Information and Advice on World Stockmarkets from Securities Research Company's . . .

International Investor

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World Stockmarket Forecasts

Stockmarket		Fundamental	Technical	Monetary	Economic		Performance		Share
	Forecast	Indicators	Indicators	Indicators	Indicators	3 mths	6 mths	12 mths	Index
Australia	66%	Bullish	Bullish	Neutral	Bearish	+4.3%	+19.3%	+50.0%	3,437.40
Austria	63%	Bearish	Bullish	Bullish	Bullish	+18.4%	+48.0%	+83.0%	1,923.24
Belgium	73%	Neutral	Bullish	Bullish	Bullish	+3.8%	+21.2%	+54.5%	2,441.08
Canada	76%	Bearish	Bullish	Bullish	Bullish	+4.1%	+19.4%	+54.0%	8,798.75
Denmark	64%	Bearish	Bullish	Bullish	Bullish	+0.8%	+10.6%	+51.4%	263.58
Finland	72%	Bullish	Bullish	Bullish	Bullish	+10.0%	+23.0%	+49.8%	6,966.45
France	74%	Bullish	Bullish	Bullish	Bullish	+1.5%	+19.3%	+53.4%	2,562.51
Germany	65%	Bearish	Bullish	Bullish	Neutral	-3.7%	+22.5%	+70.9%	4,007.60
Ireland	76%	Bullish	Bullish	Bullish	Bullish	+3.4%	+22.9%	+50.4%	5,327.47
Italy	82%	Bullish	Bullish	Bullish	Bullish	-0.6%	+14.7%	+39.8%	20,834.00
Japan	50%	Bearish	Bullish	Neutral	Bearish	+13.5%	+17.0%	+68.2%	11,815.95
Netherlands_	75%	Bullish	Bullish	Bullish	Bullish	-5.4%	+7.8%	+34.8%	350.52
New Zealand		Neutral	Bullish	Bearish	Neutral	+3.5%	+18.6%	+51.2%	2,043.03
Norway	82%	Neutral	Bullish	Bullish	Neutral	+9.5%	+35.2%	+83.3%	723.93
Spain	75%	Neutral	Bullish	Bullish	Bullish	+1.6%	+23.2%	+49.2%	864.89
Sweden	72%	Bearish	Bullish	Bullish	Bullish	+4.0%	+22.8%	+68.5%	216.09
Switzerland _	65%	Bearish	Bullish	Bullish	Bullish	+1.3%	+14.7%	+41.7%	5,784.60
Un. Kingdom	55%	Neutral	Bullish	Neutral	Bearish	+1.4%	+14.8%	+37.4%	4,465.60
USA	64%	Neutral	Bullish	Bullish	Bearish	+3.0%	+10.9%	+29.9%	1,141.81
USA Argentina	55%	Bearish	Bullish	Bullish	Bearish	+7.8%	+43.9%	+83.5%	2,758.57
Brazil	76%	Neutral	Bullish	Bullish	Bullish	+1.9%	+34.0%	+115.1%	22,948.95
Brazil Czech Rep	87%	Bullish	Bullish	Bullish	Bullish	+20.7%	+36.5%	+85.3%	837.00
Chile	59%	Bearish	Bullish	Bullish	Bearish	-1.0%	+13.8%	+80.0%	7,582.08
China	60%	Bearish	Bullish	Bullish	Bearish	+11.8%	+19.8%	-4.9%	118.71
Greece	57%	Neutral	Bullish	Bullish	Bearish	-1.0%	+18.7%	+74.3%	2,372.77
Egypt	60%	Bearish	Bullish	Bearish	Bullish	+9.5%	+15.1%	+25.2%	881.74
Egypt Hong Kong Hungary	58%	Neutral	Neutral	Bullish	Neutral	-0.9%	+8.6%	+44.5%	12,731.76
Hungary	54%	Bearish	Bullish	Bearish	Neutral	+21.6%	+29.9%	+60.7%	11,238.11
India Indonesia	47%	Neutral	Bullish	Bearish	Bearish	+0.3%		+101.4%	5,788.08
Indonesia	74%	Neutral	Bullish	Bullish	Bearish	+5.0%	+17.9%	+91.9%	750.65
Israel	63%	Bearish	Bullish	Bullish	Neutral	+3.4%	+26.0%	+62.4%	567.17
Korea	67%	Neutral	Bullish	Neutral	Bullish	+12.6%	+24.2%	+74.8%	883.69
Malaysia	65%	Neutral	Bullish	Bullish	Bearish	+12.5%	+19.9%	+40.5%	887.34
Mexico	71%	Neutral	Bullish	Bullish	Bullish	+20.3%	+36.9%	+66.2%	10,713.54
Philippines	42%	Neutral	Bullish	Bearish	Neutral	-0.7%	+8.5%	+26.1%	1,450.91
Poland		Bearish	Bullish	Neutral	Bearish	+12.6%	+23.0%	+80.6%	24,387.78
Portugal		Bearish	Bullish	Bullish	Bullish	+6.7%	+26.7%	+55.0%	2,118.77
Russia		Bearish	Bullish	Bullish	Bearish	+39.1%		+124.4%	8,967.92
Singapore		Bullish	Bullish	Bullish	Bearish	+6.6%	+15.9%	+51.6%	1,880.45
Sth Africa		Neutral	Bullish	Neutral	Bullish	+5.6%	+27.7%	+70.4%	10,890.61
Taiwan	42%	Bearish	Neutral	Neutral	Bearish	+11.8%	+16.7%	+53.6%	6,545.54
Thailand	66%	Neutral	Bullish	Bullish	Bearish	-9.3%		+103.7%	693.12
Turkey	60%	Bearish	Bullish	Bullish		+16.3%		+122.2%	20,485.03
Venezuela	37%	Bullish	Bullish	Bearish	Bearish			+65.7%	27,112.93
One Vear Foreca									

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

Three of our investments have increased sharply in value over the last month:

Aberforth Smaller Companies Trust plc rose 9.2% as the share price rose closer to its net asset backing. The shares have historically traded close to their net asset value, although that discount had increased to around 9-12% over recent months. That larger than normal discount *may* have been the result of selling by investors who took shares in this trust when **Aberforth Split Level Trust** was wound up in December 2003.

Baillie Gifford Shin Nippon plc shares rose 23.7% with **Invesco Japan Discovery Trust plc** shares soaring 35.3% for the month! The Japanese economy is showing signs of recovery in both export demand and domestic consumption - which has boosted both the exchange rate and the stockmarket. Smaller company share prices are most sensitive to improvements in sentiment, so performed extremely well last month.

<u>Fund Report</u>

The Manager of **Scottish Oriental Smaller Companies Trust plc** expects economic growth to accelerate throughout the Asian region in 2004 and that "the trust is well positioned to participate in the high rates of economic growth expected". Asian economies will be "driven by higher domestic consumption, recovery in private investment and robust exports", with "the end of deflation in China and Hong Kong" seen as positive and "contributing to improved consumer sentiment".

They also believe that "valuations for Asian companies are inexpensive compared to the rest of the world", while growth is higher.

Although strong economic growth and improving sentiment would favour low quality, marginal businesses, Asian stockmarkets are not without risks, so the trust continues to favour "well managed, soundly financed companies with strong businesses".

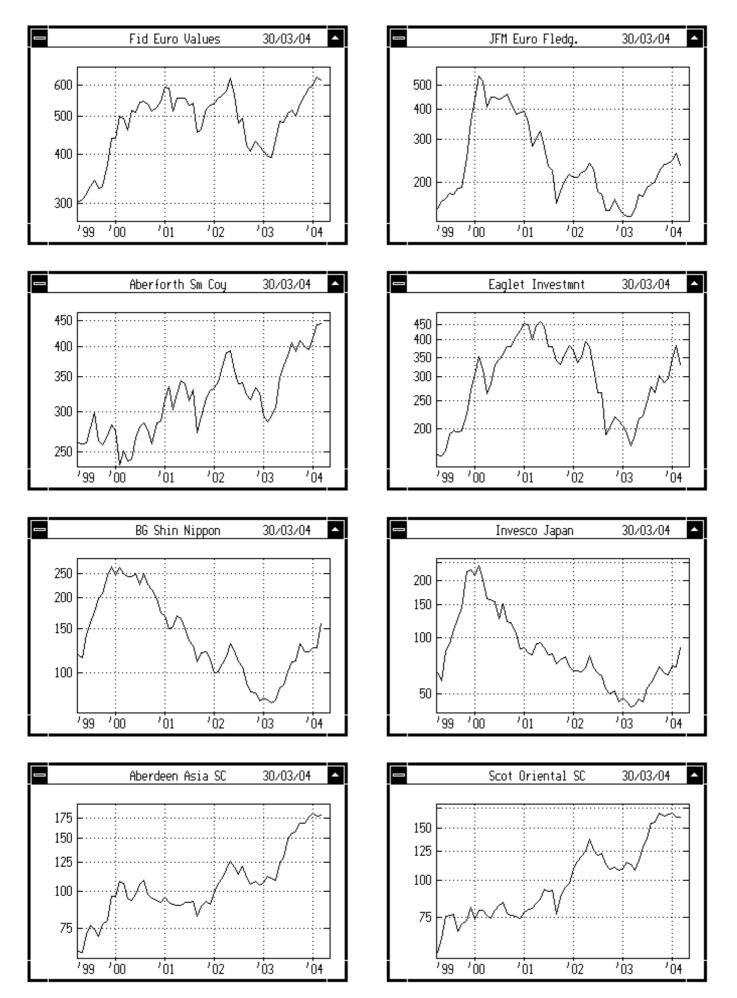
The trust is slightly leveraged with a 1.04% interest rate Japanese Yen loan equal to about 7% of net assets.

Curren	t	EPIC	Initial Recommendation Date Offer Price		Prem/ Disc		ico	Gain or	
Advice		Code		Foreign	NZ	to Net	Bid-Offer or	NZ	Loss
, 10,1100		000.0		i oroigii	Cents	Assets	Last Sale	Cents	%
	Europe								
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-5%	631.00p	1753.8	+36
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-17%	248.25p	690.0	-10
	United Kingdom								
BUY	Aberforth Smaller Cos Trt plc	ASL	15-07-03	375.5p	1042.0	-3%	471.00p	1309.1	+26
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-11%	336.00p	933.9	-20
	Asian Regional								
BUY	Aberdeen Asian Sm Co WARRANTS	AASW	09/09/03	75.3p	209.1		101.00p	280.7	+34
BUY	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		190.73p	530.1	+403
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		41.49p	115.3	+8
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		157.60p	438.0	-9
BUY	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		279.70p	777.4	-31
BUY	Scot Oriental Sm Cos WARRANTS	SSTW	11/11/03	, 78.0p	211.5		80.50p	223.7	+6
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		11.75p	32.7	-57
	Japan			I					
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-8%	165.50p	460.0	+4
HOLD	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-11%	97.00p	269.6	-5
	Korea						·		
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		95.96-102.10p	275.2	+31
	International			I			1		
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	61.7p	184.0		127.70p	354.9	+93
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-20%	99.25p	275.8	-34
HOLD	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		17.00p	47.2	-61
	d Kingdom based Unit Trust			.1-			1		

* United Kingdom based Unit Trust

Other Shares and Warrants

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 186½ (-3%, i.e. 3% *below* net asset value), **Schroder Asia Pacific** shares at 88¼ pence (-5%), **Scottish Oriental Smaller Companies** shares at 168 pence (-5%), **Templeton Emerging Markets** shares at 150¼ pence (-13%), **Baillie Gifford Shin Nippon** warrants at 14½ pence and **Invesco Japan Discovery** warrants which trade at 9½ pence.



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Investment Fund Survey

Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	Perf 36 mth	orma 12 mth	ince 3 mth	Current Advice
	<u>INTER</u>	NATIOI	NAL					
	AUSTRALIAN E	BASED UNI	t Trus	TS				Avoid Buy
	AMP Multi-Mgr Global	High	+0%	0.71	-40	13	-0	
	ANZ ING Global	Medium	-2%	0.55	-40	8	-2	
	Advance International Advance Worldwide Share	High Medium	+0% -2%	0.65 0.71	-42 -40	19 12	2 1	
Avoid	BT Global	Medium	-2 %	0.41	-56	15	6	I
711010	BT International	High	-1%	0.69	-40	17	2	
	Challenger Global Shares	Medium	-1%	0.67	-41	11	1	
	Citigroup Global Equity	Medium	-2%	0.45	-38	18	3	
	Commonwealth Int'l Share Dresdner Global	High Medium	-1% -6%	0.60 0.67	-40 -48	10 7	2 -2	Buy
	Dresdner International	Medium	-5%	0.68	-40	7	-2	Duni
	HSBC International	Medium	-0%	0.69	-39	13	-1	Buy
	Invesco Global Matrix	Very High	+1%	0.75	-47	26	-5	
Ausid	JB Were International	High	-2% -9%	0.75	-44	13	-1	Buy
Avoid Buy	Lowell International MLC Aust - Platinum Gbl	Medium High	-9% +15%	0.27 0.69	-54 -5	13 41	-0 5	Buy
Duy	MLC MKey Global Share	High	-0%	0.70	-40	13	-0	
	NAFM Inv Trt - Global	High	+0%	0.71	-41	10	-1	
	Perpetual Fid. Intern'l	High	-1%	0.72	-44	17	0	
Dire	Perpetual ICSav - Int'l	High	-1%	0.71	-44	17	0	
Buy	Platinum International Westpac International	High Medium	+18% -1%	0.62 0.55	-38	34 12	6 6	
	New Zealand				-50	12	0	Avoid
					21	17	2	Buy
	AMP International Share AMP Passive Int'l Share	Medium Medium	+6% -1%	0.66 0.75	-31 -42	17 9	2 1	
Buy	ANZ World Equity Trust	Medium	-1% +11%	0.75	-42 -15	22	5	
Buy	ASB World Shares	Medium	+9%	0.84	-22	17	2	
Buy	BNZ International Equity	Medium	+10%	0.77	-18	19	1	Buy
	BTIS International Share	Low	+6%	0.72	-21	10	2	
	ING International Share NZ Guardian Global	Medium Medium	-2% +6%	0.77 0.79	-41 -30	17 17	4 2	
	Thoroughbred Int'l Equ.	Medium	+0%	0.79	-30 -41	7	2	
	Tower Global Equity	Medium	-2%	0.79	-40	5	0	
	Tower Tortis Intern'l	Medium	-1%	0.81	-41	9	2	Buy
	Westpac International	Medium	+0%	0.84	-40	8	1	
	UNITED KINGDO	m based L	Jnit Tr	USTS				
	AXA Global Growth	Medium	+1%	0.88	-37	19	4	Buy
	Abbey Nat'l International	Medium	-0%	0.88	-38	17	2	
	Aegon Worldwide Tactical	Medium	-5%	0.87	-48	11	-2 0	
	Allcurches Int'l Growth Allianz Dres Global Equity	Medium Low	+6% -4%	0.92 0.83	-27 -41	24 12	2	
Avoid	Artemis Global Growth	Medium	-10%	0.75	-55	10	3	Uniti
	BG International	Low	+1%	0.93	-34	19	3	
	Bank of Scotland World Gth	Medium	+0%	0.91	-39	15	1	Avoid .
	Baring Global Growth	Medium	+0%	0.83	-36	18	3	Avoid
	Britannic Global Growth CS Global PVC	Medium High	-2% +3%	0.83 0.78	-40	15 36	0 3	
	Canada Life International Gth	Medium	+0%	0.88	-37	20	2	Avoid
Buy	Cavendish Worldwide	Low	+7%	0.83	-21	23	4	
	Fidelity International	Medium	+1%	0.93	-37	19	2	
	Fidelity Managed Int'l	Medium Medium	-2% +4%	0.91 0.59	-43	13 33	2 -1	
	First State Global Opps First State Global Growth	Medium	-1%	0.39	-39	33 9	1	
	Framlington International	Medium	+0%	0.88	-38	22	1	
Buy	GAM International Growth	Medium	+17%	0.84	-3	49	6	
	Gartmore Govett Global Opps	Medium	+2%	0.81	-34	24	2	
	Henderson Independent Port.	Medium	+3%	0.89	-32	24	4 3	
	Henderson International Invesco Perp International	Medium Medium	-1% -5%	0.81 0.73	-41 -46	16 6	3	
	Invesco Perp Int'l Equity	High	+4%	0.84	40	25	5	
	Jupiter Ecology	Medium	-3%	0.67	-46	30	4	
	L & G (Barclays) Worldwide	Low	+3%	0.88	-32	16	2	Avoid
	L & G Global Growth	Medium	+1%	0.91	-39	17	2	Avoiu
	L & G Worldwide Lazard International Equity	Medium Medium	+1% -1%	0.91 0.84	-35 -40	18 8	2 2	
	Lincoln Global	Low	-1%	0.84	-40 -39	13	2	
	M & G Global Leaders	High	-1%	0.84	57	29	3	
	M & G International Gth	Medium	+2%	0.82	-35	30	1	
	MGM International Equity	Medium	-0%	0.86	-38	17	1	
	Martin Currie International	Medium	-0%	0.87	-38	19	1	
Runz	New Star Global Equity Ret A New Star Global Grpwth Port A	Medium Vory High	-1% +13%	0.54 0.58		15 36	-8 -7	
Buy	Newton International	Very High Medium	+13%	0.58	-33	30 26	-/	
	Norwich International Index	Medium	+2%	0.85	00	16	2	
	Old Mutual Worldwide	Medium	-3%	0.89	-43	17	1	
	Premier Global 100	Low	-5%	0.69	-45	6	-1	
Avoid	Premier International Gth	Medium	-7%	0.79	24	9 17	-1	Buy
	Prudential Global Growth Prudential Int'l Growth	Medium Medium	+2% +3%	0.89 0.91	-34 -32	17 17	1 2	-7
	Rathbone Global Companies	Low	+3%	0.91	-3Z	34	2	
	Scot Life Worldwide	Medium	-4%	0.86	-44	11	-1	
	Scot Mutual International	Medium	+2%	0.84	-37	19	2	
	Singer & Freidlander Global	Medium	-5%	0.68	-49	12	0	Avoid
Buy	Sovereign Int'l Growth St James's International	Low Medium	-0% +7%	0.59 0.88	-38 -24	14 27	1 1	
Duy		MEUIUIII	τ / 70	0.00	-24	21	1	

Current Advice		Risk Rating	Superi- ority Rating	Market Correla- tion	Perf 36 mth	orma 12 mth	ince 3 mth
	Australian Listed	INVEST	MENT T	RUSTS			
Avoid	BT Global	Medium	-9%	0.38	-54	14	-0
Buy	Platinum Capital	Medium	+24%	0.38	17	27	-2
	Templeton Global	High	+5%	0.44	-32	18	2
	New Zealand Liste	-		RUST			
	World Index Fund	Low .	-2%	0.77	-41	13	-2
	UNITED KINGDOM BASED	ISTED	NVESTM	ent T	RUS	ГS	
	Alliance Trust	Medium	+3%	0.76	-33	11	-2
	Anglo & Overseas Trust	High	-4% +5%	0.80	-49 -29	20	2
Buy	Bankers Investment Brit Empire Securities	Medium Low	+5%	0.77 0.69	-29	15 52	-2 8
Duy	Brunner Invest. Trust	Medium	-6%	0.86	-50	11	-0
Buy	Capital Gearing Trust	Very Low	+19%	0.29	17	23	3
	Edinburgh Investment	High	-3%	0.76	-49	22	-2
	Edinburgh Worldwide	High	-3%	0.76	-45	27	9
Buy	Establishment IT	Very Low	+19%	0.22	24	53	21
Buy	F & C Smaller Companies Foreign & Colonial	Very High Medium	+11% +1%	0.67 0.73	-24 -40	63 15	14 -2
	Gartmore Global	High	-1%	0.51	-40	28	2
	Henderson Strata Inv	Very High	-1%	0.65	-60	65	8
	Henderson Electric & G.	High	+2%	0.84		28	6
	JPMF Overseas	Medium	+1%	0.84	-40	18	0
	Jupiter Primadona	Very High	-6%	0.56	-57	45	13
Avoid	Jupiter Global Green	Very High	-12%	0.49	05	28	9
Buy	Law Debenture Corp.	Medium	+29% -1%	0.59	-25 -42	22 29	-1
	Majedie Investment Martin Currie Portfolio	High Medium	-1% +6%	0.75 0.83	-42 -27	29 30	3 6
	Marrill Asset All (Gth)	Low	-5%	0.83	-42	7	5
	Merrill Asset All (Bal)	Very Low	+0%	0.13	72	-5	5
Buy	Mid Wynd Invest Trust	Medium	+7%	0.60	-21	34	10
	Monks Investment	Medium	+4%	0.80	-33	27	1
	Murray International	Medium	+5%	0.87	-29	26	2
	New Star	High	-1%	0.47	07	48	11
	Pantheon International Personal Assets Trust	Medium	+4% +6%	0.44 0.41	-37 -16	11 9	-2 2
Buy	RIT Capital Partners	Very Low Low	+0%	0.41	-10	48	2
Duy	Scottish Mortgage & Trt	Medium	+13%	0.34	-35	24	1
	Scottish American Inv.	High	-1%	0.82	-43	28	6
	Scottish Invest. Trust	Medium	-3%	0.77	-47	13	-1
Buy	Scottish Value	Medium	+11%	0.68	-15	42	9
	Second Alliance	Low	+3%	0.65	-34	11	-3
	Secs Trust of Scotland	Medium	-0%	0.72	-43 -43	12 11	-2 2
	Tribune Trust Managed Witan Investment Coy	Medium Medium	-2% -2%	0.73 0.75	-43 -44	16	-0
Цы	TED KINGDOM BASED INVES						
Avoid	Asset Management	Very Low	-26%	0.05	.11 0	9	0
Avoid	BFS Absolute Ret Cap	Very High	-60%	0.03	-97	-30	3
Avoid	Gowett High Income IT	Very High	-102%	0.22	-100	-30	3
	JPMF Worldwide Income	Very High	+0%	0.25		76	-0
Avoid	Murray Global Return	Very High	-16%	0.39	-85	49	1
	INTERNATIONA	L SM	ALLE	RC	os		
	UNITED KINGDOM						
	Invesco Perp Global Small Cos	Medium	-0%	0.97		33	6
			0.0			50	5

UNITED STATES

AUSTRALIAN BASED UNI	T RUSTS
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	I TOOTRALIAN D		1100	10			
	BT American Growth	Medium	-3%	0.48	-43	10	-0
	Perpetual Fid. America	Medium	-6%	0.54	-51	10	-2
	United Kingdom	1 BASED U	NIT TR	USTS			
Avoid	ACM American Growth	Low	-7%	0.68	-48	2	1
	AXA American	Low	-5%	0.69	-43	5	2
	Aberdeen American Opport.	Low	-2%	0.60	-45	9	-2
	Aberdeen North American	Low	-5%	0.71	-44	6	0
	Aegon American	Low	-4%	0.79	-43	4	-1
	Allianz Dres North American	Very Low	-4%	0.43	-37	-2	-1
	BG American	Very Low	+1%	0.72	-32	7	2
	Baring American Gth	Low	-5%	0.70	-43	4	0
	Britannic American	Low	-6%	0.73	-47	7	-1
	CIS US Growth	Very Low	-1%	0.70		7	2
	CS Transatlantic	Low	-4%	0.71	-44	-1	-2
	Canada Life North American	Medium	+1%	0.71	-38	12	-1
	DWS American Growth	Low	-3%	0.74	-42	7	-0
	Fidelity American	Low	+6%	0.62	-24	6	0
	Framlington American Gth	Very Low	-4%	0.66	-41	8	-0
Buy	GAM North America	Very Low	+11%	0.37	-5	17	2
	Gartmore Govett US Blue Chip	Low	-6%	0.44	-49	5	1
	Gartmore Govett US Opport.	Low	+4%	0.68	-32	13	-1
	HSBC American Index	Low	+0%	0.76		7	1
	HSBC Splst American	Low	-2%	0.75		5	0
	Henderson North American	Low	-5%	0.76	-44	3	-1
Avoid	ISIS North American	Low	-7%	0.76	-48	2	-1
	Insight US Equity	Low	-4%	0.72	-44	4	-0

April 6, 2004.

Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion		orma 12 mth	nce 3 mth
Avoid	Invesco Perp US Aggressive	Very High	-15%	0.60	-64	9	1
	Invesco Perp US Equity	Medium	-5%	0.67		3	-1
	JPMF United States Growth	Low	-5%	0.75		5	-0
	Jupiter North America	Medium	-4%	0.75	-49	15	2
	L & G (Barclays) America	Low	-2%	0.77	-39	7	1
	L & G North American	Low	-2%	0.78	-40	5	1
	L & G US Index	Low	-2%	0.78	-39	7	1
	Lazard Nth American Gth	Low	-2%	0.78	-39	7	1
	Lincoln North American	Low	-2%	0.80	-41	7	0
	M & G American & General	Medium	-5%	0.75	-46	10	0
	MGM North American Growth	Very Low	-4%	0.68	-42	5	1
	Martin Currie North American	Medium	-1%	0.77	-42	9	-0
	Merrill Lynch American	Low	-5%	0.76	-44	5	-0
	New Star North America Ret A	Low	-3%	0.77	-42	6	3
	Newton American	Low	-3%	0.71	-45	8	-0
	Norwich US Growth	Very Low	+0%	0.75		8	1
	Old Mutual North American	Low	+1%	0.76	-35	12	1
	Prudential North American	Low	+3%	0.74	-30	10	0
	Royal London North American	Low	-5%	0.73		1	-1
	S & W American	Low	+2%	0.70	-36	14	3
	Schroder North American	Medium	-3%	0.80		8	1
	Scot Amic American	Low	+3%	0.77	-29	12	1
Avoid	Scot Life America	Low	-8%	0.75	-49	2	-1
	Scot Mutual North American	Medium	-3%	0.75	-42	5	0
	Scot Wid, American	Very Low	-3%	0.67		5	3
	Soc Gen American Growth	Medium	-1%	0.74		8	0
	St James's North America	Low	-1%	0.66		6	1
	Stan Life America	Low	+2%	0.75		8	1
	Threadneedle American Gth	Very Low	-1%	0.30		5	-0
	UNITED KINGDOM BASED	,	NVESTN	IENT T	RUST	ſS	
	American Opportunity	Very Low	+2%	0.04	-35	2	2
	Edinburgh US Tracker	Medium	-1%	0.04	-42	6	-3
	JPME American	High	-1%	0.75	-42	8	-5
Avoid	Second London American	Very Low	-1%	0.75	-48 -60	-22	-5 3
Avoid	Second London American	VELY LOW	-10%	0.00	-00	-22	3

UNITED STATES SMALLER COS

	UNITED KINGDOM	I BASED U	NIT TR	USTS						
Buy	F & C US Smaller Coys	Medium	+11%	0.67	-15	34	2			
-	Fidelity American Spec Sits	Medium	+4%	0.62	-25	16	0			
	Henderson Amer Small Coys	Medium	+1%	0.67	-34	20	-1			
	Invesco Perp US Smaller Coys	High	-3%	0.66	-40	12	1			
	Merrill Lynch American Opps	Medium	+5%	0.57	-26	19	1			
Buy	Schroder US Smaller Coys	Low	+11%	0.72	-12	26	5			
	Threadneedle Amer Small Cos	Very Low	+4%	0.58		23	3			
United Kingdom based Listed Investment Trusts										
Buy	F & C US Smaller Coys	Medium	+12%	0.55	-19	34	-3			
Buy	JPMF US Discovery	Very High	+19%	0.53	-7	57	3			
Buy	Nth Atlantic Smaller	Very Low	+7%	0.24	-25	37	1			
Buy	Renaissance U.S.	Low	+26%	0.14	21	99	22			



UNITED KINGDOM

UNITED KINGDOM BASED UNIT TRUSTS

	axa uk growin	iviedium	+2%	0.89	-35	17	0	
Buy	AXA UK Opportunities	High	+17%	0.82		38	3	
	AXA UK Tracker	Medium	+1%	0.91	-35	18	1	
	Abbey Nat'l N & P UK Growth	High	+0%	0.86	-38	16	2	
	Abbey Nat'l Stockmarket 100	Medium	+3%	0.87	-33	16	-0	
	Abbey Nat'l UK Growth	Medium	-2%	0.85	-39	14	1	
	Aberdeen UK Growth	High	-1%	0.86	-41	16	-0	
Buy	Aberdeen UK Mid-Cap	High	+8%	0.69		36	8	
	Aegon UK Equity Growth	Medium	+1%	0.80	-35	17	2	
	Aegon UK Tactical	Medium	+1%	0.78		16	2	
	Allianz Dres UK Index	High	+1%	0.81		17	1	
	Allianz Dres UK Growth	Medium	+6%	0.82		24	1	
Buy	Artemis UK Growth	High	+12%	0.66	-9	54	15	
Buy	Artemis UK Special Sits	Medium	+23%	0.54		52	11	
,	BG British 350	Medium	+3%	0.81	-28	18	2	

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Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	36 mth	orma 12 mth	nce 3 mth
Buy	BWD Rensburg Aggressive Gth	Low	+13%	0.64	1	32	8
Dung	BWD Rensburg UK Blue Chip	Medium	+5% +11%	0.86 0.64	-23	13 49	0 10
Buy	BWD Rensburg UK Mid Cap Bank of Scotland FTSE 100	High Medium	+11%	0.84	-23 -34	49 15	0
	Baring UK Growth	Medium	+2%	0.82	-35	19	2
	Britannic UK General	Medium	-1% +1%	0.82	-40	12	0 2
	CIS UK Growth CS FTSE 100 Tracker	Medium Medium	+1%	0.87 0.85		16 13	-1
	Canada Life General	High	+2%	0.88		19	1
	Canada Life Growth Cazenove UK Equity	Medium Medium	+2% +5%	0.88 0.84	-29	19 24	1 2
	DWS UK Blue Chip	High	+0%	0.82	-41	15	1
	DWS UK Equity	Medium	+2%	0.77	-36	17	1
	DWS UK Growth Direct Line FTSE 100 Tracker	High Medium	+3% +1%	0.80 0.91	-35 -34	19 16	1 1
Buy	Fidelity Special Situations	Medium	+20%	0.63	5	49	10
	Fidelity UK Growth	High High	+5% +5%	0.85 0.76	-30	25 26	3 1
	First State British Opps Framlington UK Growth	Medium	+3%	0.83	-33	20	4
Buy	GAM UK Diversified	High	+19%	0.55	-2	62	8
Buy	Gartmore Govett FTSE 250 Index Gartmore Govett UK Blue Chip	High Medium	+13% +1%	0.70 0.85	-14 -35	51 18	10 2
Buy	Gartmore UK Index	High	+8%	0.79	-28	30	2
	HSBC British	Medium	+2%	0.83		13	-3
Buy	HSBC FTSE 100 Index HSBC FTSE 250 Index	Medium High	-1% +11%	0.83 0.67	-38 -19	13 47	-0 10
Duj	HSBC Household Names	High	+5%	0.83	.,	22	-0
	HSBC Splst UK Growth	Medium	+5%	0.81		20	0
	HSBC UK Gth & Inc Henderson UK Capital Growth	High Medium	+3% +4%	0.84 0.81	-26	20 25	1 6
	Hill Samuel Capital	Medium	+1%	0.86	-34	17	2
	ISIS FTSE 100 Tracker ISIS FTSE All Share	Medium Medium	+0% +1%	0.86 0.85	-37 -35	13 18	-0 2
	Insight UK Portfolio	Medium	+1%	0.64	-32	20	-1
_	Invesco Perp UK Key Trends	High	+4%	0.70		26	5
Buy	Invesco Perp UK Growth Invesco Perp UK Equity	Very High High	+12% -1%	0.64 0.78	38	46 11	9 2
Buy	Invesco Perp UK Aggressive	Very High	+33%	0.53		71	11
Buy	JPMF UK Dynamic	High	+15%	0.73	22	40	8
	Jupiter Environmental Jupiter UK Growth	Medium High	+4% +5%	0.55 0.76	-32 -33	37 33	4 9
	Jupiter UK Special Situations	High	+5%	0.55	-36	44	9
Buy	Jupiter Undervalued Assets L & G (A & L) Capital Growth	Medium Medium	+16% +3%	0.58 0.82	-2 -32	33 19	5 2
	L & G (A & L) UK 100 Index	Medium	+1%	0.82	-32 -34	15	0
	L & G (Barclays) Capital	Medium	+1%	0.85	-34	17	1
	L & G (Barclays) 500 L & G (Barclays) FTSE 100	Medium Medium	+3% -1%	0.70 0.74	-33 -35	24 13	8 0
	L & G Equity	Medium	+0%	0.80	-36	16	Ö
	L & G UK Index	Medium	+1%	0.82	-35	18	2
	L & G UK Recovery L & G UK Stockmarket	High Medium	+3% +1%	0.82 0.86	-34 -36	20 15	1 -1
	Lincoln Growth	Medium	+1%	0.84	-36	17	2
	M & G Blue Chip M & G British Opportunities	High High	-0% +3%	0.86 0.70	-42 -37	11 29	0 5
	M & G Capital	Medium	-1%	0.79	-42	27	5
	M & G Index Tracker	Medium	+1%	0.87	-35	18	2
Buy	M & G Recovery M & G UK Growth	Medium High	+8% +0%	0.73 0.82	-27 -42	37 19	6 2
	MGM Special Situations	Medium	+2%	0.81	-33	20	3
Buy	Martin Currie UK Growth Merrill Lynch UK Value	Medium	+7%	0.75	-21	28 19	6 2
	New Star UK Growth Ret A	Medium High	+6% +5%	0.78 0.87		23	2
	Norwich Blue Chip Tracking	Medium	+0%	0.86		13	-0
Buy	Norwich UK Growth Norwich UK Index	Medium Medium	+7% +1%	0.73 0.91		27 18	4 2
	Prudential UK Growth	Medium	+1%	0.83	-38	15	1
Busy	Prudential UK Index Rathbone Canital	Medium	+1%	0.84		13 37	-0 7
Buy Buy	Rathbone Capital Rathbone Spec Situations	High Low	+8% +22%	0.78 0.47		37 67	14
-	Royal London UK Equity	Low	+0%	0.71	07	15	1
Buy	Royal London UK Growth Schroder UK Enterprise	Medium High	+0% +7%	0.86 0.79	-37 -28	14 28	0 5
Duj	Schroder UK Equity	High	+5%	0.85	-35	19	0
Buy	Schroder UK Mid 250 Scot Amic Equity Trust	Medium Medium	+19% +2%	0.69 0.79	7 -34	54 17	12 1
	Scot Amic Equity Hust Scot Amic FTSE 100 Tracker	Low	+2%	0.77	-34	15	1
	Scot Life UK Equity	Medium	+1%	0.86	-34	15	1
	Scot Mutual Growth Scot Mutual Opportunity	Low Medium	+3% +6%	0.85 0.83		15 19	2 2
	Scot Mutual UK Equity	Medium	-1%	0.85	-39	14	2
Buy	Scot Mutual UK All Share Index Scot Wid. UK Growth	Medium	+8%	0.86		22 17	2 1
	Scot Wid. UK Growth Scot Wid. UK Index	Low Very Low	+5% -6%	0.75 0.30	-33	3	6
Buy	Soc Gen UK Growth	Very High	+16%	0.64	-21	62	8
	Solus UK Growth Solus UK Special Situations	Medium Very High	+2% -3%	0.85 0.71	-32 -51	20 27	2 2
	Sovereign FTSE 100	Medium	-1%	0.87	-39	13	-3
Duni	Sovereign UK Growth	High Modium	+5%	0.83	-35	30	3
Buy	St James's Recovery St James's Tracker	Medium Medium	+16% +4%	0.54 0.87		54 21	8 2
	St James's UK & Gen Prog.	Medium	+5%	0.80	-25	24	3
	Stan Life UK Equity Gth Threadneedle UK Growth	Medium High	+4% +6%	0.77 0.61		19 20	3 4
	Tilney UK Equity	Medium	+0%	0.81	-29	20 18	4

(Continued on Page 6)

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Page 6

Aberdeen Convertible High + 0% 0.13 Buy Advanv Low + 0% 0.13 Buy Aurora Invest Trust Very High + 9% 0.60 Buy Aurora Invest Trust Very High + 22% 0.41 Bue Planet UK Fin. Very High + 7% 0.70 British American IT Low + 1% 0.73 British Assets High -1% 0.73 City of London High + 4% 0.74 Collective Assets Very Low + 2% 0.14 Collective Assets Very Low + 1% 0.39 Duedch Equity Income Medium + 6% 0.55 Dunedin Income Growth Very Low + 3% 0.00 Buy Enhanced Zeor Trust Very Low + 3% 0.02 Buy Fidelity Special Values High + 9% 0.59 Buy Gartmore Growth Opps High + 24% 0.47 Buy Harsa Trust Low<	Buy	UNITED KINGDOM BASED			-			
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Buy Independent Invest Trt Low + 20% 0.28 Buy Invesco Icity & Commer. Very High + 9% 0.13 Invesco Income Growth Very High + 3% 0.67 Buy JPMF Mid Cap Very High + 13% 0.53 Avoid Life Offices Opport. Very Low - 13% 0.07 Lion Trust First UK Low + 5% 0.62 London & St Lavence Very Low - 3% 0.40 Buy Lowland Investment Co Medium + 18% 0.40 Buy Murray Income Trust High + 17% 0.75 Buy Perpetual Income & Gith High + 17% 0.75 Buy Schroder Income & Gith Werkigh + 10% 0.44 Buy Schroder Income & Gith Werkigh + 13% 0.48 Buy Schroder Income & Gith Werkigh + 1% 0.74 Undervalued Assets Medium + 3% 0.45 - Value & Income Trust						-55	57	16
Buy Invesco City & Commer. Very High Very Low Very Low Very Low Very Low Very Low Very High Very	,	I & S ISIS	Very High	+4%	0.82		29	3
Invesco Income Growth Very High + 3% 0.67 Buy JPMF Mid Cap Very High + 13% 0.53 Avoid Life Offices Opport. Very Low - 13% 0.07 Lion Trust First UK Low + 5% 0.62 London & St Lawrence Very Low -2% 0.33 Buy Lowland Investment Co Medium + 10% 0.40 Buy Merchants Trust Very High + 10% 0.64 Buy Merchants Trust High + 7% 0.75 Buy Perpetual Income & Gth High + 17% 0.61 Schroder UK Growth Medium + 4% 0.34 - Schroder UK Growth Medium + 4% 0.45 - Tribune Trust Indexed Medium + 1% 0.29 - Temple Bar Inv. Trust Low + 6% 0.34 - Value & Income Trust Low + 6% 0.45 - Value & Income Trust Low + 6%							62	13
Buy JPMF Mid Cap Very High +13% 0.53 Avoid Life Offices Opport. Very Low -13% 0.07 Lion Trust First UK Low +5% 0.62 London & St Lawrence Very Low -2% 0.33 Buy Lowland Investment Co Medium +18% 0.40 Buy Merchants Trust Very High +10% 0.64 Buy Merchants Trust Very High +17% 0.61 Buy Merchants Trust Very High +17% 0.61 Schroder UK Growth Medium +3% 0.48 - Buy Schroder Income & Grwth Very High +1% 0.29 - Tirbione Trust Indexed Medium +6% 0.45 - Tubue X Income Trust Low +6% 0.45 - Value & Income & Growth Very High +8% 0.31 - Buy Aberforth Gaared (cap) Very High +8% 0.33 -	виу	5	, ,				107 26	-2 -1
Avoid Life Offices Opport. Very Low -13% 0.07 Lion Trust First UK Low +5% 0.62 London & St Lawrence Very Low -2% 0.33 Buy Lowland Investment Co Medium +18% 0.40 Buy Merchants Trust Very High +10% 0.64 Buy Murray Income Trust High +7% 0.75 Buy Perpetual Income & Gth High +7% 0.75 Buy Schroder Income & Gth High +1% 0.48 Buy Schroder Income & Grwth Very Low +8% 0.34 Shires Income Very High +1% 0.29 Temple Bar Inv. Trust Medium +3% 0.45 Value & Income Trust Medium +3% 0.45 - Value & Income Trust Low +6% 0.27 Buy Aberforth Geared (cap) Very High +8% 0.27 0.08 - Avoid Broadgate Very Low 88%	Buv						58	14
London & St Lawrence Very Low -2% 0.33 - Buy Lowland Investment Co Medium +18% 0.40 Buy Merchants Trust Very High +10% 0.64 Buy Merchants Trust Very High +17% 0.61 Buy Perpetual Income & Gth High +17% 0.61 Schroder UK Growth Medium +3% 0.48 - Buy Schroder Income & Grwth Very High +1% 0.29 - Tribione Trust Indexed Medium +6% 0.63 - - Tribione Trust Indexed Medium +1% 0.29 - - Undervalued Assets Medium +3% 0.45 - - Value & Income Trust Low +6% 0.46 - - Buy Aberforth Gaard (cap) Very High +8% 0.27 - Buy Broadgate Very Low +8% 0.03 - Avoid				-13%	0.07	-47	0	2
Buy Lowland Investment Co Medium +18% 0.40 Buy Merchants Trust Very High +10% 0.64 Buy Murray Income Trust High +7% 0.75 Buy Perpetual Income & Gth High +17% 0.61 Schroder Income & Gth High +17% 0.63 Shires Income Very High +11% 0.29 Temple Bar Inv. Trust Medium +3% 0.45 Undervalued Assets Medium +1% 0.74 Undervalued Assets Medium +3% 0.45 Value & Income Trust Low +6% 0.63 Value & Income Trust Low +6% 0.45 Undervalued Assets Medium +1% 0.45 Value & Income & Growth Very High +8% 0.27 Buy Aberforth Geared (cap) Very High +8% 0.03 Avoid Crodingate Very Low +8% 0.03 Avoid Broadgate <							27	3
Buy Merchants Trust Very High +10% 0.64 Buy Murray Income Trust High +7% 0.75 Buy Perpetual Income & Gth High +17% 0.61 Schroder UK Growth Medium +3% 0.48 Buy Schroder Income & Grwth Very Low +8% 0.34 Buy Schroder Income & Grwth Very Low +8% 0.34 Temple Bar Inv. Trust Medium +1% 0.29 - Tribune Trust Indexed Medium +1% 0.74 - Undervalued Assets Medium +3% 0.45 - Value & Income Trust Low +6% 0.46 - Undervalued Assets Medium +1% 0.77 - Buy BFS Income & Growth Very High +8% 0.27 Buy BFS Income & Growth Very High +227% 0.08 - Avoid Broadgate Very Low +7% 0.00 -	Ruv					-24 -5	3 49	0 11
Buy Murray Income Trust High +7% 0.75 Buy Perpetual Income & Gth High +17% 0.61 Schroder UK Growth Medium +3% 0.48 Buy Schroder UK Growth Medium +3% 0.43 Buy Schroder Income & Grwth Very Low +8% 0.34 Buy Schroder Income & Grwth Very Low +8% 0.45 Temple Bar Inv. Trust Medium +1% 0.29 - Tribune Trust Indexed Medium +3% 0.45 - Undervalued Assets Medium +3% 0.45 - Buy Aberforth Geared (cap) Very High +8% 0.27 Buy BFS Income & Growth Very High +8% 0.27 Buy Broadgate Very Low -88% 0.03 - Avoid Bity of Oxford Grd Inc Medium -19% 0.09 - Danae Capital Very Low +1% 0.04 -<						-31	24	2
Schroder UK Growth Medium +3% 0.48 Buy Schroder Income & Grwth Very Low +8% 0.34 Shires Income Very High +1% 0.29 Temple Bar Inv. Trust Medium +6% 0.63 Tribune Trust Indexed Medium +1% 0.74 Undervalued Assets Medium +3% 0.45 Value & Income Trust Low +6% 0.46 UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT Buy BFS Income & Growth Very High +8% 0.03 Avoid Broadgate Very Low 88% 0.03 Avoid Grodyater & Power(C) Very Low +8% 0.07 Buy Ecofin Water & Power(C) Very Low +7% 0.00 Ecofin Water & Power(I) Very Low +12% 0.37 Buy Edinburgh Income Very High +12% 0.37 Edinburgh Ricome St Val. Very High +3% 0.56 Exeter Financial High <			, ,			-31	14	-2
Buy Shires Income Schröder Income & Grwth Very Low +8% 0.34 Temple Bar Inv. Trust Medium +1% 0.29 - Tribune Trust Indexed Medium +1% 0.45 - Undervalued Assets Medium +3% 0.45 - Value & Income Trust Low +6% 0.46 - Buy Aberforth Geared (cap) Very High +8% 0.27 Buy BFS Income & Growth Very High +8% 0.03 Avoid Broadgate Very Low -88% 0.03 Avoid City of Oxford Grd Inc Medium -19% 0.09 Danae - Capital Very Low +1% 0.04 - Buy Ecofin Water & Power(C) Very Low +1% 0.04 Buy Ecofin Water & Power(I) Very High +1% 0.04 Buy Ecofin Water & Power(I) Very High +1% 0.04 Exeter Financial High 0.07 0.13 - <	Buy					-2	37	5
Shires Income Very High +1% 0.29 Temple Bar Inv. Trust Medium +6% 0.63 Tribune Trust Indexed Medium +1% 0.74 Undervalued Assets Medium +3% 0.45 Value & Income Trust Low +6% 0.46 UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT Buy Aberforth Geared (cap) Very High +8% 0.27 Buy BFS Income & Growth Very High +8% 0.27 Buy BFS Income & Growth Very High +27% 0.08 Avoid City of Oxford Grd Inc Medium -19% 0.09 Danae - Capital Very Low +7% 0.00 Ecofin Water & Power(i) Very Low +7% 0.00 Ecofin Water & Power(i) Very Low +1% 0.37 Edinburgh Income & Val. Very High +12% 0.37 Edinburgh High Income Very High -13% 0.56 Exeter Financial High -0% -13 <td>Dun</td> <td></td> <td></td> <td></td> <td></td> <td>-37 -11</td> <td>30 15</td> <td>3 5</td>	Dun					-37 -11	30 15	3 5
Temple Bar Inv. Trust Medium +6% 0.63 Tribune Trust Indexed Medium +1% 0.74 0.45 Undervalued Assets Medium +1% 0.74 0.45 Value & Income Trust Low +6% 0.45 0.45 Undervalued Assets Low +6% 0.46 0.46 UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT Buy Aberforth Geared (cap) Very High +8% 0.27 Buy BFS Income & Growth Very Low -88% 0.03 Avoid City of Oxford Grd Inc Medium -19% 0.09 Danae - Capital Very Low +8% 0.07 0.00 Ecofin Water & Power(c) Very Low +7% 0.00 Ecofin Water & Power(0) Very Low +1% 0.04 Buy Edinburgh Income Very High +12% 0.37 Ecofin Water & Power(1) Very High +3% 0.56 Exeter Financial High -0% 0.13 0.44 <	Buy					-57	45	-0
Undervalued Assets Value & Income Trust Medium + 3% 0.45 UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT Buy Aberforth Geared (cap) Very High + 8% 0.27 Buy BFS Income & Growth Very High + 8% 0.03 Avoid Broadgate Very High + 227% 0.09 Avoid City of Oxford Grd Inc Medium -19% 0.09 Danae - Capital Very High + 44% 0.07 Buy Ecofin Water & Power(c) Very Low + 7% 0.00 Ecofin Water & Power(i) Very Low + 1% 0.04 Buy Edinburgh Income & Val. Very High + 12% 0.37 Edinburgh High Income Very High -31% 0.15 0.13 Buy Framilington 1 & C · Cap Very High -31% 0.13 0.44 Avoid Gartmore SNT Very High -12% 0.04 - Avoid Gartmore SNT Very High -12% 0.34 -			Medium			-28	21	2
Value & Income Trust Low +6% 0.46 UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT Buy Aberforth Geared (cap) Very High +8% 0.27 Buy BFS Income & Growth Very High %+227% 0.08 Avoid Broadgate Very Low -88% 0.03 Avoid City of Oxford Grd Inc Medium -19% 0.09 Danae - Capital Very High +4% 0.07 0.00 Buy Ecofin Water & Power(c) Very Low +7% 0.00 Ecofin Water & Power(i) Very High +12% 0.37 - Buy Ecofin Water & Power(i) Very High +12% 0.37 - Ecofin Water & Power(i) Very High +12% 0.37 - Ecofin Water & Power(i) Very High -12% 0.44 - Buy Ecofin Water & Power(i) Very High -12% 0.44 Buy Ecofin Mater & Power(i) Very High -12% 0.44 Buy Framlington Second Dual Very High -12% 0.44						-34	20	5
UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT Buy Aberforth Geared (cap) Very High +8% 0.27 Buy BFS Income & Growth Very High +227% 0.08 Avoid Braadgate Very Low -88% 0.03 Avoid Broadgate Very Low -88% 0.03 Avoid City of Oxford Grd Inc Medium -19% 0.09 Danae - Capital Very High +4% 0.07 - Buy Ecofin Water & Power(c) Very Low +7% 0.00 Ecofin Water & Power(f) Very Low +12% 0.37 Buy Edinburgh Income Very High +12% 0.37 Edinburgh High Income Very High -31% 0.56 Exeter Financial High -0% 0.13 Buy Framlington 58cond Dual Very High +27% 0.50 Avoid Gartmore SINT Very High -12% 0.04 - Avoid Gartmore High Income Very High <td></td> <td></td> <td></td> <td></td> <td></td> <td>-28 -16</td> <td>36 22</td> <td>11 7</td>						-28 -16	36 22	11 7
Buy Aberforth Geared (cap) Very High +8% 0.27 Buy BFS Income & Growth Very High %+227% 0.08 . Avoid Broadgate Very Low -88% 0.03 . Avoid City of Oxford Grd Inc Medium -19% 0.09 . Danae - Capital Very High +4% 0.07 . . Buy Ecofin Water & Power(c) Very Low +7% 0.00 . Ecofin Water & Power(f) Very Low +1% 0.04 . . Buy Edinburgh Income Very High +12% 0.37 . . Edinburgh High Income Very High +3% 0.56 	UNIT							
Avoid Broadgate Very Low -88% 0.03 - Avoid City of Oxford Grd Inc Medium -19% 0.09 - Danae - Capital Very High -19% 0.07 - Buy Ecofin Water & Power(c) Very High +4% 0.07 Buy Ecofin Water & Power(c) Very Low +7% 0.00 Ecofin Water & Power(i) Very Low +1% 0.04 Buy Edinburgh Income & Val. Very High +12% 0.37 Edinburgh High Income Very High -0% 0.56 Exter Financial High -0% 0.13 Buy Framlington Second Dual Very High -12% 0.50 Avoid Gartmore High Income Low -22% 0.66 - Avoid Govett Enhanced Income Very High -40% 0.66 - Avoid Govett Enhanced Income Very High -12% 0.34 - Avoid Govett Enhanced Income Very	Buy	Aberforth Geared (cap)	Very High	+8%	0.27		96	-1
Avoid City of Oxford Grd Inc Danae - Capital Medium -19% 0.09 Buy Ecofin Water & Power(c) Very High +4% 0.07 Buy Ecofin Water & Power(c) Very Low +7% 0.00 Ecofin Water & Power(i) Very Low +1% 0.37 Buy Edinburgh Income & Val. Very High +12% 0.37 Edinburgh High Income Very High -3% 0.56 Exeter Financial High -0% 0.19 Avoid Framlington 1& C - Cap Very High +12% 0.34 Avoid Gartmore SNT Very High -112% 0.04 Avoid Gartmore High Income Low -22% 0.06 Avoid Gorett Enhanced Income Very High -11% 0.34 Avoid Gorett Enhanced Income Very High -12% 0.34 Avoid I & S Optimum Income Very High -12% 0.34 Avoid I & S Optimum Income Very High -12% 0.34 Buy Invesco Recovery 2005 High +8% 0.11	,					-83 -98	95 -2	5 17
Danae - Capital Very High +4% 0.07 Buy Ecofin Water & Power(c) Very Low +7% 0.00 Ecofin Water & Power(i) Very Low +1% 0.04 Buy Ecofin Water & Power(i) Very Low +1% 0.04 Buy Edinburgh Income & Val. Very High +12% 0.37 Edinburgh High Income Very High +3% 0.56 Exeter Financial High -0% 0.13 Avoid Framlington Second Dual Very High +27% 0.50 Avoid Gartmore SNT Very High -12% 0.04 Avoid Gartmore High Income Low -22% 0.06 Avoid Gottmore High Income Very High -12% 0.34 Avoid Gottmore High Income Very High -12% 0.34 Avoid Gottmore High Income Very High -12% 0.34 Buy Henderson High Income Very High -12% 0.34 - Buy						-98 -80	-2	-5
Ecofin Water & Power(t) Very Low + 1% 0.04 Buy Edinburgh Income & Val. Very High + 12% 0.37 Edinburgh High Income Very High + 12% 0.37 - Edinburgh High Income Very High + 12% 0.37 - Edinburgh High Income Very High - 12% 0.56 - Avoid Framlington Second Dual Very High -31% 0.13 - Buy Framlington 1 & C - Cap Very High -12% 0.04 - Avoid Gartmore High Income Low -22% 0.06 - Avoid Govett Enhanced Income Very High -40% 0.06 - Buy Henderson High Income Very High -11% 0.34 - Avoid I & S Optimum Income Very High -12% 0.34 - Buy Invesco Recovery 2005 High +8% 0.11 -	word					-92	46	3
Buy Edinburgh Income & Val. Very High +12% 0.37 Edinburgh High Income Very High +3% 0.56 Exeter Financial High -0% 0.19 Avoid Framlington Second Dual Very High -31% 0.50 Avoid Gartmore SNT Very High -12% 0.04 Avoid Gartmore High Income Low -22% 0.06 Avoid Gartmore High Income Very High -12% 0.04 Avoid Govett Enhanced Income Very High -12% 0.34 Avoid Govett Enhanced Income Very High -12% 0.34 Avoid I & S Optimum Income Very High -12% 0.34 Avoid I & S Optimum Income Very High -12% 0.34 Buy Invesco Recovery 2005 High +8% 0.11 Buy Invesco Geared Opps Very High +20% 0.19	Buy						157	35
Edinburgh High Income Very High +3% 0.56 Exeter Financial High -0% 0.19 Avoid Framilington Second Dual Very High -31% 0.13 Buy Framilington 1 & C - Cap Very High -12% 0.04 Avoid Gartmore SNT Very High -12% 0.04 Avoid Gartmore High Income Low -22% 0.06 Avoid Govett Enhanced Income Very High +12% 0.34 Avoid I & S Optimum Income Very High +21% 0.12 Buy Invesco Recovery 2005 High +8% 0.11 Buy Invesco Geared Opps Very High +20% 0.19	D					20	33	12
Exeter FinancialHigh-0%0.19AvoidFramlington Second DualVery High-31%0.13BuyFramlington I & C · CapVery High+27%0.50AvoidGartmore SNTVery High+12%0.04AvoidGartmore SNTLow-22%0.06AvoidGovett Enhanced IncomeVery High+10%0.06BuyHenderson High IncomeVery High+12%0.34AvoidS Optimum IncomeVery High+12%0.12BuyInvesco Recovery 2005High+8%0.11BuyInvesco Geared OppsVery High+20%0.19	виу					-29	52 72	1 10
Avoid Framlington Second Dual Very High -31% 0.13 - Buy Framlington I & C · Cap Very High +27% 0.50 - Avoid Gartmore SNT Very High +12% 0.04 - Avoid Gartmore High Income Low -22% 0.06 - Avoid Govett Enhanced Income Very High -40% 0.06 - Buy Henderson High Income Very High -11% 0.34 - Avoid S Optimum Income Very High -12% 0.34 - Buy Invesco Recovery 2005 High +8% 0.11 - Buy Invesco Geared Opps Very High +20% 0.19 -							70	13
Avoid Gartmore SNT Very High -12% 0.04 Avoid Gartmore High Income Low -22% 0.06 Avoid Gartmore High Income Very High -40% 0.06 Buy Henderson High Income Very High +12% 0.34 Avoid & S Optimum Income Very High +21% 0.12 Buy Invesco Recovery 2005 High +8% 0.11 Buy Invesco Geared Opps Very High +20% 0.19		Framlington Second Dual	Very High	-31%	0.13	-89	28	8
Avoid Gartmore High Income Low -22% 0.06 Avoid Govett Enhanced Income Very High -40% 0.06 Buy Henderson High Income Very High +12% 0.34 Avoid I & S Optimum Income Very High -21% 0.12 Buy Invesco Recovery 2005 High +8% 0.11 Buy Invesco Geared Opps Very High +20% 0.19						-48	153	3
Avoid Govett Enhanced Income Very High -40% 0.06 Buy Henderson High Income Very High +12% 0.34 - Avoid I & S Optimum Income Very High -21% 0.12 - Buy Invesco Recovery 2005 High +8% 0.11 - Buy Invesco Geared Opps Very High +20% 0.19 -						-95 -74	-22 53	37 23
Buy Henderson High Income Very High +12% 0.34 Avoid I.& S Optimum Income Very High -21% 0.12 - Buy Invesco Recovery 2005 High +8% 0.11 - Buy Invesco Geared Opps Very High +20% 0.19 -						-74	-92	-88
Buy Invesco Recovery 2005 High + 8% 0.11 - Buy Invesco Geared Opps Very High + 20% 0.19 -	Buy	Henderson High Income	Very High	+12%	0.34	-31	42	4
Buy Invesco Geared Opps Very High +20% 0.19						-85	77	16
, , , , , , , , , , , , , , , , , , , ,						-53 -67	133 165	11 14
	buy	Investec High Income	Very High Very Low	+20%	0.19	-07	130	23
JPMF Income & Gth (cap) Very High +5% 0.45		JPMF Income & Gth (cap)	Very High	+5%	0.45		89	5
JPMF Income & Capital Medium +1% 0.20	A					64	53	1
Avoid Jersey Phoenix Very High -35% 0.34 - Jupiter Financial Very High +0% 0.22	avoid					-91	-5 89	5 19
	Buy					-82	31	5
Buy Jupiter Enhanced Very High +12% 0.28			Very High	+12%		-44	88	6
			, ,			30	143	12
						-51 -48	25 3	10 3
Buy M & G High Income - Cap Very High +11% 0.19 - M & G Income Very Low -1% 0.13 - - - - - - 13 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td>buy</td> <td></td> <td></td> <td></td> <td></td> <td>-40</td> <td>3 17</td> <td>3 4</td>	buy					-40	3 17	3 4
M & G Recovery Very Low -1% 0.13							22	-1
Martin Currie Enhanced High +3% 0.16		Martin Currie Enhanced	High	+3%	0.16	_	78	16
	Avoid					-95	-28	3
Merrill FTSE100 G&I (c) Low +3% 0.25 New Fulcrum Very High +6% 0.20						-81	41 160	0 9
	Avoid	Premier High Income	very Low	-41%	0.03	-87	-2	-16
Buy Rights & Issues Very Low +12% 0.26		Rights & Issues	Very Low	+12%	0.26	-87 -1	39	12
Buy Rights & Issues Very Low +12% 0.26 Schroder Split Invest. Very High +1% 0.34	Buy	Rights & Issues Schroder Split Invest.	Very Low Very High	+12% +1%	0.26 0.34			

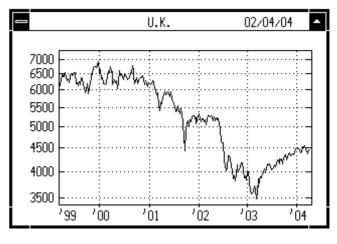
UNITED KINGDOM SMALLER COS

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UNITED KINGDOM BASED UNIT TRUSTS											
	AXA UK Smaller	Medium	-3%	0.97	-32	55	10				
Avoid	Abbey Nat'l Smaller Cos	Medium	-7%	0.94	-39	46	6				
	Aberdeen UK Emerging	Low	-0%	0.92	-25	61	12				
Buy	Aberforth UK Small Coys	Very Low	+13%	0.87	19	54	14				
Avoid	Allianz Dres UK Smaller Coys	Low	-7%	0.80	-36	49	10				
	Allianz Dres UK Mid-Cap	Low	+6%	0.89		47	9				
Buy	Artemis New Enterprises	Very High	+7%	0.84		105	11				
Buy	Artemis UK Smaller Coys	Low	+9%	0.88	3	59	11				

Market Performance Correla- 36 12 3 Investment Fund Risk Current ority Correla-Rating Advice Rating tion mth mth mth BG British Smaller Coys 0.93 13 Low +3% -16 50 BWD UK Smaller Coys Low +1% 0.93 -19 55 15 Baring UK Small Coys Medium -3% 0.90 -31 47 9 Britannic Smaller Companies -2% 0.78 -29 40 8 Medium Avoid CS UK Mid 250 Medium -8% 0.90 -41 50 11 Canada Life UK Smaller Covs Medium +5% 0.93 -11 70 14 Buy Cavendish Opportunities Medium +10% 0.85 69 -36 8 Cazenove UK Smaller Covs Medium -5% 0.95 47 First State British Small Cos Buy Medium +15% 0.92 15 86 14 Buy Framlington UK Smaller Coys Medium +12% 0.92 79 15 -12 Gartmore Govett UK Small Coys 73 Medium +4% 0.93 13 HSBC Splst UK Smaller Coys Medium +1% 0.87 50 11 Henderson UK Small Covs Hiah -5% 0.87 64 14 ISIS AIM -2% 0.69 61 11 Low ISIS UK Smaller Companies Insight UK Small Cap -4% -3% Medium 0.94 -36 61 49 13 11 0.93 -26 Low Invesco Perp UK Small Coys High +3% 0.86 -18 72 17 Invesco Perp UK Small Cos Equ. JPMF UK Smaller Companies L ow -1% 0.87 37 10 Low +0% 0.92 58 11 Jupiter UK Small Cos Medium +2% 0.89 -26 68 14 11 L & G UK Small Coys Medium +2% 0.91 -20 57 Lazard UK Small Coy +6% 0.91 -4 52 13 Low M & G Smaller Companies Medium -4% 0.92 -31 53 12 19 30 113 Buy Marlborough Special Situations Medium +20% 0.86 Merrill Lynch UK Small Cos Medium +6% 0.84 76 12 12 New Star UK Smaller Cos Ret A -63 -20% 45 Avoid High 0.89 Norwich UK Smaller Cos Low +4% 0.94 52 13 17 Premier UK Smaller Covs Low +3% 0.82 51 Prudential Smaller Companies 10 Medium +1% 0.89 -26 53 75 45 Rathbone Smaller Coys Medium +1% 0.85 14 10 -53 -14% Avoid S & W Smaller Securities Hiah 0.84 Buy Schroder UK Smaller Coys Medium +7% 0.96 -2 -25 60 11 Scot Amic UK Small Medium +1%0.91 54 10 Scot Mutual UK Small Coys Medium -9% 0.95 -41 44 7 Avoid Stan Life UK Smaller Cos Low +1% 0.85 47 11 Threadneedle UK Smaller Cos 48 10 Low +0% 0.90 Tilney UK Smaller Cos Low +1% 0.94 -21 55 13 UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS 3i Smaller Quoted Coys Aberforth Smaller Coys High -0% 0.82 68 -33 16 Buy Low +13% 0.78 18 47 15 Acorn Income Fund Low +4% 0.14 104 14 Britannic Smaller Coys High -2% 0.77 -32 56 18 Buy Chelverton Growth Trust Medium +7% 0.14 118 21 -34 -37 Discovery Trust High +1% 0.67 72 15 Dunedin Smaller Covs IT High -1% 0.81 60 16 Eaglet Investment Trust +5% -34 14 Very High 0.65 82 -68 -8 Avoid Edinburgh Smaller Coys Very High -20% 0.81 96 16 9 Fleming Mercantile +8% 58 Buy 0.85 Medium Buy Framlington Innovation Medium +8% 0.77 -8 71 17 88 21 Buy Gartmore Fledgling Indx Medium +21% 0.60 31 Gartmore Small Coys +5% 0.69 -16 88 22 High Henderson Smaller Cos Very High +4%0.84 103 19 I & S UK Smaller Coys -29 14 High +2% 0.78 61 Buy Intrinsic Value plo Medium +10% 0.52 -0 114 37 -20 107 29 Invesco England Very High +6% 0.77 Invesco Perp UK Smaller 13 High -3% 0.85 51 JPMF Smaller Cos Very High +2% 0.82 -32 76 10 Montanaro UK Small Coys -40 Medium -6% 0.84 41 13 Osprey Small Cos Income Medium -0% 0 41 68 11 Platinum Trust Very Low +6% 0.16 67 14 Shires Smaller Coys Medium +3% 0.62 -19 42 Throgmorton Trust High +6% 0.85 .17 84 17

SPLIT CAPITAL UNITED KINGDOM BASED INVESTMENT TRUSTS Buv **BFS Small Companies** 0.13 Low +24% 24 112 12



EUROPE

Australian based Unit Trusts								
BT Europe Growth	Medium	-4%	0.51	-36	19	1		
Dresdner Europe Growth	Low	-5%	0.51	-39	17	-1		
Perpetual Fid. Europe	Low	-3%	0.50	-36	16	-0		
Platinum Europe	Medium	+15%	0.62		46	5		

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International Investor

Superi-

April 6, 2004.

Apri	1 6, 2004.							
Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion		orma 12 mth	nce 3 mth	Cu Ac
	New Zeala		IIT TRU	STS				
	BTIS European Share	Very Low	-3%	0.63	-26	7	0	
	Tower Spotlight Europe	Low	-3%	0.61	-34	12	1	
	UNITED KING	DOM BASED L	Jnit Tr	USTS				
	AXA European Growth	Medium	-0%	0.78	-35	30	-1	Bu
	Aberdeen European Growth Aegon Europe Tactical	High Medium	+3% -2%	0.85 0.82	-34 -39	24 22	-2 -3	
	Aegon European	Medium	-2%	0.84	-38	23	-3	
	Allchurches Euro Growth	Medium	+1%	0.85	-25	24	2	
	Allianz Dres Euro Index Allianz Dres European	High Medium	+1% +1%	0.85 0.85	-35	25 24	-3 -2	
Buy	Artemis European Growth	Low	+12%	0.83		41	2	Due
)	BG Europe	Medium	-4%	0.85	-37	20	1	Bu
Deres	BWD Pan European Growth	Medium	+1%	0.81	10	23	-3	
Buy	Baring Euro Sel. Baring European Growth	Medium High	+7% -3%	0.66 0.87	-19 -40	51 23	4 -2	
	Britannic European	Medium	+1%	0.84	-33	24	-4	Bu
_	CIS European	Medium	-2%	0.88		22	-3	
Buy	CS Euro Frontiers CS European	Very Low Medium	+20% -1%	0.15 0.86	-39	76 21	20 .3	
	Canada Life European	Medium	-4%	0.83	-43	25	-0	
	Cazenove European Portfolio	High	+1%	0.91	-37	32	-0	ï
Deres	DWS European Growth	Medium	-2%	0.84	-36	25	-1	
Buy Buy	Fidelity European Fidelity European Opps	Low Very High	+10%	0.86 0.87	-4 -26	30 35	1 2	
buy	Framlington European	Medium	+2%	0.87	-32	33	-1	
	Gartmore European	Medium	-2%	0.60	-42	11	0	
	Gartmore European Sel Opps Gartmore Govett Euro Blue Chip	Medium High	+1% +1%	0.86 0.85	-32 -37	25 25	-1 -1	1
	Gartmore Govett Euro Blue Chip	High	+1% +0%	0.85	-37 -36	25 30	-1 -1	1
	HSBC Eurotrack 100	High	+1%	0.88	-36	24	-2	
	HSBC Splst European	High	+3%	0.87		31	-3	
	Henderson Euro Cap Gth Henderson European	Medium High	+2% +0%	0.84 0.85	-37	27 23	-3 -3	
	ISIS European	High	+3%	0.87	-32	27	-3	
	Insight Europe	Medium	-2%	0.83	-36	18	-5	
A	Insight European	Medium	+0%	0.79	-35	24	-1	
Avoid	Invesco Perp Euro Growth Invesco Perp European Equity	Medium High	-7% +6%	0.83 0.82	-46	17 28	0 2	
	JPMF European Growth	Medium	+1%	0.85		27	-2	- 1
Buy	JPMF New Europe	Medium	+26%	0.40		62	20	
	Jupiter European	Low	+4% -2%	0.78 0.82	-21 -36	33 19	2 -1	
	L & G (A & L) European L & G Euro Index	Medium High	-2% +1%	0.82	-30 -36	25	-1	6
	L & G European	Medium	-3%	0.89	-41	22	-2	
	Lazard European Growth	Medium	+2%	0.86	-26	22	1	Ĩ
	Lincoln European M & G Euro Blue Chip	Medium Medium	+0% -4%	0.82 0.84	-35	22 23	-1 2	
	M & G European	High	-1%	0.89	-41	29	-1	
	M & G European Index Tracker	High	+0%	0.89	-37	26	-2	
	MGM European Growth Martin Currie European	High Very High	+3% +4%	0.85 0.87	-35 -34	25 33	-3 -1	
	New Star European Ret	Medium	-2%	0.87	-34 -34	33 24	-1	
	Newton Continental European	Medium	-1%	0.87	-32	23	-2	
	Newton Pan-European	Medium	-1%	0.89		23	-1	
	Norwich European Premier European Growth	Medium Low	+4% +2%	0.89 0.73		23 28	-2 3	
	Prudential European	Medium	-0%	0.88	-37	24	-2	
	Prudential Euro Index	Medium	-2%	0.89		21	-2	
	Royal London European Gth S & W European	High High	+2% +3%	0.86 0.88	-34 -36	30 25	-3 -3	
	Schroder European	High	+3%	0.88	-31	37	2	
	Scot Amic European	Medium	+1%	0.89	-36	22	-2	
	Scot Life European	High	+1%	0.86	-34	30	-3	i
	Scot Mutual European Scot Wid, Euroland	High Medium	+1% -3%	0.87 0.86	-39 -39	21 24	-3 -1	_ L
	Scot Wid. European Growth	Low	+0%	0.82	0,	23	.1	
	Soc Gen European	High	+1%	0.84	-36	29	-1	
	Solus European Growth Sovereign European Gth	Medium High	+1% +0%	0.88 0.88	-30 -37	31 28	0 -0	
	St James's Gtr Euro Prog.	Medium	+0%	0.88	·57	28 34	-0	-
	Stan Life European	Medium	+1%	0.81		24	-0	Avo
	Threadneedle Euro Growth	Medium	+5%	0.84		27	-2	6
	Threadneedle Euro Sel Growth Threadneedle Pan Euro Gth	Medium Medium	+4% +1%	0.84 0.88		26 22	-3 -2	
	Tilney European Growth	Medium	+0%	0.86	-34	23	-1	ľ
	UNITED KINGDOM BA	sed Listed Ii	NVESTM	IENT T	RUS	гs		
	Baring Emerging Europe	Very Low	+6%	0.27	_	70	22	1
	Blue Planet Gth & Inc	Very Low	-1%	0.05	-20	21	5	1
Buy	Charter Pan European Eastern European	Very High Low	+2% +29%	0.83 0.39	-36 81	31 66	-0 26	1
Buy Buy	European Assets	Very High	+29%	0.39	-45	66 58	∠o -5	1
-	F & C European	Very High	+4%	0.80	-44	33	-2	1
Buy	Fidelity Euro V.	Medium	+14%	0.70	-4	54	8	1
Buy	Gartmore European Gartmore Irish Small	High Medium	-2% +27%	0.76 0.49	-38 38	27 95	2 11	1
buy	Henderson Eurotrust	Very High	+27%	0.49	20	95 31	4	1
Buy	Invesco Perp European	Very High	+10%	0.75		56	8	1
Buy	JPMF Russia	Very Low	+14%	0.01		97 72	32	1
Buy Buy	Jupiter European Opps Martin Currie European	High Very High	+14% +8%	0.51 0.82	-40	72 43	10 -1	1
	Merrill European	High	+1%	0.80	-35	45	9	1
	SR Europe	Medium	+4%	0.53	-	70	11	i
UNIT	TED KINGDOM BASED	INVESTMENT	I RUSTS	- Spl	лт С	APIT	AL	L
Avoid	Govett Euro Enhanced	Very High	-84%	0.25	-98	-57	-17	
	Morley Absolute Growth	Very High	-5%	0.21		17	-4	
				_				

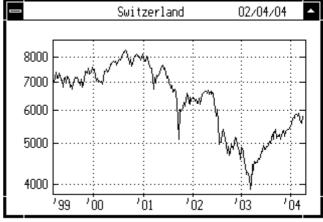
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Current Advice	Investment Fund	Risk Rating	ority Rating	Correla- tion		12 mth	
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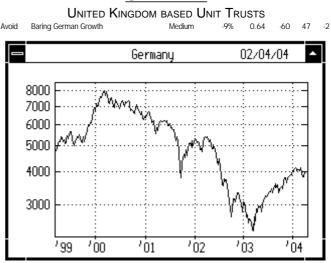
EUROPE SMALLER COS

	UNITED KINGDOM B	ASED UN	NIT TRI	JSTS					
	BG Euro Small Coys	Very High	+4%	0.68	-35	50	4		
	DWS European Smaller Cos	Very High	+3%	0.79	-39	49	4		
Buy	First State European Small	Medium	+9%	0.79		38	3		
	Henderson European Small Cos	Medium	+3%	0.74	-31	42	3		
	Invesco Perp Euro Smaller Cos	Medium	-4%	0.71	-41	28	2		
	JPMF European Smaller Coys	Medium	+3%	0.67		45	4		
	Jupiter Euro Spec Sits	Medium	+4%	0.81	-22	33	1		
	M & G European Smaller Coys	High	+1%	0.72	-43	50	2		
	Schroder Euro Small Coys	High	+3%	0.79	-37	52	6		
Buy	Threadneedle Euro Small Cos	Low	+16%	0.72		42	1		
	United Kingdom based Listed Investment Trusts								
	Henderson Euro Micro	Very High	+2%	0.46	-44	81	13		
	Invesco Continental Sm	Very High	-1%	0.60	-52	64	10		
Buy	JPMF Euro Fledgling	Very High	+10%	0.63	-33	58	1		
	TR European	Very High	-1%	0.63	-48	59	6		





<u>GERMANY</u>



Fund Review: Framlington Income & Growth Trust plc

Framlington Income & Growth Trust plc is a split capital trust where the "capital" shares (code FRNC) offer investors the potential for high returns over the next four years.

The trust has £82.4 million in assets, invested in the shares of larger UK companies. This is well diversified, with the ten largest holdings making up just 37.1% of the portfolio. The annual management fee is just 0.85%.

The trust is leveraged with £32.8 million (i.e. 40% of assets) funded by bank debt. The capital structure consists of 39,132,000 *Income* shares and 24,828,000 *Capital* shares. This *split capital* structure leverages the income and capital returns to investors.

The *Income* shareholders receive all of the income but will only be repaid 35 pence per share when the trust is wound up between March 2008 and September 2008. These shares currently trade around 43½ pence - so offer a 14.7% income yield but will *decline* 19% in value over the next four years when the trust is wound up.

The *Capital* shares receive no income but, at the winding up, will receive *all* of the assets remaining after the trust has repaid its £32.8 million in bank debt and £13.7 million to the *Income*shareholders. That gives the *Capital* shares a current net asset value of around £1.46, yet they trade on market at 84½ pence - a large 42% discount. The *Capital* shares will appreciate to around net asset value as the 2008 winding up date approaches, so if stockmarket values remain unchanged then the *Capital* shares will appreciate around 15% per annum over the next four years.

The *Capital* shares are also *leveraged* by the bank debt and the fixed *Income* share entitlement. Every 10% movement in the portfolio will result in an £8.24 million change in the net assets of the *Capital* shares, or 33 pence per share. <u>That is a 22% change in net asset</u> value and equal to 39% of the current share price.

So if the portfolio of large UK shares falls by 56% or more over the next four years, then there would be no residual assets to repay to the *Capital* shares which would become worthless. However, if the portfolio remains steady in value - or appreciates - then the *Capital* shares will rise strongly in value over the next four years. If, for example, the portfolio rises 56% in value, then the *Capital* shares will appreciate 290% to £3.30.

During the 2000-2003 stockmarket decline the net asset value of the *Capital* shares fell around 65%. Faced with an uncertain future, the shares dropped to a 60% discount to net assets, so fell over 80% in value. Over the last year the net asset value has recovered over 40% and the share price has doubled, but still trades at a large discount.

Not surprisingly the *Capital* shares earn a Very High *risk rating* in our *Investment Trust Survey* but they also earn a +27% *superiority rating*.

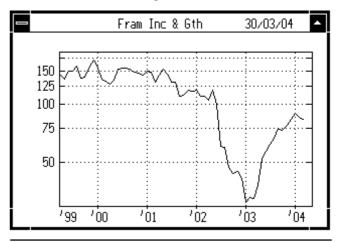
The shares are actively traded, but have a relatively high bid/offer spread of 6%, quoted at 82-87 pence (i.e. *marketmakers* will buy from you at 82 pence, or sell to you at 87 pence).

Summary and Recommendation

We are <u>not</u> formally recommending **Framlington Income & Growth Trust** *Capital* shares, but this is an attractive *split capital trust* situation. The share price will trade close to net asset value at the 2008 winding up date, so the shares must appreciate from 84½ pence to around the net asset value of 146 pence. <u>This is a low</u> <u>risk arbitrage situation</u>.

The shares also offer high leverage, so any rise or fall in the UK stockmarket over the next four years will also have a significantly larger impact upon the value of these shares. <u>This is *very high risk*</u>, but the stockmarket is probably in the early stages of recovery and should perform well over the next four years.

Overall this is a *very high risk* investment, but does offer the potential for very high returns. So <u>a small</u> <u>investment would be appropriate for high risk investors</u> <u>with a diversified share portfolio</u>.



Next Issue

The next issue of *International Investor* will be posted in five weeks time on Tuesday May 11, 2004 (and delivered in most areas on Wednesday 12).

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