

International Investor

Issue No. 103

P.O. Box 34-162, Auckland

July 6, 2004.

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World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical Performance (in US\$)			Share Index
						3 mths	6 mths	12 mths	
Australia	66%	Bullish	Bullish	Neutral	Neutral	-3.6%	+0.5%	+23.3%	3,531.40
Austria	66%	Bearish	Bullish	Bullish	Bullish	+6.1%	+25.5%	+62.4%	2,015.31
Belgium	69%	Neutral	Bullish	Bullish	Neutral	+2.0%	+5.8%	+37.7%	2,459.34
Canada	60%	Bearish	Bullish	Bullish	Neutral	-4.3%	-0.4%	+22.6%	8,487.31
Denmark	67%	Neutral	Bullish	Bullish	Bullish	+3.8%	+4.6%	+34.7%	269.87
Finland	46%	Bullish	Bearish	Neutral	Neutral	-15.5%	-7.0%	+12.9%	5,817.89
France	69%	Bullish	Bullish	Bullish	Neutral	-0.4%	+1.1%	+30.2%	2,522.14
Germany	60%	Bearish	Bullish	Bullish	Neutral	+1.0%	-2.8%	+32.2%	3,998.70
Ireland	73%	Neutral	Bullish	Bullish	Bullish	+3.5%	+7.0%	+36.3%	5,445.67
Italy	77%	Bullish	Bullish	Bullish	Bullish	+2.1%	+1.4%	+23.6%	21,008.00
Japan	58%	Bearish	Bullish	Bullish	Bearish	-4.6%	+8.3%	+33.6%	11,721.49
Netherlands	59%	Bullish	Bearish	Bullish	Bullish	-1.3%	-6.6%	+16.4%	341.83
New Zealand	56%	Neutral	Bullish	Bearish	Neutral	+3.1%	+6.7%	+28.9%	2,150.33
Norway	67%	Neutral	Bullish	Bullish	Bearish	-0.1%	+9.3%	+49.9%	721.04
Spain	67%	Neutral	Bullish	Bullish	Neutral	-0.8%	+0.7%	+26.7%	847.27
Sweden	46%	Bearish	Bearish	Bullish	Neutral	-0.0%	+4.0%	+39.6%	212.18
Switzerland	55%	Bearish	Bullish	Neutral	Neutral	+1.4%	+2.7%	+27.0%	5,606.80
Un. Kingdom	42%	Bullish	Bullish	Bearish	Bearish	-1.5%	-0.1%	+20.1%	4,407.40
USA	48%	Neutral	Bullish	Neutral	Bearish	-1.4%	+1.5%	+14.2%	1,125.38
Argentina	36%	Bearish	Bearish	Bullish	Bearish	-18.4%	-12.0%	+27.4%	2,329.32
Brazil	56%	Neutral	Bullish	Neutral	Neutral	-10.9%	-9.2%	+50.9%	21,568.36
Czech Rep.	78%	Bullish	Bullish	Bullish	Bullish	-0.6%	+20.0%	+56.9%	796.40
Chile	52%	Neutral	Bullish	Bearish	Bearish	-3.3%	-4.3%	+37.8%	7,539.71
China	36%	Bullish	Bearish	Neutral	Bearish	-24.4%	-15.5%	-22.6%	89.71
Greece	54%	Neutral	Neutral	Neutral	Neutral	-0.5%	-1.4%	+28.4%	2,333.33
Egypt	51%	Bearish	Bullish	Bearish	Bullish	+1.6%	+11.3%	+23.1%	900.58
Hong Kong	47%	Bullish	Bearish	Neutral	Bearish	-4.2%	-5.0%	+26.8%	12,220.13
Hungary	51%	Bearish	Bullish	Bearish	Neutral	+4.1%	+26.5%	+65.0%	11,625.74
India	38%	Neutral	Bearish	Bullish	Bearish	-19.5%	-19.3%	+36.3%	4,870.58
Indonesia	53%	Bullish	Bullish	Bearish	Bearish	-7.0%	-2.3%	+32.2%	745.03
Israel	64%	Bearish	Bullish	Bullish	Neutral	+7.0%	+10.7%	+27.4%	601.33
Korea	41%	Bullish	Bearish	Neutral	Bullish	-15.5%	-4.8%	+11.4%	755.42
Malaysia	53%	Neutral	Neutral	Bullish	Bearish	-6.4%	+5.4%	+14.6%	830.68
Mexico	60%	Bullish	Bullish	Neutral	Neutral	-6.7%	+12.2%	+29.7%	10,240.84
Philippines	58%	Bearish	Bullish	Neutral	Neutral	+10.2%	+9.4%	+20.0%	1,590.64
Poland	35%	Bearish	Bullish	Bearish	Bearish	+2.9%	+15.8%	+53.3%	23,757.22
Portugal	71%	Bearish	Bullish	Bullish	Bullish	+1.5%	+8.3%	+38.3%	2,125.17
Russia	48%	Bearish	Bullish	Neutral	Neutral	-20.7%	+10.3%	+21.6%	7,239.81
Singapore	67%	Bullish	Bullish	Bullish	Bearish	-4.3%	+2.0%	+26.3%	1,839.33
Sth Africa	55%	Bullish	Bullish	Neutral	Neutral	-2.8%	+2.6%	+45.3%	10,053.47
Taiwan	27%	Bearish	Bearish	Neutral	Bearish	-13.9%	-3.8%	+14.2%	5,746.70
Thailand	68%	Bullish	Bearish	Bullish	Neutral	-10.1%	-18.5%	+33.8%	647.57
Turkey	50%	Bearish	Bullish	Bullish	Bearish	-18.5%	-5.2%	+49.3%	18,416.39
Venezuela	56%	Bearish	Bullish	Bullish	Bearish	+10.8%	+29.1%	+11.0%	25,196.46

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

The US Federal Reserve raised interest rates last Wednesday from 1.0% to 1.25%. They see little risk of inflation in the near term, but simply intend to move interest rates from recent low levels, introduced during the global recession, back to a "neutral" level - subject, of course, to short term factors that may require attention along the way.

In other words, this is just the *normal* increase in interest rates during the early stages of an economic recovery that we have discussed over recent months.

A "neutral" level of interest rates could be around 4-5% - so rates can be expected to continue to rise 0.25% every few months over the next couple of years! The Federal Reserve has also clearly indicated that it will stop raising interest rates - or even lower them again - if that becomes necessary owing to some outside shock.

So this is a favourable monetary situation -

moderately rising interest rates in response to the global economic recovery *and* with a review of that higher interest rate policy if necessary.

World stockmarkets have continued to recover over the last month - having early this year over-reacted to the threat of either an oil shortage or unusually high oil prices. Asian stockmarkets, however, again over-reacted to the US interest rate increase. Most investors, it appears, are only happy when they have something to worry about!

Our World Stockmarket Forecasts remain generally Neutral to moderately Bullish, and we see the world economy (and world stockmarkets) in the early stages of a long, slow recovery. Such a recovery will experience some short term corrections - as seen over recent months - but investors should remain fully invested to benefit from the longer term uptrend in prices.

Recommended Funds Geographic Portfolio Spread

Fund Name	Size (Mil)	Leverage (% debt)	Top 10 Hldgs (%)	Portfolio invested in (%):-											
				Cash	HK	Australia	Malay	Taiwan	Korea	Sing.	Thail'd	Phil.	China	India	
Aberdeen Asian Sm Coys plc	£64	16	30.6	1.0	15.9		5.0		14.4	14.5	10.0	3.1		14.8	Indonesia 9.6%
Baring Korea	£122	Nil	48.2	7.6				92.4							
Gartmore Pacific Gth Fund	£110	Nil	27.3	0	21.7		9.5	17.3	29.7	8.5	4.6		3.6	1.9	Indonesia 3.4%
HSBC Asian Fund	£44	Nil	27.5	5.8	21.6		6.0	15.9	26.6	10.1	3.1	0.6	8.3		Indonesia 2.7%
HSBC Hong Kong Gth Fund	£24	Nil	49.4	0	100										
Henderson Pacific Capital	£198	Nil	29.4	3.1	14.9	14.6	6.5	16.7	12.0	6.8	15.0		10.3		
Schroder Asia Pacific plc	£127	17	29.2	3.1	27.7		2.1	9.7	24.0	11.1	5.2	2.1		6.2	Indonesia 7.9%
Scottish Oriental Sm Coys plc	£48	8	19.1	7.0	15.8		8.2	5.7	15.0	10.0	9.2	3.2	6.8	10.2	Sri Lanka 4.0%
				Cash	USA	UK	Europe	Japan	Other						
Aberforth Small Cos Trust plc	£485	Nil	23.5	1.0		96.0									
Baillie Gifford Shin Nippon plc	£62	17	25.3	2.5				97.5							
Eaglet Investment Trust plc	£127	15	54.1			100									
Fidelity European Values plc	£488	14	27.1	0			100.0								
JPM Fleming Euro Fledgling	£174	17	16.9				100.0								
Invesco Japan Discovery Trt	£36	4	48.3	0					100.0						
Private Equity Investor plc	£64	Nil	-	46.4	53.6										
				Cash	Asia	Latin Amer	Africa	Europe & Middle East							
Aberdeen Emerging Markets	£108	Nil	34.7	0.8	58.0		17.7	3.9		19.6					
Templeton E/Markets plc	£736	Nil	31.5	2.5	55.1		11.7	4.4		26.37					

Fidelity European Values plc has further increased its large investments in France (to 24.2% of the portfolio) and doubled its investments in Switzerland (to 12.2%). The balance of the portfolio is in Germany (10.3%), Italy (8.7%), Netherlands (6.1%), Spain (5.7%), Norway (5.6%), Denmark (5.1%), Greece (4.6%), Finland (2.7%), Russia (2.6%), Austria (2.1%) and Estonia (2.0%).

JPMorgan Fleming European Fledgling has 12.3% of its portfolio invested in **FF European Discovery** (a micro-cap European fund) and direct investments in Germany (10.8%), Netherlands (10.8%), Finland (10.7%), France (9.9%), Italy (8.1%), Switzerland (8.1%), Sweden (7.0%), Spain (6.3%), Norway (3.7%), Denmark (3.6%), Portugal (1.8%), Belgium (1.8%), Austria (0.9%) and regional funds (4.5%).

Recommended International Investment Funds

JPMorgan Fleming European Fledgeling Investment Trust plc has changed the fee payable to its Fund Manager from 1.0% of gross assets to 1.3% of its market capitalisation. Overall this will leave the fee approximately unchanged owing to the use of moderate leverage and the large discount at which the shares trade to net asset value. It could, however, encourage the Manager to re-purchase the trust's own shares more aggressively on-market to narrow the large 21% discount. This would be favourable as (1) every £1.00 spent re-purchasing shares acquires £1.26 in net assets (so increases the net asset value of the remaining shares) and (2) will help to boost the share price closer to the net asset value (which again increases the value of our shares in this trust).

Current Advice	Investment Fund	EPIC Code	Initial Recommendation		Prem/Disc to Net Assets	Recent Price		Gain or Loss %	
			--- Date ---	Offer Price		Bid-Offer or Last Sale	NZ Cents		
Europe									
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-9%	627.0p	1787.6	+38
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-21%	244.25p	696.4	-9
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15-07-03	375.5p	1042.0	-7%	458.5p	1307.2	+25
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-16%	297.5p	848.2	-27
Asian Regional									
BUY	Aberdeen Asian Sm Co WARRANTS	AASW	09/09/03	75.3p	209.1		82.25p	234.5	+12
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		170.32p	485.6	+361
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		37.20p	106.1	-0
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		149.20p	425.4	-12
HOLD	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		253.20p	721.9	-36
BUY	Scot Oriental Sm Cos WARRANTS	SSTW	11/11/03	78.0p	211.5		66.50p	189.6	-10
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		7.125p	20.3	-73
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-11%	169.0p	481.8	+9
BUY	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-10%	109.0p	310.8	+9
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		86.75-92.32p	255.3	+22
International									
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	61.7p	184.0		121.70p	347.0	+89
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-20%	104.0p	296.5	-29
HOLD	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		6.625p	18.9	-84

* 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 161¾ (-8%, i.e. 8% below net asset value), **Schroder Asia Pacific** shares at 77½ pence (-6%), **Scottish Oriental Smaller Companies** shares at 153½ pence (-6%), **Templeton Emerging Markets** shares at 135¾ pence (-13%), **Baillie Gifford Shin Nippon** warrants at 11¾ pence and **Invesco Japan Discovery** warrants which trade at 11.875 pence.

Investment Fund Survey

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
INTERNATIONAL															
AUSTRALIAN BASED UNIT TRUSTS															
	AMP FI International	Medium	-0%	0.75	-37	10	6								
	ANZ ING Global	Medium	-2%	0.54	-38	5	6								
	Advance International	Medium	+1%	0.67	-40	17	10								
	Advance Int'l Share MB	Medium	-2%	0.72	-40	8	4								
	BT Global	Medium	-3%	0.63	-37	7	2	Buy							
	BT International	High	-1%	0.69	-39	9	4								
	Challenger Global Shares	Medium	-1%	0.71	-35	9	6	Buy							
	Commonwealth Int'l Share	Medium	-1%	0.61	-39	5	5								
	Dresdner Global	Medium	-6%	0.67	-47	5	3								
	Dresdner International	Medium	-5%	0.69	-46	5	4								
	HSBC International	Medium	-0%	0.72	-37	8	6	Buy							
	Invesco Global Matrix	Very High	+1%	0.74	-42	9	4								
Buy	JB Were International	High	-1%	0.76	-38	15	10								
	MLC Aust - Platinum Gbl	High	+15%	0.64	-8	22	-2								
	MLC MKey Global Share	Medium	+0%	0.71	-36	11	7								
	NAFM Inv Trt - Global	High	+0%	0.72	-38	10	9								
	Perpetual Fid. Intern'l	High	-1%	0.73	-41	14	5	Avoid							
	Perpetual ICSav - Int'l	High	-1%	0.72	-41	13	5	Buy							
Buy	Platinum International	Medium	+15%	0.63	-17	-0									
	Westpac International	Low	-1%	0.57	-36	14	4								
NEW ZEALAND BASED UNIT TRUSTS															
	AMP International Share	High	+5%	0.66	-29	12	5								
Buy	AMP Passive Int'l Share	Medium	-1%	0.72	-38	10	8								
	ANZ World Equity Trust	Medium	+10%	0.74	-14	15	2								
Buy	ASB World Shares	High	+8%	0.85	-18	14	6								
Buy	BNZ International Equity	Medium	+10%	0.76	-12	18	7								
	BTIS International Share	Low	+6%	0.73	-21	8	2								
	ING International Share	Medium	+1%	0.76	-34	17	7								
	NZ Guardian Global	High	+5%	0.78	-29	13	5	Buy							
	Thoroughbred Int'l Equ.	Medium	-2%	0.78	-35	11	9								
	Tower Global Equity	Medium	-2%	0.79	-39	5	5								
	Tower Tortis Intern'l	Medium	-1%	0.79	-37	10	8								
	Westpac International	Medium	-0%	0.82	-37	7	5	Buy							
UNITED KINGDOM BASED UNIT TRUSTS															
	AXA Global Growth	Medium	+1%	0.89	-36	15	4								
	Abbey Nat'l International	Medium	+0%	0.81	-34	13	4								
	Aegon Worldwide Tactical	Medium	-6%	0.87	-47	5	3								
	Allchurches Int'l Growth	Medium	+6%	0.91	-26	16	3								
Avoid	Allianz Dres Global Equity	Low	-4%	0.83	-42	9	3								
	Artemis Global Growth	Medium	-10%	0.76	-53	7	3	Avoid							
	BG International	Medium	+1%	0.92	-36	12	1	Avoid							
	Bank of Scotland World Gth	Medium	-1%	0.91	-39	11	4	Avoid							
	Baring Global Growth	Medium	+0%	0.83	-35	12	4	Avoid							
	Britannic Global Growth	Medium	-2%	0.84	-41	10	3	Avoid							
	CS Global PVC	High	+3%	0.75	21	5									
Buy	Canada Life International Gth	Medium	-0%	0.87	-37	12	3								
	Cavendish Worldwide	Medium	+7%	0.80	-24	14	2								
	Fidelity International	Medium	+1%	0.94	-37	15	5								
	Fidelity Managed Int'l	Medium	-2%	0.92	-44	9	2								
	First State Global Opps	Medium	+3%	0.56	19	-3									
	First State Global Growth	Medium	-1%	0.86	-37	6	4								
	Framlington International	Medium	+0%	0.89	-37	13	3	Buy							
	GAM International Growth	Medium	+16%	0.82	-7	28	4								
	Henderson Independent Port.	Medium	+3%	0.90	-30	16	3								
	Henderson International	Medium	-1%	0.85	-41	13	3								
	Invesco Perp International	Medium	-5%	0.74	-43	7	7								
	Invesco Perp Int'l Equity	High	+3%	0.83	13	4									
	Jupiter Ecology	Medium	-3%	0.66	-47	18	3								
	L & G (Barclays) Worldwide	Medium	+3%	0.89	-30	13	5								
	L & G Global Growth	Medium	-0%	0.92	-37	11	4								
	L & G Worldwide	Medium	+1%	0.91	-33	12	4								
	Lazard International Equity	Medium	-2%	0.86	-40	7	5								
	Lincoln Global	Medium	-1%	0.81	-39	7	3								
	M & G Global Leaders	High	-1%	0.84	18	4									
	M & G International Gth	Medium	+4%	0.82	-31	28	7								
	MGM International Equity	Medium	-0%	0.85	-36	12	5								
	Martin Currie International	Medium	-0%	0.88	-39	12	3								
	New Star Global Equity Ret A	High	-1%	0.54	10	4									
Buy	New Star Global Grwth Port A	Very High	+9%	0.58	20	-1									
	Newton International	High	+4%	0.93	-31	16	5								
	Norwich International Index	Medium	+1%	0.87	12	5									
	Old Mutual Worldwide	Medium	-3%	0.89	-42	12	4								
	Premier Global 100	Low	-5%	0.72	-43	4	5								
	Prudential Global Growth	Medium	+2%	0.91	-33	13	5								
	Prudential Int'l Growth	Medium	+3%	0.92	-31	13	4	Buy							
	Rathbone Global Companies	Medium	+6%	0.73	26	1									
	Scot Life Worldwide	Medium	-4%	0.87	-42	10	5								
	Scot Mutual International	Medium	+2%	0.85	-34	13	4								
	Singer & Freudlander Global	Low	-4%	0.85	-48	7	4								
	Sovereign Int'l Growth	Medium	+0%	0.59	-35	11	4	Avoid							
Buy	St James's International	Medium	+7%	0.91	-20	18	6								
AUSTRALIAN LISTED INVESTMENT TRUSTS															
Avoid	BT Global	Medium	-11%	0.36	-54	-4	-4								
Buy	Platinum Capital	Low	+18%	0.32	2	5	-4								
	Templeton Global	High	+1%	0.43	-45	7	-6								
NEW ZEALAND LISTED INVESTMENT TRUSTS															
	World Index Fund	Medium	-2%	0.78	-39	9	4								
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS															
	Alliance Trust	Medium	+1%	0.74	-36	0	2								
	Anglo & Overseas Trust	Very High	-4%	0.78	-49	15	11								
	Bankers Investment	Medium	+1%	0.79	-35	3	1								
	Brit Empire Securities	Low	+18%	0.66	5	35	5	Buy							
	Brunner Invest. Trust	High	-6%	0.89	-50	8	3								
	Caledonia	Medium	+7%	0.29	-29	28	10	Buy							
	Capital Gearing Trust	Very Low	+15%	0.23	14	4	2								
	Edinburgh Investment	High	-4%	0.78	-47	9	3	Buy							
	Edinburgh Worldwide	High	-4%	0.74	-53	10	-6								
	Establishment IT	Very Low	+21%	0.19	37	-8		Buy							
	Foreign & Colonial	Medium	-2%	0.75	-41	2	-0								
	Gartmore Global	High	-1%	0.54	14	3									
	Henderson Strata Inv	Very High	+1%	0.62	-55	36	9								
	Henderson Electric & G.	High	+2%	0.83	15	4									
	JPMF Overseas	High	-1%	0.86	-43	13	4								
	Jupiter Primadona	Very High	-4%	0.59	-59	15	-1	Avoid							
	Jupiter Global Green	High	-7%	0.42	23	12		Buy							
	Law Debenture Corp.	Medium	+13%	0.60	-32	7	0								
	Majedie Investment	Very High	-1%	0.78	-44	12	-1								
	Martin Currie Portfolio	Medium	+6%	0.80	-29	17	1								
	Merrill Asset All (Gth)	Low	-4%	0.45	-37	3	5								
	Merrill Asset All (Bal)	Very Low	-0%	0.07	-4	3									
	Mid Wynd Invest Trust	Medium	+5%	0.53	-29	5	-4								
	Monks Investment	Medium	+3%	0.78	-36	11	1								
	Murray International	Medium	+4%	0.87	-32	9	-0								
	New Star	High	+4%	0.38	-32	32	6								
	Pantheon International	Low	+2%	0.39	-33	5	4								
	Personal Assets Trust	Very Low	+6%	0.38	-18	7	4								
	RIT Capital Partners	Very Low	+19%	0.29	12	40	6	Buy							
	Scottish Mortgage & Trt	Medium	+2%	0.80	-36	12	1								

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
	Lincoln North American	Medium	-2%	0.81	-43	6	5		L & G (Barclays) Capital	Medium	+1%	0.86	-31	14	6
	M & G American & General	Medium	-5%	0.74	-47	6	5		L & G (Barclays) 500	Medium	+3%	0.68	-31	12	2
	MGM North American Growth	Very Low	-3%	0.65	-40	7	8		L & G (Barclays) FTSE 100	Medium	-1%	0.74	-30	12	6
	Martin Currie North American	Medium	-1%	0.77	-43	5	4		L & G Equity	Medium	+0%	0.81	-34	12	5
	Merrill Lynch American	Low	-3%	0.77	-42	5	7		L & G UK Index	Medium	+1%	0.83	-31	15	5
	New Star North America Ret A	Low	-3%	0.77	-44	2	3		L & G UK Recovery	High	+3%	0.85	-31	15	5
	Newton American	Low	-3%	0.71	-46	6	6		L & G UK Stockmarket	Medium	+1%	0.87	-31	14	7
	Old Mutual North American	Low	+1%	0.76	-37	7	4		Lincoln Growth	Medium	+1%	0.84	-32	13	5
	Prudential North American	Low	+3%	0.75	-33	8	6		M & G Blue Chip	High	-0%	0.87	-37	9	6
	Royal London North American	Low	-5%	0.72		3	5		M & G British Opportunities	High	+3%	0.70	-36	19	6
	S & W American	Low	+2%	0.73	-36	13	5		M & G Capital	Medium	-1%	0.77	-39	14	4
	Schroder North American	Medium	-3%	0.80		6	5		M & G Index Tracker	Medium	+1%	0.87	-33	14	5
	Scot Amic American	Medium	+3%	0.78	-33	8	5	Buy	M & G Recovery	Medium	+7%	0.73	-27	22	4
	Scot Life America	Low	-6%	0.75	-48	3	5		M & G UK Growth	High	-0%	0.81	-39	12	4
	Scot Mutual North American	Medium	-3%	0.77	-42	5	6		MGM Special Situations	High	+2%	0.82	-32	14	4
	Scot Wid. American	Low	-3%	0.68		4	4	Buy	Martin Currie UK Growth	Medium	+7%	0.75	-21	24	5
	St James's North America	Low	+0%	0.66		11	8		Merrill Lynch UK Value	Medium	+6%	0.79	-15	5	5
	Stan Life America	Low	+2%	0.77		7	5		New Star UK Growth Ret A	High	+5%	0.86	-16	5	5
	Threadneedle American Gth	Very Low	-1%	0.29		6	7		Norwich Blue Chip Tracking	Medium	+0%	0.86	-12	6	6

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	American Opportunity	Very Low	-1%	0.02	-39	-8	1		Norwich UK Growth	Medium	+6%	0.70	-16	1	1
	Edinburgh US Tracker	Medium	-1%	0.70	-45	4	6		Norwich UK Index	Medium	+1%	0.91	-14	5	5
	JPMF American	High	-1%	0.73	-50	6	8		Prudential UK Growth	Medium	+1%	0.84	-36	11	5
Avoid	Second London American	Very Low	-22%	0.00	-66	-23	-2	Buy	Prudential UK Index	Medium	+1%	0.83	-12	7	7
								Buy	Rathbone Capital	Medium	+8%	0.74	-22	3	3

UNITED STATES SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Buy	F & C US Smaller Coys	Medium	+10%	0.65	-22	21	6	Buy	Schroder UK Mid 250	Medium	+17%	0.63	4	29	2
	Fidelity American Spec Sits	Medium	+3%	0.59	-35	6	1		Scot Amic Equity Trust	Medium	+2%	0.79	-31	14	5
	Invesco Perp US Smaller Coys	Medium	-3%	0.64	-46	5	3		Scot Amic FTSE 100 Tracker	Medium	+1%	0.77	-14	6	6
	Merrill Lynch American Opps	Medium	+3%	0.57	-33	12	5		Scot Life UK Equity	Medium	+1%	0.87	-29	14	6
Buy	Schroder US Smaller Coys	Low	+10%	0.68	-18	22	7		Scot Mutual Growth	Low	+3%	0.84	-13	5	5
	Threadneedle Amer Small Cos	Very Low	+4%	0.52		10	-1		Scot Mutual Opportunity	Medium	+6%	0.82	-15	5	5

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	F & C US Smaller Coys	Medium	+9%	0.51	-20	12	7	Buy	Scot Mutual UK All Share Index	Medium	+8%	0.85	-18	6	6
Buy	JPMF US Discovery	High	+14%	0.51	-22	25	2		Scot Wid. UK Growth	Low	+5%	0.73	-11	3	3
Buy	Nth Atlantic Smaller	Very Low	+11%	0.20	-16	37	15		Scot Wid. UK Index	Very Low	-6%	0.23	-31	2	2
Buy	Renaissance U.S.	Very Low	+33%	0.06	19	83	13		Solus UK Growth	Medium	+2%	0.85	-28	14	7

UNITED KINGDOM

UNITED KINGDOM BASED UNIT TRUSTS

Buy	AXA UK Growth	Medium	+2%	0.90	-34	13	5		St James's Recovery	Medium	+15%	0.50	-30	3	3
	AXA UK Opportunities	High	+14%	0.78		19	3		St James's Tracker	Medium	+4%	0.87	-16	6	6
	AXA UK Tracker	Medium	+1%	0.90	-33	14	5		St James's UK & Gen Prog.	Medium	+5%	0.80	-23	16	6
	Abbey Natl N & P UK Growth	High	+0%	0.78	-34	11	5		Stan Life UK Equity Gth	Medium	+4%	0.77	-17	7	7
	Abbey Natl Stockmarket 100	High	+3%	0.87	-28	15	7		Threadneedle UK Growth	High	+6%	0.60	-15	5	5
	Abbey Natl UK Growth	Medium	-2%	0.76	-35	12	4		Tilney UK Equity	Medium	+4%	0.83	-29	11	4
	Aberdeen UK Growth	High	+0%	0.87	-35	17	8								
Buy	Aberdeen UK Mid-Cap	High	+8%	0.68		26	8	Buy	3i Group	Very High	+6%	0.42	-53	8	1
	Aegon UK Equity Growth	Medium	+1%	0.81	-30	15	6		Aberdeen Convertible	High	+0%	0.11	-63	32	11
	Allianz Dres UK Index	High	+1%	0.80		12	5		Advance UK	Medium	+9%	0.60	-25	27	3
	Allianz Dres UK Growth	Medium	+4%	0.80		13	3	Buy	Albany	Low	+2%	0.46	-24	4	2
Buy	Artemis UK Growth	Medium	+13%	0.62	-8	35	5		Aurora Invest Trust	Very High	+18%	0.38	-14	24	4
Buy	Artemis UK Special Sits	Medium	+22%	0.49		34	5		Blue Planet UK Fin.	High	-2%	0.28	-49	-18	-3
	BG British 350	Medium	+3%	0.81	-26	14	5		British Portfolio Trt	High	+1%	0.69	-11	5	5
	Bank of Scotland FTSE 100	Medium	+2%	0.87	-29	14	7		British American IT	Very Low	-2%	0.10	-45	5	-7
	Baring UK Growth	Medium	+2%	0.82	-34	15	3		British Assets	High	-4%	0.72	-1	1	1
	Britannic UK General	Medium	-1%	0.83	-37	11	5		City Merchants High Yld	Very Low	-1%	0.14	-19	1	-4
	CIS UK Growth	Medium	+1%	0.87		13	5		City of London	High	+1%	0.73	-34	1	5
	CS FTSE 100 Tracker	Medium	+1%	0.85		12	7		Collective Assets	Very Low	-1%	0.32	-3	-3	-3
	Canada Life General	High	+2%	0.87		11	4		Deutsche Equity Income	Low	+2%	0.50	-32	5	-4
	Canada Life Growth	Medium	+2%	0.87		13	4	Buy	Dunedin Income Growth	Very High	+3%	0.78	-39	6	4
	Cazenove UK Equity	Medium	+5%	0.84	-25	14	5	Buy	Edinburgh UK Tracker	Medium	-1%	0.78	-38	9	3
	DWS UK Blue Chip	High	+0%	0.82	-37	12	5		Enhanced Zero Trust	Very High	+47%	0.04	-100	1	3
	DWS UK Equity	Medium	+2%	0.78	-33	11	6	Buy	F & C Capital & Income	Very Low	+8%	0.00		10	5
	DWS UK Growth	High	+3%	0.80	-33	12	4		F & C Income Growth	Medium	+5%	0.56	-20	3	6
	Direct Line FTSE 100 Tracker	Medium	+1%	0.90	-30	15	7	Buy	Falcon Investment Trust	Medium	+2%	0.20		15	0
Buy	Fidelity Special Situations	Medium	+18%	0.63	3	33	7		Fidelity Special Values	High	+21%	0.44	-0	34	5
	Fidelity UK Growth	High	+5%	0.85	-29	17	4	Buy	Finsbury Growth	Medium	+9%	0.58	-19	33	11
	First State British Opps	High	+4%	0.75		14	3	Buy	Gartmore Growth Opps	Medium	+23%	0.30	1	52	-3
	Framlington UK Growth	Medium	+3%	0.81	-32	12	2	Buy	Glasgow Income Trust	Very High	+8%	0.56	-39	4	4
Buy	GAM UK Diversified	Medium	+16%	0.53	-6	30	4	Buy	Hansa Trust	Low	+14%	0.19	-36	5	5
Buy	Gartmore UK Index	High	+7%	0.81	-25	15	5		ISIS UK Select	Very High	+5%	0.79	-21	4	4
	HSBC British	Medium	+2%	0.83		10	6	Buy	Independent Invest Trt	Very Low	+15%	0.17	-15	10	-10
Buy	HSBC FTSE 100 Index	Medium	-1%	0.83	-34	12	5		Invesco City & Commer.	High	+3%	0.13	-15	5	5
	HSBC FTSE 250 Index	High	+11%	0.63	-20	26	2	Buy	Invesco Income Growth	Very High	+2%	0.64		9	5
	HSBC Household Names	Medium	+5%	0.82		15	7	Avoid	JPMF Mid Cap	Very High	+9%	0.47	-15	5	5
	HSBC Spist UK Growth	Medium	+5%	0.80		15	7		Life Offices Opport.	Very Low	-12%	0.10	-46	8	2
	HSBC UK Gth & Inc	Medium	+3%	0.84		14	7		Lion Trust First UK	Low	+5%	0.62	-14	6	6
	Henderson UK Capital Growth	Medium	+4%	0.80	-27	17	2	Buy	London & St Lawrence	Very Low	-2%	0.26	-20	5	8
	Hill Samuel Capital	Medium	+1%	0.86	-32	12	4		Lowland Investment Co	Medium	+15%	0.39	-15	18	1
	ISIS FTSE 100 Tracker	Medium	+0%	0.86	-33	12	5	Buy	Merchants Trust	Very High	+5%	0.64	-37	2	2
	ISIS FTSE All Share	Medium	+1%	0.85	-32	14	5		Murray Income Trust	High	+4%	0.76	-33	6	6
	Invesco Perp UK Key Trends	High	+4%	0.68		11	3		Perpetual Income & Gth	Medium	+14%	0.57	-5	21	3
Buy	Invesco Perp UK Growth	High	+11%	0.60	-19	21	6	Buy	Schroder UK Growth	Medium	+0%	0.42	-37	9	-1
	Invesco Perp UK Equity	High	-1%	0.77		8	7		Schroder Income & Grwth	Very Low	+5%	0.33	-14	5	4
Buy	Invesco Perp UK Aggressive	Very High	+30%	0.48		33	6		Shires Income	Very High	-5%	0.29	-63	0	-6
Buy	JPMF UK Dynamic	Medium	+15%	0.68	-6	26	4		Temple Bar Inv. Trust	Medium	+6%	0.61	-25	13	8
	Jupiter Environmental	Medium	+4%	0.51	-30	21	2		Tribune Trust Indexed	Medium	+1%	0.72	-33	11	3
	Jupiter UK Growth	High	+5%	0.74	-33	23	3		Undervalued Assets	Medium	+3%	0.49	-33	20	-4
	Jupiter UK Special Situations	High	+5%	0.51	-38	22	0	Buy	Value & Income Trust	Low	+5%	0.48	-15	9	5
Buy	Jupiter Undervalued Assets	Medium	+14%	0.57	-4	19	5	Buy							
	L & G (A & L) Capital Growth	Medium	+3%	0.83	-29	16	6	Buy	Aberforth Geared (cap)	High	+19%	0.24	-26	2	2
	L & G (A & L) UK 100 Index	Medium	+1%	0.86	-30	14	7	Buy	BFS Income & Growth	Very High	+193%	0.07	-82	56	10

										International Investor						
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	
Avoid	City of Oxford Grd Inc	Medium	-25%	0.08	-83	-23	-9	Buy	Invesco England	Very High	+8%	0.76	-27	43	-2	
	Danae - Capital	Very High	-1%	0.08	-94	-28	3		Invesco Perp UK Smaller	Medium	-3%	0.83	-19	19	4	
Buy	Ecofin Water & Power(c)	Very Low	+17%	0.00	75	10		JPMF Smaller Cos	Very High	+2%	0.81	-38	31	-1		
	Ecofin Water & Power(l)	Very Low	+0%	0.03	17	1		Montanaro UK Small Coys	Medium	-6%	0.83	-43	17	3		
Buy	Edinburgh Income & Val.	High	+8%	0.39	-38	20	3		Osprey Small Cos Income	Medium	-1%	0.47	19	1		
	Edinburgh High Income	Very High	+2%	0.50	23	-3		Platinum Trust	Very Low	+13%	0.28	39	-2			
	Exeter Financial	Medium	-6%	0.15	33	0		Shires Smaller Coys	Medium	+2%	0.56	-25	21	7		
Avoid	Framlington Second Dual	Very High	-37%	0.10	-92	-19	-25	Buy	Throgmorton Trust	High	+7%	0.83	-20	43	1	
Buy	Framlington I & C - Cap	Very High	+24%	0.49	-51	52	4	UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL								
Avoid	Gartmore SNT	Very High	-11%	0.03	-98	-66	-61	Buy	BFS Small Companies	Low	+20%	0.39	-8	34	-5	
Avoid	Gartmore High Income	Low	-22%	0.05	-76	-6	-9	EUROPE								
Avoid	Henderson High Income	High	+6%	0.34	-37	1	0	AUSTRALIAN BASED UNIT TRUSTS								
Buy	Invesco Recovery 2005	Medium	+9%	0.12	-56	44	0	NEW ZEALAND BASED UNIT TRUSTS								
Buy	Invesco Geared Opps	Very High	+20%	0.20	-67	78	12	UNITED KINGDOM BASED UNIT TRUSTS								
	Investec High Income	Very Low	-1%	0.02	21	0		AXA European Growth	Medium	+1%	0.78	-30	22	7		
Buy	JPMF Income & Gth (cap)	Very High	+7%	0.43	20	2		Aberdeen European Growth	High	+3%	0.88	-26	15	8		
	JPMF Income & Capital	Medium	-1%	0.20	14	5		Aegion European	Medium	-1%	0.86	-32	14	6		
Avoid	Jersey Phoenix	Very High	-37%	0.36	-92	-27	-10	Buy	Alchurches Euro Growth	Medium	+2%	0.86	-21	18	6	
	Jupiter Financial	Very High	-2%	0.26	30	5		Allianz Dres Euro Index	Medium	+1%	0.86	-29	16	7		
	Jupiter Dividend & Gth	Very High	0%	0.25	-84	-14	-4		Allianz Dres European	Medium	+1%	0.85	17	7		
Buy	Jupiter Enhanced	Very High	+10%	0.29	-47	31	2	Buy	Artemis European Growth	Low	+12%	0.77	28	6		
Buy	Jupiter Split Trust Cap	Very High	+38%	0.48	0	54	2		BG Europe	Medium	-4%	0.86	-35	12	2	
Avoid	M & G Equity Trust -Cap	Very Low	-10%	0.11	-50	6	-2	Buy	Baring Euro Sel.	Medium	+9%	0.65	-11	36	4	
Buy	M & G High Income - Cap	Very High	+8%	0.18	-49	-8	-2		Baring European Growth	High	-1%	0.88	-34	16	7	
	M & G Income	Very Low	-2%	0.14	13	16			Britannic European	High	+1%	0.87	-28	15	6	
	M & G Recovery	Very Low	-6%	0.13	19	-2		Buy	CIS European	Medium	-2%	0.88	14	6		
	Martin Currie Enhanced	Medium	+3%	0.16	20	-2		Buy	CS Euro Frontiers	Very Low	+22%	0.10	33	-7		
Avoid	Martin Currie I & G (c)	Very High	-39%	0.27	-96	-7	3		CS European	Medium	-1%	0.87	-35	13	6	
	Merrill FTSE100 G&I (c)	Very Low	+5%	0.19	20	5			Canada Life European	Medium	-3%	0.85	-36	16	5	
Buy	New Fulcrum	Very High	+10%	0.21	-85	110	-7		Cazenove European Portfolio	High	+1%	0.93	-32	19	5	
Avoid	Premier High Income	Low	-44%	0.07	-89	-25	3	Buy	DWS European Growth	Medium	-1%	0.87	-30	18	6	
Buy	Rights & Issues	Low	+12%	0.29	-11	38	2		Fidelity European	Low	+10%	0.86	1	22	8	
	Schroder Split Invest.	Very High	+2%	0.34	2	2		Buy	Fidelity European Opps	Very High	+9%	0.88	-22	23	5	
Avoid	Second Scottish Nat1	High	-55%	0.08	-94	-58	-29	Buy	Framlington European	Medium	+2%	0.87	-27	21	5	

UNITED KINGDOM SMALLER COS**UNITED KINGDOM BASED UNIT TRUSTS**

Buy	AXA UK Smaller	Medium	%+8000%	0.97	-34	24	0		HSBC Eurotrack 100	High	+1%	0.90	-32	14	6
Avoid	Abbey Nat1 Smaller Cos	Medium	-7%	0.87	-40	20	2	Buy	HSBC Splst European	High	+3%	0.87	17	7	
	Aberdeen UK Emerging	Low	0%	0.91	-28	26	0	Buy	Henderson Euro Cap Gth	Medium	+2%	0.85	17	6	
Buy	Aberforth UK Small Coys	Very Low	+13%	0.85	14	34	6		ISIS European	High	+3%	0.88	-28	16	6
	Allianz Dres UK Mid-Cap	Low	+6%	0.86	27	5		Insight Europe	Medium	-2%	0.83	-32	11	5	
Buy	Artemis New Enterprises	Very High	+7%	0.83	47	-2		Insight European	Medium	-0%	0.83	-30	11	7	
Buy	Artemis UK Smaller Coys	Low	+9%	0.88	2	37	3	Buy	Invesco Perp Euro Growth	Medium	-6%	0.84	-39	12	6
	BG British Smaller Coys	Low	+3%	0.91	-13	32	6		Invesco Perp European Equity	High	+6%	0.82	-13	5	
	Baring UK Small Coys	Medium	-2%	0.90	-26	25	2	Buy	JPMF European Growth	Medium	+1%	0.86	-25	17	5
	Britannic Smaller Companies	Medium	-2%	0.77	-32	22	1		JPMF New Europe	Low	+25%	0.32	44	30	-4
	CS UK Mid 250	Medium	-5%	0.86	-35	30	8	Buy	Jupiter European	Low	+5%	0.79	-11	28	13
Buy	Canada Life UK Smaller Coys	Medium	+7%	0.92	-10	39	2		L & G (A & L) European	Medium	-2%	0.83	-31	13	6
Buy	Cavendish Opportunities	Medium	+10%	0.83	-5	33	4		L & G Euro Index	High	+1%	0.91	-30	16	7
	Cazenove UK Smaller Coys	Medium	-3%	0.95	-32	27	3		L & G European	Medium	-3%	0.91	-36	12	6
Buy	First State British Small Cos	Medium	+15%	0.90	11	43	-2		Lazard European Growth	Medium	+2%	0.87	-24	16	6
Buy	Framlington UK Smaller Coys	Medium	+13%	0.91	42	1	2		Lincoln European	Medium	+0%	0.84	-28	15	8
	HSBC Splst UK Smaller Coys	Medium	+1%	0.87	25	2		M & G Euro Blue Chip	Medium	-4%	0.83	16	5		
	Henderson UK Small Coys	High	-3%	0.86	36	4		M & G European	High	+0%	0.89	-37	20	8	
	ISIS AIM	Low	+1%	0.66	39	4		M & G European Index Tracker	High	+0%	0.90	-32	16	7	
	ISIS UK Smaller Companies	Medium	-2%	0.93	-34	37	4	Buy	MGM European Growth	High	+3%	0.86	-30	15	8
	Insight UK Small Cap	Low	0%	0.92	-23	27	4		Martin Currie European	Very High	+4%	0.87	-29	21	8
	Invesco Perp UK Small Coys	Medium	+5%	0.85	-15	33	3	Buy	New Star European Ret	Medium	+0%	0.87	-29	19	9
	Invesco Perp UK Small Cos Equ.	Low	-1%	0.85	16	4			Newton Continental European	Medium	+0%	0.89	-26	17	7
	JPMF UK Smaller Companies	Low	+2%	0.91	-19	31	2		Newton Pan-European	Medium	-1%	0.89	17	7	
	Jupiter UK Small Cos	Medium	+3%	0.86	-23	37	3		Norwich European	Medium	+4%	0.89	16	7	
	L & G UK Small Coys	Medium	+2%	0.92	-20	24	0	Buy	Norwich European Growth	Low	+2%	0.72	23	7	
	Lazard UK Small Coy	Low	+6%	0.90	-4	32	6		Prudential European	High	+0%	0.90	-32	17	7
	M & G Smaller Companies	Medium	-1%	0.91	-27	31	6	Buy	Prudential Euro Index	Medium	-1%	0.89	15	8	
Buy	Marlborough Special Situations	Medium	+21%	0.85	25	65	3		Royal London European Gth	High	+2%	0.87	-29	19	7
Buy	Merrill Lynch UK Small Cos	Medium	+8%	0.82	43	4		S & W European	High	+3%	0.89	-31	14	6	
Avoid	New Star UK Smaller Cos Ret A	High	-17%	0.88	-61	18	0	Buy	Schroder European	High	+4%	0.91	-24	25	8
	Norwich UK Smaller Cos	Low	+4%	0.93	29	2			Scot Amic European	Medium	+1%	0.89	-31	17	8
	Premier UK Smaller Coys	Low	+3%	0.81	23	0		Buy	Scot Life European	High	+1%	0.86	-29	19	7
	Prudential Smaller Companies	Medium	+1%	0.91	-23	32	6		Scot Mutual European	High	+1%	0.88	-32	13	7
	Rathbone Smaller Coys	Medium	+4%	0.84	45	3			Scot Wid. Euroland	Medium	-2%	0.86	-34	18	8
Avoid	S & W Smaller Securities	Medium	-11%	0.81	-49	24	3	Buy	Scot Wid. European Growth	Low	+0%	0.82	16	7	
Buy	Schroder UK Smaller Coys	Medium	+7%	0.95	-5	31	2		Sovereign European Gth	High	+1%	0.89	-31	18	6
	Scot Amic UK Small	Medium	+2%	0.88	-20	36	9		St James's Gtr Euro Prog.	Medium	+5%	0.83	19	5	
Avoid	Scot Mutual UK Small Coys	Medium	-9%	0.95	-43	19	2	Buy	Stan Life European	Medium	+1%	0.81	18	5	
	Stan Life UK Smaller Cos	Low	+2%	0.84	30	5			Threadneedle Euro Growth	Medium	+5%	0.83	17	6	
	Threadneedle UK Smaller Cos	Low	+0%	0.88	22	2		Buy	Threadneedle Euro Sel Growth	Medium	+4%	0.83	17	5	
	Tilley UK Smaller Cos	Low	+1%	0.93	-25	26	-3		Threadneedle Pan Euro Gth	Medium	+1%	0.88	15	5	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	3i Smaller Quoted Coys	High	+2%	0.84	-30	31	1	Buy	Baring Emerging Europe	Very Low	+14%	0.21	38	-5	
	Aberforth Smaller Coys	Low	+12%	0.76	8	23	3		Blue Planet Gth & Inc	Very Low	-2%	0.04	-29	-1	-6
	Acorn Income Fund	High	+5%	0.47	43	-2		Buy	Charter Pan European	High	+3%	0.85	-29	19	6
	Britannic Smaller Coys	Medium	-1%	0.76	-32	31	6	Buy	Eastern European	Very Low	+29%	0.33	68	42	-2
Buy	Chelverton Growth Trust	High	+15%	0.33	89	3		Buy	European Assets	Very High	+7%	0.61	-43	-0	8
	Discovery Trust	High	+5%	0.65	-22	49	7	Buy	F & C European	Very High	+2%	0.82	-41	18	4
	Dunedin Smaller Coys IT	High	-1%	0.79	-42	22	0	Buy	Fidelity Euro V.	Medium	+14%	0.67	-9	29	2
	Eaglet Investment Trust	Very High	+4%	0.64	-45	36	-7		UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS						
Avoid	Edinburgh Smaller Coys	Very High	-17%	0.80	-69	38	-4	Buy	Baring European	Very Low	+14%	0.21	38	-5	
	Fleming Mercantile	Medium	+5%	0.85	-18	17	-2		Blue Planet Gth & Inc	Very Low	-2%	0.04	-29	-1	-6
Buy	Framlington Innovation	Medium	+9%	0.76	-9	40	4	Buy	Charter Pan European	High	+3%	0.85	-29	19	6
Buy	Gartmore Fledgling Indx	Medium	+22%	0.63	32	60	2	Buy	Eastern European	Very Low	+29%	0.33	68	42	-2
Buy	Gartmore Small Coys	Medium	+7%	0.65	-21	43	-1	Buy	European Assets	Very High	+7%	0.61	-43	-0	8
	Henderson Smaller Cos	Very High	+5%	0.86	45	4		Buy	F & C European	Very High	+2%	0.82	-41	18	4
	I & S UK Smaller Coys	High	+3%	0.76	-23	33	2	Buy	Fidelity Euro V.	Medium	+14%	0.67	-9	29	2

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
Buy	Gartmore European	Medium	-2%	0.77	-33	14	4
	Gartmore Irish Small	Medium	+29%	0.43	35	61	5
	Henderson Eurotrust	High	+1%	0.34		22	5
Buy	Invesco Perp European	Very High	+10%	0.73	34	3	3
Buy	JPMF Russia	Very Low	+29%	0.00		41	-8
Buy	Jupiter European Opps	Medium	+16%	0.48		43	9
Buy	Martin Currie European	Very High	+8%	0.83	-35	21	9
Buy	Merrill European	High	+3%	0.79	-31	29	3
Buy	SR Europe	Medium	+8%	0.44		26	-8

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Avoid	Govett Euro Enhanced	Very High	-86%	0.20	-98	-40	24
Avoid	Morley Absolute Growth	Very High	-12%	0.21		-7	10

EUROPE SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

Buy	BG Euro Small Coys	High	+7%	0.70	-27	40	6
	DWS European Smaller Cos	High	+6%	0.81	-30	35	7
Buy	First State European Small	Medium	+9%	0.79		29	9
	Henderson European Small Cos	Medium	+6%	0.75	-23	34	10
	Invesco Perp Euro Smaller Cos	Medium	-1%	0.76	-31	16	7
	JPMF European Smaller Coys	Medium	+6%	0.70	-17	36	7

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Jupiter Euro Spec Sits	Medium	+5%	0.81	-16	27	10
	M & G European Smaller Coys	High	+4%	0.76	-32	37	6
	Schroder Euro Small Coys	High	+6%	0.80	-28	37	7
Buy	Threadneedle Euro Small Cos	Low	+16%	0.71		34	8

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Henderson Euro Micro	High	+5%	0.44	-40	52	5
	Invesco Continental Sm	Very High	+6%	0.62	-34	53	18
Buy	JPMF Euro Fledgling	Very High	+11%	0.68	-29	38	5
	TR European	High	+4%	0.65	-35	54	13

GERMANY

UNITED KINGDOM BASED UNIT TRUSTS

	Baring German Growth	Low	-4%	0.87	-36	26	7
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UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	B Gifford Shin Nippon	Medium	+14%	0.47	-12	82	5
Buy	Baillie Gifford Japan	Medium	+14%	0.58	-6	78	3
Buy	Fidelity Japan Values	Medium	+15%	0.38	-5	97	11
Buy	Invesco Japan	Low	+15%	0.25	-2	134	23
Buy	JPMF Japan Small	High	+13%	0.47	-17	70	3

Best Managed Funds

RIT Capital Partners plc is a very large £953 million trust investing in a wide range of international investments. The trust invests in listed shares, unlisted shares, hedge funds, private equity funds and property.

Recently listed shares made up 65.6% of the portfolio, or £641.9 million. Of this, only £133.0 million was managed internally, £144.7 million was invested in 23 hedge funds and £364.2 million invested with 14 other fund managers with "specialist skills covering a wide geographical area".

Unquoted and private equity investments made up 27.2% of the portfolio or £266.2 million. Some of these investments are managed internally and there are also investments in 34 other private equity and venture capital partnerships.

Property investments made up only 2.4% of the portfolio and 4.8% was held in cash and government securities.

Overall the portfolio is slightly leveraged with about 12% of the portfolio funded with debt.

The trust rates well in our *Investment Fund Survey*. Its very well diversified portfolio - and unlisted investments - contribute to its low 0.29 correlation to stockmarket fluctuations and its *Low Risk* rating. The portfolio held up well in value during the 2000-2003 stockmarket decline and has soared in value over the last year. This excellent performance has contributed to the trust earning a +19% *Superiority Rating*.

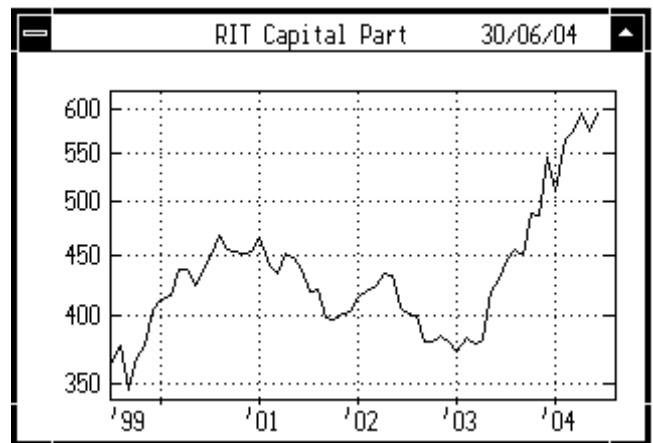
Historically the shares have traded at around a 10-15% discount to net asset value - although that discount is only 1% at present. The shares are *very actively* traded in large volumes.

RIT Capital Partners currently offers a 1.0% dividend yield, but the focus is on capital growth, so the yield will probably be even lower most years. The annual management fee is an extremely low 0.2% - but, of course, much of the portfolio is invested in other funds

and partnerships which charge their own fees.

Summary and Recommendation

RIT Capital Partners is very well diversified and has a very flexible approach to building long term capital appreciation. Diversification and unlisted investments reduce its exposure to stockmarket fluctuations. This fund would be an attractive *long term buy and hold* for an investor seeking capital growth, international diversification and an exposure to unlisted private equity investments.



Herald Investment Trust plc was included in a review of Technology funds in August 2000 and rated favourably although we noted that was probably not a good time to be investing in that sector! Not surprisingly, the trust's shares have declined in value over the last four years, although Herald Investment Trust has performed better than most and remains one of the most attractive Technology funds.

The trust currently holds a £325 million portfolio invested in *smaller* technology companies mainly in the United Kingdom (68% of the portfolio) with investments also in the

(Continued on Page 8)

Best Managed Funds (Continued from Page 7)
United States (16%), Japan & Asia Pacific (8%) and Europe (7%) and with 1% in cash. The portfolio is *extremely* well diversified with a shareholding in 257 companies! The ten largest holdings make up just 22.5% of the portfolio.

The portfolio is slightly leveraged with bank debt funding about 8% of the portfolio - and can increase this up to 20%.

Herald Investment Trust rates a *Very High Risk* rating as the shares are very volatile, but an excellent *Superiority Rating* of +25%.

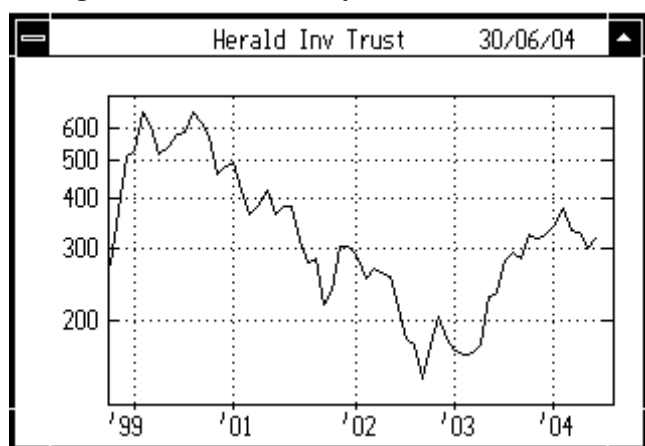
Historically the shares have traded between a 20% discount to net assets and a 20% premium - but currently trade at an attractive 18% discount.

The income yield is a negligible 0.1%, with capital appreciation being the investment objective. The annual management fee is a low 1.0%. This is a significantly lower fee than most *other* Technology funds which typically pay a 1% base fee *plus* 20% of gains during periods when they outperform the market - or most *other* smaller company growth funds which often have management fees up to 2.5%.

Summary and Recommendation

Herald Investment Trust *is* a high risk fund, investing in the high risk Technology sector, so its net asset value and share price will fluctuate widely. Nevertheless it is an attractive investment in this sector: It does *not* have the excessive management fees that will drag down the long term performance of many other Technology funds, it gives an exposure to non-US technology companies and to smaller, emerging technology companies and it is very well diversified.

This fund should prove a successful *long term* growth investment - for investors prepared to hold through short term volatility.



F & C Smaller Companies plc is a £187 million international fund that is listed on the UK and NZ stockmarkets.

The trust seeks "to secure a high total return" from

International Investor investing in smaller companies worldwide but is weighted towards the United Kingdom which accounts for 43.9% of the portfolio. A further 23.9% is invested in the United States, 11.6% in Japan and 4.8% is held in cash, with the remaining 16.8% widely spread over other countries.

The portfolio is extremely well diversified, with the ten largest holdings making up only 9.5% of the portfolio. Moderate gearing with bank debt funds about 10% of the portfolio.

The trust has a *Very High Risk* rating, but earns a good +11% *Superiority Rating*.

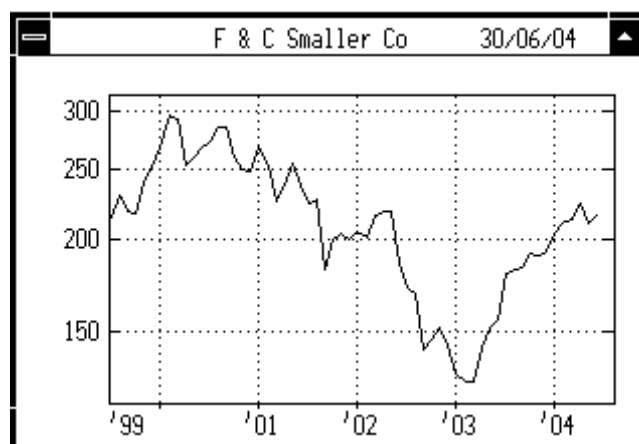
The shares usually trade at around a 15-25% discount to net asset backing, with the discount currently 22%. The income yield is about 2%.

The annual management fee is a very low 0.42% of assets!

Summary & Recommendation

These shares are dual listed on the NZ stockmarket, so can be bought in NZ dollars at local brokerage rates through your NZ stockbroker (although the shares are more actively traded on the UK market). So this would be an ideal fund for a NZ investor seeking an easy-to-buy international investment.

The trust *is* volatile, but has performed well and provides a diversified exposure to international equities. The annual management fee is low by UK standards - and significantly below the 2-3% on many NZ based funds - so long term returns will not be eroded by high annual fees.



Next Issue

The next issue of *International Investor* will be posted in five weeks time on Tuesday August 10, 2004 (and delivered in most areas on Wednesday 11).

Subscribers who have updated their account online with an e-mail address will also receive the Electronic version in their e-mail Tuesday morning.