.0p	30.4	-39
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		144.54-154.70p	504.6	+379
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		35.1p	118.5	+11
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		134.5p	453.6	-6
HOLD	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		219.4p	740.0	-34
BUY	JPM Fleming Asia WARRANTS	JPFW	07/03/00	43.8p	141.7		11.8p	39.6	-72
BUY	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		9.0p	30.4	-60
Japan									
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-15%	109.5p	369.3	-16
BUY	Invesco Japan Discovery Trust	JD	13/07/99	95.5p	284.0	-15%	63.8p	215.0	-24
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		86.47-92.03p	301.0	+44
Thailand									
HOLD	Old Mutual Thailand Trust	*	08/12/98	49.0p	155.9		43.23-45.95p	150.4	-4
International									
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p	116.1		56.83-60.13p	197.2	+70
HOLD	Legg Mason Int'l Utilities	LIU	13/02/01	170.5p	565.5	-4%	6.8p	22.8	-96
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-46%	93.0p	313.7	-25
BUY	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		8.5p	335.6	-76

* United Kingdom based Unit Trust

Other Shares and Warrants

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Fidelity Asian Values** shares at 56¾ pence (-11%, i.e. 11% below net asset value), **JPMorgan Fleming Asian** shares at 79¼ pence (-6%), **Schroder Asia Pacific** shares at 67½ pence (-5%), **Templeton Emerging Markets** shares at 99½ pence (-17%), **Baillie Gifford Shin Nippon** warrants at 23¼ pence, **Eaglet Investment Trust** warrants at 148 pence and **Invesco Japan Discovery** warrants which trade at 10½ pence.

Recommended Investment Funds (Cont'd from Page 3)
Fleming European Fledgeling Investment Trust plc. The share code is now JFF.

Annual Result

Private Equity Investor plc is to pay a dividend of 2.04 pence on 30 September. For the year to 31 March its Bond investments returned a profit of 6½%, while its Venture Capital investments lost 23%. Overall net assets fell by 15%.

The trust has investments in 18 US technology venture partnerships giving it an equity interest in 414 private companies and 17 listed companies. During the year the partnerships wrote off investments in 52 companies and wrote down the value of another 149 companies. 14 investments were written up in value

and two were floated on the stockmarket and two were taken over by listed companies. The partnerships also invested in 116 new companies.

At March the trust had net assets of £91.4 million (182.8 pence per share), of which 54% was in US dollar bonds and cash (US\$70.2 million or about £49.4 million or 98.8 pence per share) and 46% in equities (US\$60.0 or £42.0 million or 84.0 pence per share).

Since we initially bought into this trust the net asset value has declined 18% and the share price is down 24%, but the shares continue to trade at a very large 46% discount to net asset value and below the value of their riskless bonds and cash. "Buy".

Templeton Emerging Markets Investment Trust plc will pay a 1.25 pence dividend on 20 September.

"This time it's different"

Last months commentary - featuring Sir John Templeton's "four most expensive words in the investing language" - has helped prove that nothing really changes. While most subscribers to this newsletter take a long term view of the markets and their investments, a couple of investors responded "This time it is different. The markets are down and are heading much lower!". That opinion is very reassuring - as it becomes popular near the bottom of *every* stockmarket decline!

Those investors referred us to some investment websites full of doom and gloom. In fact, this is almost exactly the same doom and gloom we saw towards the end of the great 1973-75 decline and after the 1987 crash - and in many cases is coming from the same people who were very pessimistic at the bottom of those market declines!

Of course there are some subtle differences between 1973-75 and today. 27 years ago the main worries were an economic recession and hyper-inflation leading to the collapse of the financial system. Today its economic recession and deflation which will lead to the collapse of the financial system "any day now"! Surprisingly, however, the answer to both crises - according to the doom merchants - is to buy gold and/or gold mining shares. In 1975 gold was a hedge against *inflation*. In 2002 gold is a hedge against *deflation*.

Unfortunately, the gold and gold mining shares dipped sharply during June. Then they fell again during July. So the doom and gloom crowd have currently gone silent!

Most of the arguments put forward by the doom merchants are virtually identical to the arguments used in 1975 and late 1987. All conveniently forget how these arguments proved wrong in those earlier times and have failed to learn from that experience. One adviser's website actually claims "22 years of outperforming the market" - which totally misrepresents his advice during the months and years after the 1987 crash when he advised investors to go "100% short" or leveraged to "200% short" on stocks. That advice would have decimated investors portfolios during 1988, 1989 and

1990 as stockmarkets recovered and appreciated in value! Of course, most advisers do not follow their own advice. Most can not *afford* to follow their own advice!

"Pulling and Pushing on a String"

Perhaps the only new argument by the doom merchants involves low interest rates. The argument is that the US Federal Reserve has already significantly lowered interest rates but that the economy and stockmarket have continued to weaken. Interest rates are now only 1.75%, so the Fed is "running out of ammunition" and that we are heading towards the zero interest rate and zero economic growth rate that Japan has experienced over the last decade. In fact, this argument clearly indicates a lack of understanding of economics!

It has long been recognised that interest rate policies to control economic activity is similar to "pulling and pushing on a string". Raising interest rates is like "pulling on a string" to reel in economic activity. If interest rates rise sufficiently then people will cut back on borrowing to finance consumption or investment and economic activity will slow. Lowering interest rates is like "pushing on a string" (i.e. not very effective) to increase economic activity.

The doom merchants believe they have *discovered* that lower interest rates have failed to stimulate the economy and stockmarkets during 2001 and 2002. In fact, this has *always* been the case and has always been widely recognised by economists. Lowering interest rates will *allow* the economy and stockmarket to grow, but lower interest rates *cannot* push the economy or stockmarket higher. Eventually, however, every economic recession has ended - and lower interest rates then encourage economic recovery and growth.

The doom merchants also distort the Japanese example to support their message that the sky is falling. Zero interest rates in Japan have not caused zero economic growth and deflation. It is the zero economic growth (owing to failure to restructure the economy and financial system) and deflation (owing to high Japanese costs slowly being replaced with much cheaper outsourcing in Asia or China) that has led to zero interest rates.

Investment Fund Survey

Current Advice	InvestmentFund	Risk Rating	Superiority Rating	Market Correlation	Performance			Current Advice	InvestmentFund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					'96	'12	'3						'96	'12	'3

NEW ZEALAND

NEW ZEALAND BASED UNIT TRUSTS

AMP NZ Share	Very Low	+2%	0.75	7	-4	-3
AMP Passive NZ Share	High	-3%	0.71	-18	-10	-3
ANZ Tranz Equity	Very Low	-2%	0.63	-3	-4	-4
ASB NZ Shares	Medium	+1%	0.82	-10	2	-4
AXA NM NZ Leaders	Low	+1%	0.75	-5	-5	-4
BNZ Active Growth	Very Low	-3%	0.38	1	-5	-5
BNZ Equities Discovery	Very Low	+4%	0.85	10	-1	-3
BNZ NZ Blue Chip	Very Low	+1%	0.90	5	0	-2
BNZ NZ Equity Index	Medium	-0%	0.89	-14	-5	-2
BT LP New Zealand Share	Low	+6%	0.77	17	-2	-5
BTIS NZ Share	Very Low	+5%	0.77	11	-2	-5
Coronet Equity Trust	Very Low	-6%	0.17	-26	-23	-22
ING NZ Share	Very Low	-0%	0.78	-2	-2	-3
NZ Guardian NZGT 30	High	-1%	0.89	-14	-7	-3
NZ Guardian Small Coys	Very Low	+0%	0.21	1	-19	-12
NZ Guardian NZ Equity	High	+1%	0.50	-22	-25	-22
NZ Share Index Top 40	Medium	-1%	0.93	-10	-4	-3
NZFM NZ Equity	Medium	+3%	0.62	-1	-8	-8
NZFM Prop & Infrastruct.	Low	-1%	0.46	-11	-7	-9
Nat Bank NZ Equity Gth	Very Low	+6%	0.67	21	-3	-2
Royal & Sun NZ Exp Asia	Very Low	-5%	0.47	-13	-12	-4
Royal & Sun NZ Sharemkt	Very Low	-1%	0.78	-8	-4	-5
Tower New Zealand Equity	Very Low	+1%	0.84	5	-2	-4
Tower Tortis New Zealand	Medium	-2%	0.81	-13	-7	-4
Westpac NZ Share Index	Medium	-3%	0.81	-19	-9	-4
Westpac Sel. NZ Shares	Very Low	-1%	0.82	-2	-2	-3

NEW ZEALAND BASED INSURANCE BONDS

Sov. Super New Zealand	Very Low	+5%	0.48	16	1	-2
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UNITED KINGDOM BASED UNIT TRUSTS

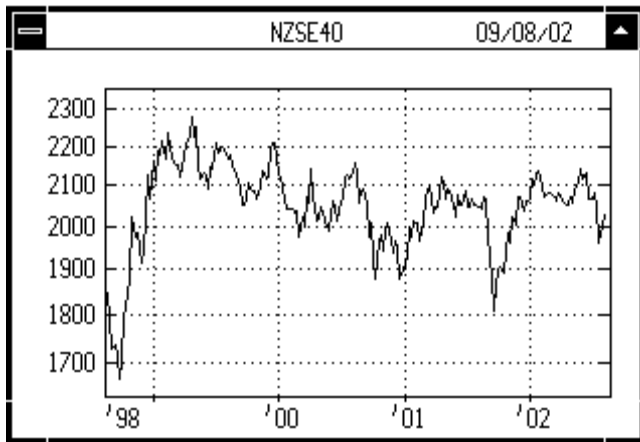
GAM New Zealand	Low	-2%	0.39	-11	-15
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NEW ZEALAND LISTED INVESTMENT TRUSTS

Mid-Cap Index	Low	+2%	0.62	3	0	0
TeNZ	Very High	+0%	0.85	-16	-5	-4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

NZ Investment Trust	Very Low	+3%	0.06	8	0	-8
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AUSTRALIA

AUSTRALIAN BASED UNIT TRUSTS

AMP Active Quant Share	Very Low	-4%	0.28	-18	-2	-3
AMP Blue Chip Trust	High	+0%	0.75	-2	-15	-13
AMP Equity Trust	High	+3%	0.77	-1	-16	-15
AMP Multi-Mgr Aust Share	High	-6%	0.59	-25	-25	-16
AMP Small Companies Trust	Medium	+3%	0.48	4	-11	-16
ANZ Aust Sharemarket Trt	Medium	-4%	0.75	-21	-20	-16
ANZ Australian Leaders	Very Low	-10%	0.02	-22	-6	-4
ANZ Div Imputation Trust	Medium	-2%	0.69	-11	-21	-16
ANZ Equity Trust No 1	High	-10%	0.71	-30	-19	-16
ANZ Equity Trust No 2	Very Low	-10%	0.03	-19	-6	-4
ANZ Equity Imputation Trt	Medium	-8%	0.65	-26	-23	-17
AXA NM Australian Leaders	High	-1%	0.64	-11	-25	-17
AXA NM Industrial Fund	High	-3%	0.82	-12	-23	-20
Advance Imputation Fund	Medium	+2%	0.82	2	-7	-11
Aust Ethical Equities	Low	-3%	0.48	-7	-23	-11
BT Split Trust Growth	High	-15%	0.51	-43	-34	-26
Citicorp Inv Port Aust	Very Low	-4%	0.50	-10	-6	-4
Col First State Aust Sh.	High	-4%	0.87	-20	-20	-15
Col First State Dev. Coys	Very High	+14%	0.50	27	-6	-15
Col First State Future Ld	High	+9%	0.58	23	-22	-18
Col First State Impu'n	Medium	-0%	0.87	-8	-17	-13
Commonwealth Share Income	Low	-6%	0.68	-17	-12	-12
Commonwealth Aust Share	Medium	-2%	0.75	-12	-16	-13

Avoid	Dresdner Australian Gth	Very High	-8%	0.53	-29	-19	-22
	HSBC Flexi-Trust Imp Gth	Medium	-1%	0.82	-10	-14	-12
	Hunter Hall Value Growth	Medium	+5%	0.44	2	-10	-23
	ING Australia Share	High	+0%	0.78	-11	-20	-19
	ING Blue Chip	Medium	-0%	0.79	-8	-15	-14
Avoid	ING Emerging Companies	Medium	-7%	0.47	-23	-27	-22
Avoid	Invesco Australia	Very Low	-14%	0.22	-32	-6	-4
Avoid	Invesco Australian Small	Very Low	-16%	0.10	-42	-6	-4
Avoid	Invesco Imputation	Very Low	-16%	0.12	-31	-6	-4
Buy	JB Were Emerging Leaders	Medium	+10%	0.53	32	-18	-16
	JB Were Investment	Very High	-3%	0.77	-18	-22	-21
	JB Were Leaders Trust	High	-1%	0.87	-13	-17	-17
Avoid	Lowell Aust Growth	Very Low	-8%	0.02	-13	-14	-7
	MLC Aust Tr - Aust Share	Medium	-3%	0.72	-14	-16	-15
	MLC Aust Trust - Index	Medium	-4%	0.72	-15	-17	-14
Avoid	Macquarie S/M Aust Share	Medium	-5%	0.68	-23	-18	-15
	NAFM In Trt - Equities	Very High	-7%	0.65	-28	-31	-13
	NAFM Inv Trust - Div Imp	High	-2%	0.79	-16	-18	-15
	Parker Enhanced Leaders	Medium	+1%	0.81	3	-11	-12
	Perpetual ICSav - Aust	Medium	+3%	0.78	6	-5	-10
Buy	Perpetual ICSav - Sm Coys	Medium	+10%	0.66	25	7	-11
	Perpetual ICSav - Indust.	Medium	+3%	0.79	6	-4	-9
	Perpetual Industrial	Medium	+3%	0.81	4	-4	-10
	Sagitta Roth Aust Share	High	-6%	0.69	-29	-22	-20
	Sagitta Roth Small Coys	Very High	-2%	0.67	-30	-21	-29
	Tyndall Aust Spec Sits	Very High	+6%	0.41	-12	-9	-13
	WealthLink Growth Link	Medium	-1%	0.52	-10	-19	-13
	Westpac Aust Gth Share	Medium	+1%	0.82	-2	-15	-14
	Westpac Aust Tax Effect.	Medium	+1%	0.85	-1	-13	-13

NEW ZEALAND BASED UNIT TRUSTS

AMP Australian Shares	Very Low	-0%	0.61	-3	-13	-10
BTIS Australian Share	Very Low	-6%	0.62	-16	-9	-8
ING Australian Share	Very Low	+1%	0.61	3	-8	-8
Nat Bank Trans Tasman	Very Low	+3%	0.49	10	-8	-7
Nat Bank Aust Equity Gth	Very Low	+1%	0.64	5	-11	-10
Westpac Australasian	Very Low	-2%	0.46	-2	-5	-5

NEW ZEALAND BASED INSURANCE BONDS

Royal Sun All Trans-Tas	Very Low	+0%	0.58	0	-3	-6
Sov. Super Australia	Low	+2%	0.63	5	-3	-7

UNITED KINGDOM BASED UNIT TRUSTS

Fr Prov Australian	Low	-1%	0.78	-8	-16	-13
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AUSTRALIAN LISTED INVESTMENT TRUSTS

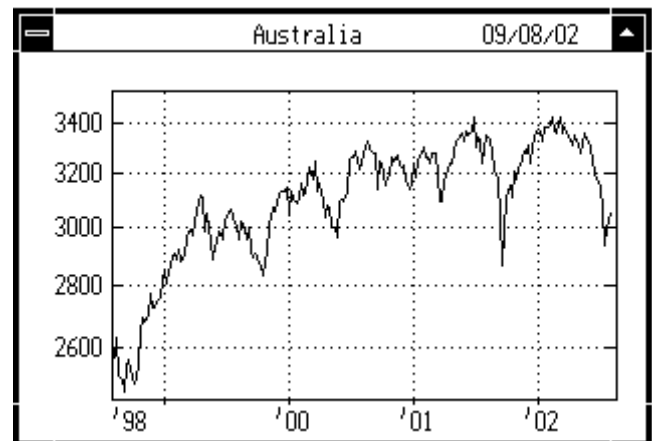
Buy	Argo Investments	Very Low	+7%	0.24	16	5	-7
	Australian Foundation	High	+5%	0.42	1	-5	-7
Avoid	BT Australian Equity	Very Low	-7%	0.30	-21	-18	-10
Buy	Choiseul Plantation	Low	+11%	0.25	37	5	-4
Buy	Diversified United Inv.	Low	+7%	0.28	22	-12	-13
	Huntley Investment Coy	Very Low	-1%	0.15	1	-16	-11

NEW ZEALAND LISTED INVESTMENT TRUSTS

Ozzy Tortis	Very High	+1%	0.81	-6	-15	-14
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UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Australian Opportunity	High	-1%	0.12	-30	7	-1
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GOLD & MINING

AUSTRALIAN BASED UNIT TRUSTS

Avoid	BT Global Energy & Res.	Medium	-8%	0.78	7	-21	-20
	Col First State Glb Res.	High	-3%	0.86	9	-12	-24
	ING Resources	High	-4%	0.90	18	-4	-16
	JB Were Resources	Medium	-5%	0.85	11	-5	-13
	Lowell Aust Resources	Low	-2%	0.58	17	-6	-11
	Sagitta Roth Nat Resource	High	-0%	0.89	28	4	-15

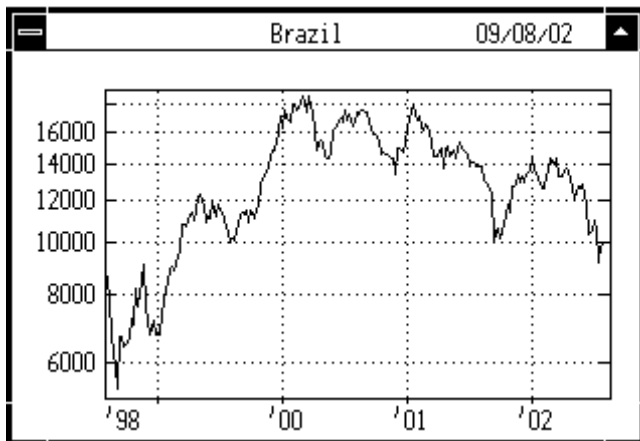
Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
UNITED KINGDOM BASED UNIT TRUSTS							
Buy	Merrill Lynch Gold & General	High	+23%	0.56	116	47	-13
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
Buy	Merrill World Mining	Very High	+7%	0.87	46	5	-20

EMERGING MARKETS

AUSTRALIAN BASED UNIT TRUSTS								
Avoid	Citigroup Emerging Mkts	Very Low	+2%	0.36	-11	-16		
	Macquarie S/M Emerging	Medium	-9%	0.79	-41	-15	-23	
	Schroder Emerging Markets	High	-4%	0.92	-11	-20		
NEW ZEALAND BASED UNIT TRUSTS								
	ASB Emerging Markets	Low	-3%	0.78	-14	-13	-22	
	NZFM Global Emerging Mkt	High	-3%	0.90	-25	-21	-27	
	Nat Bank Emerging Mkts	Medium	-5%	0.90	-22	-19	-23	
NEW ZEALAND BASED INSURANCE BONDS								
	Royal Sun All E/Markets	Medium	-3%	0.90	-14	-6	-15	
UNITED KINGDOM BASED UNIT TRUSTS								
Buy	AXA Global Emerging Mkts	High	+4%	0.98	-9	-20		
	Aberdeen Emerging Markets	Medium	+4%	0.96	9	-5	-15	
	Aberdeen Frontier Markets	Medium	+1%	0.78	-3	-16	-15	
	BG Emerging Markets	Medium	+3%	0.91	-8	-18		
	First State Global Emerg Mkts	Medium	+8%	0.93	-5	-13		
	Framlington Emerging Markets	High	+2%	0.94	-14	-7	-15	
	Garthmore Emerging Markets	Very High	+7%	0.93	-3	-10	-22	
	Hill Samuel Global Emerg. Mkts	Medium	-4%	0.97	-25	-15	-19	
	Invesco Perp Emerging Country	High	-2%	0.96	-20	-12	-20	
	JPMF Emerging Markets	Medium	-4%	0.93	-17	-18		
	Lazard Emerging Markets	Medium	-1%	0.96	-15	-10	-18	
	Martin Currie Emerging Mkts	Medium	-1%	0.93	-22	-14	-23	
Buy	Merrill Lynch Emerging Markets	High	-2%	0.95	-20	-14	-20	
	Rothschild FA Prt E/Markets	Medium	-0%	0.80	-13	-10	-19	
	Royal & Sun All. Emerging Mkts	Medium	-2%	0.96	-21	-12	-20	
	Schroder Gbl Emerging Mkts	Medium	-3%	0.96	-25	-14	-21	
	Scot Wid. Emerging Markets	Medium	-3%	0.97	-14	-19		
	Buy	Aberdeen Emerging Econ.	Medium	+17%	0.73	52	31	6
		Advance Developing Mkts	High	+8%	0.93	10	-2	-21
		Dresdner RCM Emerg Mkts	Medium	+10%	0.71	27	29	5
		F & C Emerging Markets	Very High	+7%	0.90	-10	-10	-27
		Fleming Emerging Mkts	Very High	+8%	0.89	-6	-8	-21
		Schroder Emer Countries	High	-0%	0.89	-26	-11	-23
		Avoid	Tea Plantations	Very Low	-22%	0.03	-39	-22
Templeton Emerging Mkts			Medium	0%	0.81	-15	-7	-19

LATIN AMERICA

NEW ZEALAND BASED UNIT TRUSTS								
	Tower Spot. Latin Amer.	Very Low	-5%	0.85	-19	-28	-26	
UNITED KINGDOM BASED UNIT TRUSTS								
Avoid	Abbey Latin America	Medium	+2%	0.97	-7	-32	-33	
	Aberdeen Latin America	High	-3%	0.97	-22	-33	-34	
	Aegon Latin America	Medium	-1%	0.96	-33	-33		
	BG Latin American	Medium	+1%	0.97	-10	-32	-32	
	Edinburgh Latin American	Medium	-4%	0.98	-18	-36	-32	
	Invesco Perp Latin America	High	-2%	0.95	-22	-35	-35	
	NPI Latin American	Medium	-3%	0.97	-17	-35	-32	
	Old Mutual Latin American	Medium	+2%	0.97	-2	-29	-32	
	Scot Wid. Latin America	Medium	+2%	0.98	-7	-31	-32	
	UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
		Aberdeen Latin American	High	+2%	0.91	-18	-29	-35
		Deutsche Latin America	High	+5%	0.90	-34	-40	



FAR EASTERN / PACIFIC (EXCL JAPAN)

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
AUSTRALIAN BASED UNIT TRUSTS							
	Dresdner Taiwan Trust	High	+5%	0.77	-7	-3	-18
	Dresdner Tiger Opport.	High	+0%	0.76	-16	-4	-18
	Fidelity Perp. S.E. Asia	High	-2%	0.87	-21	-2	-19
	HSBC Flexi-Trt Dragon Trt	High	-3%	0.83	-20	-2	-17
	Norwich Asia	Low	+0%	0.78	-9	4	-6
NEW ZEALAND BASED UNIT TRUSTS							
	AMP Asian Shares	Medium	-4%	0.85	-18	-2	-12
	BT LP Pacific Basin	Medium	-1%	0.93	-5	-1	-12
	ING Asia Pacific Share	Medium	-5%	0.85	-14	-16	-12
	Royal & Sun Asian S/Mkt	Very Low	-1%	0.76	3	-4	-9
	Tower Spotlight Asia	Low	+1%	0.89	3	-1	-10
NEW ZEALAND BASED INSURANCE BONDS							
	Royal Sun All Far East	Medium	-2%	0.85	-7	-5	-12
	Sovereign Far East	Very Low	-6%	0.47	-12	-17	-10
UNITED KINGDOM BASED UNIT TRUSTS							
Buy	AXA Global Pacific Growth	Medium	-2%	0.97	-3	-12	
	Abbey Asian Pacific	Medium	-2%	0.96	-17	-8	-13
	Aberdeen Far East Emerging	Low	+6%	0.91	16	3	-10
	BG Pacific	High	+6%	0.89	5	-8	-16
	Baring East	High	+4%	0.96	6	6	-9
	Britannic Pacific Growth	Medium	+5%	0.92	7	-6	-13
	Canada Life Far East	Medium	+1%	0.89	-11	-5	-13
	Cazenove Pacific Portfolio	Medium	-2%	0.95	-9	-14	-16
	Credit Suisse Orient	High	5%	0.95	-26	-11	-15
	Deutsche Asian Trader	Medium	+2%	0.95	2	-1	-12
	Dresdner Tiger	High	-0%	0.93	-14	2	-13
	Edinburgh Pacific	Medium	-4%	0.91	-17	-12	-12
	Exeter Pacific Growth	High	+12%	0.94	26	8	-13
	Fidelity Asean	Low	+3%	0.64	-1	-10	
	Fidelity South East Asian	Medium	-1%	0.91	1	-15	-12
	Fr Prov Asian Growth	Medium	-3%	0.93	-17	-3	-13
	Garthmore Pacific	Medium	-1%	0.91	-11	-5	-15
	Govett Asia Pacific	Medium	+4%	0.94	8	-1	-16
	Govett Pacific	Medium	+1%	0.96	-4	-16	
	HSBC Pacific Index	Medium	-2%	0.92	-9	-11	-15
	HSBC Splst Asian	High	-3%	0.93	-25	-3	-15
	Henderson Pacific Capital	Medium	+3%	0.90	9	-8	-13
Hill Samuel Far East	Medium	-2%	0.95	-14	-8	-12	
L & G Pacific Growth	High	+0%	0.97	-6	-7	-15	
L & G Pacific Index	Medium	-2%	0.93	-9	-9	-14	
M & G South East Asian	Medium	-1%	0.95	-12	-8	-14	
Martin Currie Asian Pacific	High	+2%	0.87	-9	-11	-18	
Merrill Lynch Pacific	High	-3%	0.94	-17	-4	-14	
Newton Oriental	Medium	+10%	0.93	33	2	-14	
OM Gerrard Asian Growth	Medium	+1%	0.93	-1	-14		
Prudential Pacific Markets	Medium	-1%	0.91	-12	-4	-15	
Rothschild FA Asian	High	-4%	0.90	-7	-14		
Rothschild FA Prt Asia Pacific	Medium	+2%	0.97	-4	-14		
Royal & Sun Pacific Gth	High	+2%	0.96	-5	-12		
Royal London Far East Gth	Very High	+5%	0.92	1	-6	-19	
Schroder Pacific Growth	High	+2%	0.95	-6	-2	-16	
Scot Arnic Asia Pacific	Medium	-1%	0.94	-11	-2	-13	
Scot Mutual Far Eastern	Medium	-2%	0.96	-17	-10	-14	
Scot Wid. South East Asia	Medium	-4%	0.94	-26	-10	-13	
Solus Eastern Enterprise	Medium	+2%	0.94	-6	-14		
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
Buy	Aberdeen New Dawn	Medium	+12%	0.80	27	10	-11
Buy	Aberdeen Asian Small Co	Very Low	+18%	0.59	64	22	1
Avoid	Edinburgh Java	Low	-22%	0.36	-58	-16	5
Avoid	Edinburgh Pacific	Medium	-37%	0.12	-90	-82	
	Edinburgh Dragon Trust	High	+1%	0.89	-13	-7	-16
	Fidelity Asian Values	Very High	-1%	0.85	-20	15	-16
	Govett Singapore Gth	Medium	-1%	0.58	-12	-1	
	Henderson TR Pacific	Very High	+5%	0.81	-5	6	-13
	Invesco Asia	Very High	+3%	0.81	-22	5	-22
Buy	JPMF Asian	Very High	+12%	0.79	22	13	-12
	Pacific Assets	Very High	-1%	0.84	-28	-1	-20
Buy	Pacific Horizons	Very High	+17%	0.83	36	13	-12
	Schroder Asia Pacific	Very High	+6%	0.84	-3	-16	-11
Buy	Scottish Oriental Sm Co	Low	+24%	0.66	76	29	2
UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL							
Avoid	BFS Asian Assets - Cap	Medium	-28%	0.37	-50	-33	
Avoid	BFS Asian Assets - Inc	Very Low	-30%	0.32	-39	-2	

FAR EASTERN / PACIFIC (INCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS							
Buy	BT Pacific Basin	Very High	+9%	0.88	-7	-6	-18
Avoid	Commonwealth Asia Pacific	Medium	-10%	0.78	-15	-13	
Avoid	Dresdner Pacific Growth	Medium	-7%	0.76	-26	-18	-14
	Invesco Asian Growth	Very High	-5%	0.81	-39	-19	-23
	NAFM Asia Growth	Very High	+3%	0.81	-13	-18	
NEW ZEALAND BASED UNIT TRUSTS							
	BTIS Pacific Basin	Medium	+1%	0.86	-12	-2	-13
UNITED KINGDOM BASED UNIT TRUSTS							
	Aberdeen Asia Pacific	Low	+3%	0.93	7	-2	-9
	Fr Prov Pacific Basin	Medium	-4%	0.91	-20	-13	-12
	GAM Far East	Medium	+4%	0.87	-14	-11	
	Jupiter Far Eastern	Low	+2%	0.80	-1	-16	-10

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					'36 mth	'12 mth	'3 mth
	L & G Far East	Medium	0%	0.88	-10	-15	-13
	Lincoln Far East	Medium	+4%	0.72	4	-1	-9
	Royal & Sun All. Far East	Medium	-1%	0.88	-13	-12	-11
	S & W Far Eastern	Medium	-5%	0.93	-16	-11	-12
	Schroder Far Eastern	Medium	-2%	0.93	-16	-13	-14
	Scot Life Pacific	Medium	-4%	0.92	-20	-16	-15
	St James's Far East	Medium	+2%	0.91	0	-7	-10

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid	F & C Pacific	High	-8%	0.81	-34	-17	-15
	Govett Asian Recovery	High	+4%	0.77	-15	5	-8
Buy	Henderson Far East Inc.	Medium	+10%	0.62	15	9	-13
	Martin Currie Pacific	High	+0%	0.85	-14	-15	-15

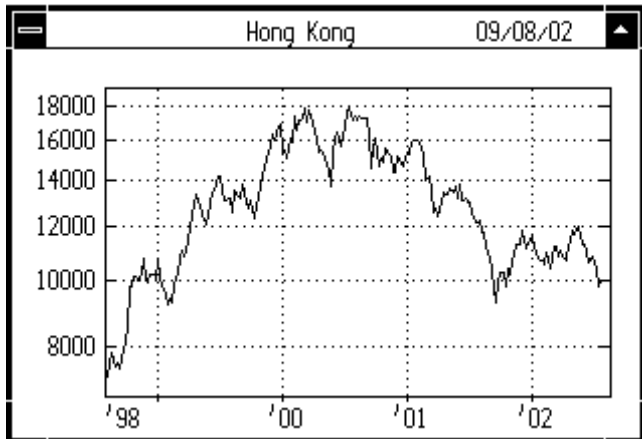
HONG KONG / CHINA REGION

UNITED KINGDOM BASED UNIT TRUSTS

	Gartmore China Growth	Low	+3%	0.74	-4	-18	-13
	HSBC Splst Hong Kong Gth	Medium	0%	0.78	-19	-25	-13
Buy	Invesco Perp HK and China	Medium	+7%	0.80	2	-13	-11
	Old Mutual Hong Kong	Low	+6%	0.79	8	-22	-13

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	JPMF Chinese	Very High	+11%	0.67	2	-22	-24
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KOREA

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Baring Korean	Medium	+13%	0.92	24	44	-8
	JPMF Korea	Medium	+6%	0.96	38	-14	-14
	Schroder Seoul	Medium	+6%	0.86	-10	51	-12

THAILAND

UNITED KINGDOM BASED UNIT TRUSTS

	Old Mutual Thailand	Medium	-3%	0.74	-28	26	2
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UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Aberdeen New Thai IT	Very Low	+6%	0.40	6	23	-3
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JAPAN

AUSTRALIAN BASED UNIT TRUSTS

	Dresdner Japan Growth	Very Low	-1%	0.45	-28	-25	-10
	Fidelity Japan	Medium	0%	0.68	-26	-15	-15
	Invesco Japan	Low	+2%	0.71	-14	-6	-6

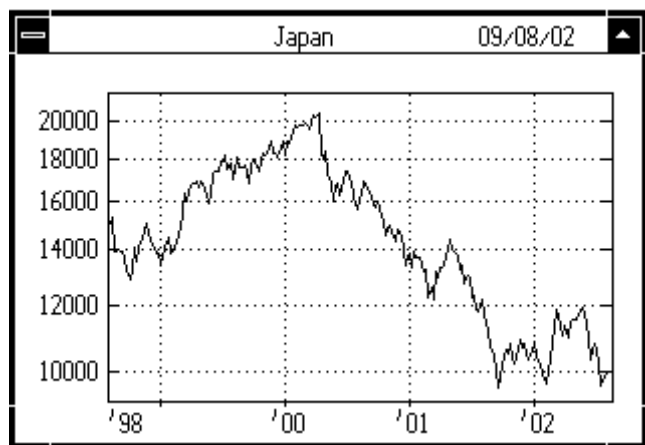
UNITED KINGDOM BASED UNIT TRUSTS

Avoid	AXA Global Japan Growth	Very Low	-10%	0.78	-26	-10	-10
	Abbey Japan Trust	Very Low	-1%	0.71	-26	-23	-8
	Aegon Japan	Low	-4%	0.73	-20	-9	-9
	BG Japan	Low	+1%	0.61	-30	-29	-8
Avoid	Baring Japan Growth	Low	-9%	0.72	-45	-27	-13
	Britannic Japan	Low	+3%	0.74	-17	-23	-10
	Canada Life Japanese	Very Low	+2%	0.54	-20	-29	-11
	Cazenove Japan Portfolio	Low	-2%	0.66	-25	-26	-8
	Clerical Med Japan Growth	Low	-1%	0.66	-34	-27	-11
	Deutsche Japan Tracker	Very Low	-3%	0.69	-28	-26	-10
Buy	Deutsche Japan Growth	Low	+9%	0.67	-3	-21	-7
	Dresdner Japan	Very Low	-1%	0.62	-35	-26	-11
	Edinburgh Tokyo	Low	+6%	0.72	-16	-16	-3
Buy	Fidelity Japan	Medium	+11%	0.70	-17	-24	-14
Avoid	First State Japanese Growth	Very Low	-11%	0.70	-28	-11	-11
	Fr Prov Tokyo	Very Low	+0%	0.64	-28	-24	-10
	Framlington Japan & General	Low	-2%	0.65	-35	-28	-11
	Gartmore Japan	Low	+1%	0.70	-33	-28	-12
Buy	Govett Japanese Opps	Low	+9%	0.57	-14	1	-5
	HSBC Japan Index	Very Low	-2%	0.71	-26	-26	-10
Buy	Henderson Japan	Very Low	+8%	0.25	-7	-18	-12
	Hill Samuel Japanese	Low	-1%	0.67	-32	-25	-11
	JPMF Japan Growth	Low	-6%	0.82	-29	-14	-14
	L & G (Barclays) Japan	Low	-1%	0.65	-27	-23	-10

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					'36 mth	'12 mth	'3 mth
	L & G Japan Index	Very Low	-2%	0.70	-27	-25	-10
	L & G Japanese	Very Low	-3%	0.66	-25	-7	-7
	Lazard Japanese	Very Low	-6%	0.57	-34	-29	-7
Avoid	Legg Mason New Japan	Very Low	-7%	0.29	-20	1	-1
Avoid	Lincoln Japan	Very Low	-7%	0.56	-37	-23	-8
	M & G Japan & General	Low	-5%	0.65	-39	-29	-10
	Merrill Lynch Japan	Low	-2%	0.71	-30	-25	-10
	Newton Japan Growth	Very Low	-6%	0.58	-36	-25	-7
	OM Gerrard Japanese Growth	Low	-2%	0.77	-25	-7	-7
	Old Mutual Japan	Very Low	-3%	0.65	-30	-25	-7
	Prudential Japanese	Low	-2%	0.72	-34	-25	-9
Avoid	Rothschild FA Japan	Very Low	-12%	0.77	-24	-10	-10
	Rothschild FA Prt Japan	Low	-2%	0.49	-35	-8	-8
Buy	Royal London Japan Growth	Very Low	+2%	0.57	-22	-23	-10
	Schroder Japan Dynamic	Low	+9%	0.42	-19	-19	-9
	Schroder Tokyo	Very Low	+3%	0.64	-7	-18	-5
	Scot Amic Japanese	Low	-3%	0.73	-34	-25	-9
	Scot Mutual Japanese	Very Low	-2%	0.74	-29	-25	-10
Avoid	Scot Wid. Japanese	Very Low	-2%	0.72	-28	-24	-11
	Solus Japan	Low	+8%	0.65	-25	-14	-14

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Fleming Japan	High	+15%	0.63	-26	-27	-15
	Gartmore Select Japan	Medium	+4%	0.54	-37	-29	-10
Buy	Invesco Tokyo	Medium	+8%	0.68	-34	-21	-11
	Martin Currie Japan	Medium	+2%	0.48	-33	-27	-13
	Perpetual Japan	Low	+4%	0.29	-44	-33	-6
Buy	Schroder Japan Growth	Low	+8%	0.49	-18	-17	-3



JAPAN SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Avoid	BG Japan Small	Very Low	-8%	0.58	-20	-2	-2
	Dresdner Japan Spec Sits	Very Low	-5%	0.62	-31	-30	-10
Avoid	F & C Japanese Smaller Coys	Low	-14%	0.63	-53	-21	-10
	Fidelity Japan Sp Sits	Low	-1%	0.73	-31	-16	-2
	Fr Prov Japan Smaller Coys	Very Low	-3%	0.77	-19	-14	-5
Avoid	Henderson Japan Capital Gth	Very Low	-10%	0.49	-37	-24	-11
Buy	Hill Samuel Japan Small Cos	Low	+15%	0.71	-15	1	-1
	Invesco Perp Japan Small Coys	Low	+6%	0.56	-14	-21	-5
	M & G Jap Small Cos	Very Low	-5%	0.63	-14	-25	-3
Avoid	Schroder Japan Small Coys	Very Low	-9%	0.24	-27	-19	-4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	B Gifford Shin Nippon	Very Low	+5%	0.48	-14	-20	-0
	Baillie Gifford Japan	Very Low	-5%	0.55	-23	-23	-1
	Fidelity Japan Values	Medium	+2%	0.45	-36	-12	1
Avoid	Fleming Japan Small Cos	Low	-12%	0.57	-24	-5	-5
Buy	Invesco Japan	Medium	+10%	0.43	-23	-22	-2

SOUTH AFRICA

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Avoid	Old Mutual South Africa	Very Low	-15%	0.03	-100	-35	-9
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TECHNOLOGY

AUSTRALIAN BASED UNIT TRUSTS

Buy	Alliance Technology	High	+15%	0.76	-42	-24	-24
Avoid	CFS Global Health Biotech	Very Low	-12%	0.67	-35	-17	-17
Buy	CFS Tech & Comms	Medium	+14%	0.74	-36	-27	-27

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Abbey Nat'l Technology	High	+11%	0.92	-45	-29	-29
Avoid	Aberdeen Euro Tech	Medium	-29%	0.81	-49	-30	-30
Avoid	Aberdeen Technology	Medium	-7%	0.89	-53	-50	-29
	Aegon Technology	High	+3%	0.90	-52	-28	-28
Buy	CF Bio-Tech	High	+33%	0.65	44	-40	-24
Avoid	Edinburgh Technology	Very High	-19%	0.85	-62	-31	-31
Avoid	First State Gbl Health/Biotech	Very Low	-9%	0.77	-35	-16	-16
Buy	Framlington Health	Medium	+25%	0.79	80	-41	-24
Buy	Framlington NASDAQ	High	+8%	0.94	-48	-31	-31
Avoid	Framlington Netnet	High	-19%	0.89	-68	-53	-26

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	
	Framlington New Leaders	Low	-2%	0.95	-39	-22										
	Franklin Biotech	Low	+4%	0.60	-43	-23										
Avoid	Gartmore UK Techtornado	High	-7%	0.88	-50	-31										
	Henderson Global Technology	High	-3%	0.88	-49	-27		Buy	3i Bioscience	High	+32%	0.67	-49	-24		
	Investec GF Wired Index	Low	-1%	0.77	-48	-24			3i Euro Technology	Very High	-4%	0.87	-53	-36		
	Jupiter Global Technology	Medium	-2%	0.94	-44	-25		Avoid	Amerindo Internet Fund	Very High	-30%	0.73	-64	-29		
Buy	L & G Global Technology	High	+9%	0.91	-48	-27			Buy	Asian Technology	High	+28%	0.56	-15	-31	
	Lincoln Internet Tollkeeper	Medium	-4%	0.89	-55	-31		Buy	Close Fin Eurotech	Very High	+18%	0.74	-56	-34		
Avoid	M & G Euro Tech	Medium	-13%	0.91	-53	-33		Buy	Finsbury Life Sciences	Medium	+23%	0.72	-50	-27		
Avoid	M & G Global Technology	Medium	-14%	0.81	-59	-35		Buy	Finsbury W/wide Pharm.	Very Low	+30%	0.60	125	-36	-27	
	M & G Innovator	High	+1%	0.78	-52	-27		Buy	Finsbury Technology	Very High	+27%	0.81	-9	-51	-38	
Avoid	Newton Global Innovation	Medium	-9%	0.84	-46	-28		Buy	Herald Investment Trust	Medium	+8%	0.82	-18	-37	-29	
	OM Gerrard Global Technology	Medium	+4%	0.96	-45	-28		Buy	International Biotech	Very High	+35%	0.67	84	-56	-28	
Avoid	Rathbone Technology	Medium	-22%	0.91	-53	-29		Buy	Invesco TechMARK	Medium	-15%	0.58	-49	-30		
	Rothschild FA Prt in Tech Plus	High	+3%	0.91	-49	-31		Avoid	Merrill New Energy Tech	Medium	-9%	0.54	-70	-49		
	Royal & Sun Eurotech	Medium	-2%	0.91	-47	-29			Murray TMT	High	-2%	0.78	-57	-39		
Avoid	S & W Global Technology	High	-25%	0.85	-56	-29		Buy	Polar Cap Technology	Medium	-2%	0.82	-42	-27		
Avoid	Sarasin Websar	Very Low	-8%	0.80	-32	-18		Buy	Private Equity Investor	Very Low	+10%	0.55	-37	-18		
Avoid	Schroder Eurotech	Medium	-10%	0.89	-49	-30										
Avoid	Schroder Medical Discovery	Very Low	-3%	0.22	-29	-18										
	Soc Gen Technology	High	+0%	0.88	-47	-48	-29									

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	3i Bioscience	High	+32%	0.67	-49	-24
	3i Euro Technology	Very High	-4%	0.87	-53	-36
Avoid	Amerindo Internet Fund	Very High	-30%	0.73	-64	-29
Buy	Asian Technology	High	+28%	0.56	-15	-31
Buy	Close Fin Eurotech	Very High	+18%	0.74	-56	-34
Buy	Finsbury Life Sciences	Medium	+23%	0.72	-50	-27
Buy	Finsbury W/wide Pharm.	Very Low	+30%	0.60	125	-36
Buy	Finsbury Technology	Very High	+27%	0.81	-9	-51
Buy	Herald Investment Trust	Medium	+8%	0.82	-18	-37
Buy	International Biotech	Very High	+35%	0.67	84	-56
Buy	Invesco TechMARK	Medium	-15%	0.58	-49	-30
Avoid	Merrill New Energy Tech	Medium	-9%	0.54	-70	-49
Avoid	Murray TMT	High	-2%	0.78	-57	-39
	Polar Cap Technology	Medium	-2%	0.82	-42	-27
Buy	Private Equity Investor	Very Low	+10%	0.55	-37	-18

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Avoid	Govett Euro Tech & Inc	Very High	-103%	0.34	-98	-83
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Best Managed Funds

One Far Eastern fund that has a long term track record of outperforming the markets is UK unit trust **Exeter Pacific Growth Fund**.

This is a small £11 million unit trust that differs from most funds in that it does not directly invest in shares of Far Eastern companies. Instead it is a "fund of funds", investing in the shares of listed UK investment trusts and US listed country funds.

In many cases this "fund of funds" structure is not attractive to investors owing to the additional layer of management fees and other operating expenses. Exeter Pacific Growth, for example, charges investors an initial sales fee of 5.5% to buy units and an annual management fee of 1.25%. The trust then incurs brokerage costs and the bid/offer spreads involved in actively trading in shares of listed Far Eastern funds. And, of course, these listed funds all pay their own managers annual fees as well as their other operating costs. In many cases a "fund of funds" can under-perform by around 2% per annum owing to these higher costs.

This is not the case with Exeter Pacific Growth Fund which has consistently outperformed by an amazing 10-15% per year! In part this is achieved by investing in listed funds that trade at a large discount to net asset values and then selling when the share price appreciates and the discount has narrowed.

The income yield is zero, with dividend income being less than operating expenses.

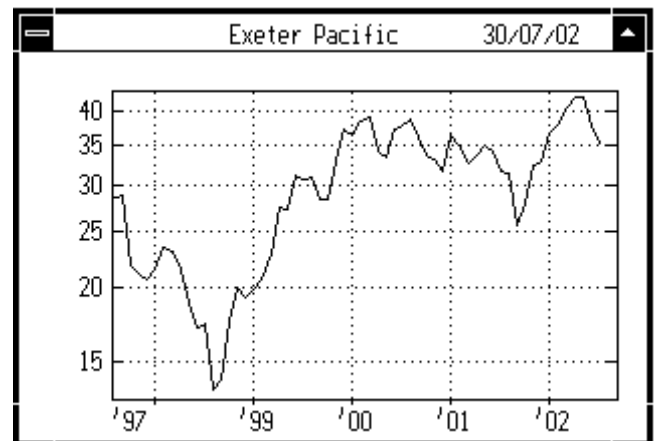
Usually the portfolio is weighted towards UK listed trusts and at the present time these trusts make up 75.9% of the portfolio. US listed funds account for 21.2% of assets and there is a small cash holding (2.9%). The ten largest investments make up 48.6% of the portfolio, but as these are diversified investment funds this unit trust offers investors excellent diversification.

Geographically the portfolio is ultimately invested

in Hong Kong and China (23.9% of assets), Korea (20.5%), Taiwan (11.6%), Singapore (11.0%), Thailand (8.3%), India (6.8%), Australia and NZ (3.6%), Malaysia (2.7%), Indonesia (2.4%), Philippines (1.5%) and other countries (7.7%).

The minimum investment in Exeter Pacific Growth Fund is £1000, then £500 for additional investments.

While we would generally avoid a "fund of funds", this unit trust has an excellent long term track record and could be considered by investors looking for an investment in Far Eastern stockmarkets.



Next Issue

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