

International Investor

Issue No. 104

P.O. Box 34-162, Auckland

August 10, 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	63%	Bullish	Bullish	Neutral	Neutral	+5.4%	+0.1%	+23.6%	3,538.90
Austria	67%	Bearish	Bullish	Bullish	Neutral	+7.7%	+10.4%	+63.5%	1,995.35
Belgium	68%	Bearish	Bullish	Bullish	Neutral	+6.1%	-0.2%	+32.5%	2,480.52
Canada	51%	Neutral	Neutral	Bullish	Neutral	+4.5%	-4.0%	+20.2%	8,176.68
Denmark	64%	Neutral	Bullish	Bullish	Bullish	+8.4%	-5.1%	+29.6%	266.37
Finland	45%	Bullish	Bearish	Bullish	Bearish	-5.0%	-23.8%	+7.6%	5,291.36
France	60%	Bullish	Bearish	Bullish	Neutral	-0.1%	-5.7%	+22.0%	2,417.66
Germany	48%	Neutral	Bearish	Bullish	Neutral	-1.5%	-11.1%	+21.1%	3,727.74
Ireland	69%	Bullish	Bullish	Bullish	Neutral	+2.5%	-0.9%	+30.0%	5,240.07
Italy	63%	Bullish	Bearish	Bullish	Bullish	-0.0%	-5.1%	+18.1%	20,151.00
Japan	33%	Neutral	Neutral	Bearish	Bearish	-2.5%	+0.5%	+27.2%	10,972.57
Netherlands	50%	Bullish	Bearish	Bullish	Bullish	-3.8%	-13.4%	+3.1%	315.74
New Zealand	55%	Neutral	Bullish	Bearish	Bearish	+10.1%	+3.2%	+37.6%	2,204.40
Norway	60%	Neutral	Bullish	Bullish	Bearish	+4.1%	+4.7%	+35.5%	695.31
Spain	58%	Bullish	Neutral	Bullish	Neutral	-0.7%	-6.4%	+20.6%	814.23
Sweden	34%	Bearish	Bearish	Neutral	Neutral	+0.1%	-7.0%	+30.4%	202.95
Switzerland	44%	Bearish	Bearish	Neutral	Neutral	-3.9%	-8.6%	+17.0%	5,403.10
Un. Kingdom	37%	Bullish	Neutral	Bearish	Bearish	-0.4%	-1.6%	+19.8%	4,337.90
USA	36%	Neutral	Bearish	Neutral	Bearish	-3.2%	-6.9%	+8.8%	1,063.97
Argentina	45%	Bearish	Neutral	Bullish	Bearish	+1.9%	-6.1%	+34.8%	2,454.68
Brazil	59%	Bullish	Bullish	Neutral	Bearish	+16.5%	-5.2%	+57.7%	21,652.71
Czech Rep.	71%	Bullish	Bullish	Neutral	Bullish	+7.4%	+11.4%	+53.8%	790.50
Chile	50%	Bearish	Bullish	Bearish	Bearish	+8.5%	+2.5%	+34.9%	7,888.66
China	29%	Neutral	Bearish	Neutral	Bearish	-14.8%	-22.6%	-16.8%	91.20
Greece	47%	Bullish	Bearish	Neutral	Neutral	-5.2%	-9.7%	+15.5%	2,290.90
Egypt	56%	Bearish	Bullish	Bearish	Bullish	+1.4%	+9.7%	+32.5%	953.54
Hong Kong	46%	Bullish	Bullish	Bearish	Bearish	+4.8%	-6.5%	+25.5%	12,478.65
Hungary	65%	Bullish	Bullish	Neutral	Neutral	+11.9%	+18.9%	+58.8%	11,422.78
India	48%	Neutral	Neutral	Bullish	Bearish	-11.7%	-12.2%	+32.8%	5,196.99
Indonesia	53%	Bullish	Bullish	Bearish	Bearish	-3.5%	-8.4%	+39.2%	753.93
Israel	50%	Bearish	Neutral	Bullish	Bearish	-1.4%	+0.3%	+32.2%	560.57
Korea	41%	Neutral	Bearish	Bullish	Neutral	-11.8%	-13.3%	+5.9%	733.95
Malaysia	45%	Bullish	Bearish	Neutral	Bearish	-1.8%	+0.6%	+13.6%	820.10
Mexico	57%	Bullish	Bullish	Neutral	Neutral	+1.7%	-2.0%	+26.2%	9,866.13
Philippines	54%	Bearish	Bullish	Bearish	Bearish	+1.4%	+8.4%	+25.6%	1,576.85
Poland	45%	Bearish	Bullish	Bearish	Bearish	+11.5%	+12.8%	+38.8%	23,736.30
Portugal	62%	Neutral	Neutral	Bullish	Bullish	-1.0%	-1.1%	+37.2%	2,049.91
Russia	29%	Bearish	Bearish	Neutral	Bearish	-10.1%	-7.0%	+23.2%	6,773.20
Singapore	61%	Neutral	Bullish	Bullish	Bearish	+3.3%	+1.9%	+28.2%	1,922.75
Sth Africa	57%	Bullish	Bullish	Bearish	Neutral	+12.0%	+7.3%	+38.8%	10,227.51
Taiwan	41%	Bullish	Bearish	Bullish	Bearish	-12.9%	-17.2%	+4.1%	5,399.16
Thailand	43%	Bullish	Bearish	Bullish	Neutral	-6.8%	-18.9%	+23.0%	610.94
Turkey	57%	Neutral	Bullish	Bullish	Bearish	+17.4%	+4.1%	+44.8%	19,187.55
Venezuela	63%	Bearish	Bullish	Bullish	Bearish	+13.6%	+4.4%	+12.1%	27,345.50

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 daily change in the price of oil, the news from Iraq and the latest terrorist *possible* threat are all very important for filling our daily newspapers and possibly explaining the random price fluctuations on world stockmarkets - but what does any of that have to do with *investment*.

There always has been - and always will be - some "crisis" to keep the media busy, but we believe that stockmarket investment is really about corporate profits, dividends paid to shareholders and valuations. So we thought it was about time to look at current stockmarket valuations and compare these with historical valuation levels.

United States *Price/Earnings ratios* are perhaps not *cheap*, but are certainly reasonable and at their lowest level in eight years! *Dividend Yields* have also increased steadily over the last four years to levels not seen since the mid- to late-1990's.

United Kingdom *Price/Earnings ratios* have also fallen to offer the best value in seven years with reasonable value in the mid- to high teens. *Dividend Yields* look reasonable around 3-4%.

The same trend of improving value can be seen in most world stockmarkets. Japan has historically sold on *Price/Earnings ratios* of 100-200. This reflects many cross-shareholding between group companies which are not equity accounted in determining profits and a focus on growth, rather than profitability. Japanese *Price/Earnings ratios* still look high by world standards but are rapidly declining - indicating improving value in this market. *Dividend Yields* have *doubled* over the five years (albeit off a small base) as companies increase dividends.

In Germany, shares are looking *cheap*. *Price/Earnings ratios* have fallen from high levels in the 1980's and early 1990's to almost single figures! *Dividend Yields* are around historical averages.

Summary

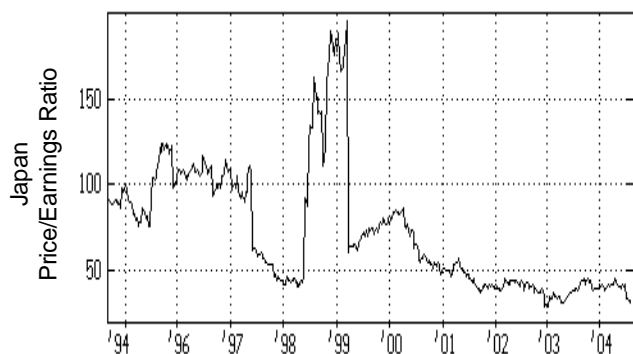
There has never been a time when the world did not face some crisis. Throughout that period shares have provided average returns of 10-12% per annum. Most world stockmarkets rose strongly during the 1990's, taking share valuations to new highs. Those valuations were not sustainable and share prices adjusted



downwards. World stockmarkets now trade around their historical average valuations.

So markets may fluctuate up or down a bit in

reaction to news events - but from current valuations investors can expect long term returns around their 10-12% historical averages.



Investment Review: Templeton Emerging Markets Warrants

Five years ago we recommended the purchase of **Templeton Emerging Markets plc** warrants at 40¼ pence. The end of next month - 30 September 2004 - is the final exercise/expiry date for these warrants. The warrants give us the *right* (but not the *obligation*) to buy new shares from the company at 133 pence. Unfortunately, Templeton Emerging Markets shares currently trade around 135½ pence - so these warrants have very little (i.e. a few pence) value!

In July 1999, Templeton Emerging Markets shares traded around 138½ pence - but we thought the warrants offered better potential for investment returns. The

Break-Even rate on the warrants was just 4.4% and emerging markets were *out of favour* as investors bought inflated Technology shares. If Templeton Emerging Markets' share price had appreciated by 10-15% per annum - the average long term return that we should be able to expect from this sector - then the share price would now be around 227-285 pence and the warrants would be worth 94-152 pence.

While all warrants are *speculative* Templeton Emerging Markets had five years and two months until expiry when they were purchased. This wasn't a short term gamble on the trend *(Continued on Page 4)*

Templeton Emerging Markets warrants*(Continued from Page 3)*

of the market but a *five year* investment over which period it was very likely that share prices would appreciate.

Unfortunately, that hasn't happened. Emerging stockmarkets also suffered in the Technology crash and remain low as terrorism *fears* have depressed the economic recovery. Templeton Emerging Markets' shares dropped in 2000 and 2001 - destroying most of the value in the more leveraged warrants. The recover over the last two years has only reached the exercise price, so has failed to create any real value in the warrants which will soon expire.

We are not unhappy with Templeton Emerging Markets which has performed well compared with other Emerging Markets funds. It is just that the whole sector - in fact the whole global stockmarket - has performed poorly over the last five years. Warrants are leveraged and depreciating assets - so in this unfavourable market environment we have suffered close to a 100% loss on this investment holding.

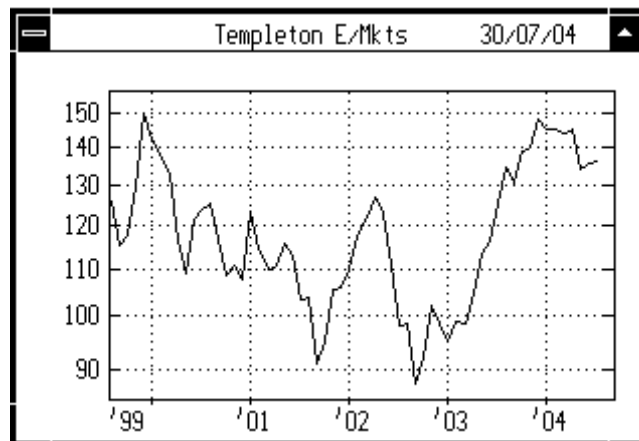
Summary and Recommendation

With just eight weeks until their final expiry the Templeton Emerging Markets warrants are extremely volatile. If the share price recovers slightly, the warrants

International Investor

would jump in value. If the shares fall, the warrants will be valueless. So what do to with these warrants may change if market conditions change.

At this stage it is likely that the warrants will either expire worthless (i.e. do nothing) or that some or all can be sold on-market in mid to late September for a small amount. We would also be happy to continue an investment in Templeton Emerging Markets, so may exercise some or all of our warrants (at 133 pence). If the market price drops below 133 pence then it would, of course, be cheaper to buy shares on-market (and let the warrants expire) than to exercise the warrants.



Recommended International Investment Funds

Proxy Fight?

Following on from **Private Equity Investor plc's** rejection of an indicative takeover offer at a "modest premium to the share price, but substantial discount to net asset value", a group led by **Value Catalyst Fund** and its manager **Laxey Partners** is seeking to gain control of the company.

These parties have acquired a 27.27% shareholding in Private Equity Investor and requisitioned an extraordinary general meeting seeking to replace all of the existing directors with their own nominees. This would allow them to gain control of the company without making a general takeover offer.

We believe such a change of control would favour only Value Catalyst Fund, not the public shareholders. So investors should vote their shares in favour of the current board of directors.

Annual Reports

Private Equity Investor plc's net asset value declined further over the year to March 2004 - but owing to the fall in the US dollar where the fund holds its assets. The venture capital investments in 429 private and 28 public companies (through 20 VC partnerships) are moving towards the stage when significant gains are

likely.

Cash and stock distributions received increased 6-fold to US\$8.68 million - up from \$1.46 million in 2003. The number of investments written up in value *tripled* to 110 (from 33 in 2003), while the number of holdings written-down in value dropped 26% to 115 and the number written off fell 15% to 47. US accounting rules encourage writing down investment values, but write ups can only be made where there is a "corporate event" (i.e. a new share issue or a public float) at a higher value. The trust reports "Numerous investee companies where no corporate event has yet taken place gained industry accolades and enjoyed noteworthy commercial successes, among them **AirPrism** (next-generation mobile and wireless resources), **Ember Corporation** (the *top innovator* with embedded wireless frequency technology), **DixV Networks** (video technology) and **Baidu** (the most widely used search engine in China)"

The VC partnerships invested in 124 new companies (up 12% on the 111 in 2003) and additional investments in 225 existing holdings (up 3%).

The trust invested US\$5 million in each of two new venture capital partnerships, **New Enterprise Associates 11** and **TCVV**. Future commitments to VC partnerships, not yet drawn down and invested, stand

at US\$69.3 million. Private Equity will finance these as required from its fixed interest investments of \$43.4 million and cash raised from future asset realisations.

Interim Reports

Fidelity European Values plc continues to “focus on smaller and medium-sized companies” and uses a “value-driven stock selection approach” which yielded above average returns for the six months to June 2004. The Manager anticipates moderate growth in Europe - 1.7% in 2004, rising to 2.1% in 2005 - while inflation remains under control and consumer spending is depressed. The portfolio is currently weighted towards domestic economy companies (i.e. construction, leisure, real estate, transport) and resource companies (i.e. mid-cap Scandinavian oil companies). It is under-weighted in export and technology company shares.

Aberforth Smaller Companies Trust plc will pay a 3.75 pence dividend on 3 September, ex-dividend 6 August.

For the six months to 30 June the portfolio rose

14.7%, compared with 10.6% for its smaller companies benchmark index and only 2.8% for the FSTE All-Share Index. Performance was helped by 12 companies (i.e. about 10% of the portfolio) “at the receiving end of corporate activity” (i.e. other companies bought up shareholdings or made partial or full takeover bids), while another six companies were involved in “value creation initiatives” (i.e. sold non-core assets and/or returned capital to shareholders).

The trust also reports strong dividend growth. 99 companies paid dividends during the half year - 71 increases, 25 unchanged and only 3 cuts. The median increase on the previous year's dividend was 8.3%.

The trust's £497 million portfolio is unleveraged, but it has access to an £80 million flexible debt facility.

The Manager reports that the “economic recovery appears well entrenched and, with earlier cost cutting, has generated strong recovery in corporate profits”, however, “with interest rates rising” it is “reasonable to expect a period of modest economic and profit growth”.

Current Advice	Investment Fund	EPIC Code	Initial Recommendation --- Date ---	Offer Price		Prem/ Disc to Net Assets	Recent Price		Gain or Loss %	
				Foreign	NZ Cents		Bid-Offer or Last Sale	NZ Cents		
Europe										
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-8%	603.5p	1710.4	+32	
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-18%	245.5p	695.8	-9	
United Kingdom										
BUY	Aberforth Smaller Cos Trt plc	ASL	15-07-03	375.5p	1042.0	-11%	421.75p	1195.3	+15	
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-20%	271.50p	769.4	-34	
Asian Regional										
BUY	Aberdeen Asian Sm Co WARRANTS	AASW	09/09/03	75.3p	209.1		81.25p	230.3	+10	
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		166.12p	470.8	+347	
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		36.98p	104.8	-1	
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		151.50p	429.4	-11	
HOLD	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		248.70p	704.8	-37	
BUY	Scot Oriental Sm Cos WARRANTS	SSTW	11/11/03	78.0p	211.5		63.0p	178.5	-16	
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		3.625p	10.3	-86	
Japan										
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-5%	152.5p	432.2	-2	
BUY	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-5%	96.5p	273.5	-4	
Korea										
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		84.77- 90.26p	248.0	+18	
International										
BUY	Aberdeen Prolific Emerging Markets	*	13/08/91	61.7p	184.0		120.10p	340.4	+85	
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-15%	109.0p	308.9	-26	
HOLD	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		3.375p	9.6	-92	

* 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 167 (-5%, i.e. 5% below net asset value), **Schroder Asia Pacific** shares at 71½ pence (-13%), **Scottish Oriental Smaller Companies** shares at 148¾ pence (-6%), **Templeton Emerging Markets** shares at 135½ pence (-17%), **Baillie Gifford Shin Nippon** warrants at 11 pence and **Invesco Japan Discovery** warrants which trade at 3.875 pence.

Investment Fund Survey

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

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

NEW ZEALAND

NEW ZEALAND BASED UNIT TRUSTS

	AMP NZ Share	Very Low	-0%	0.64	22	16	2
	ASB NZ Shares	Medium	-1%	0.63	30	19	4
	BNZ Equities Discovery	Very Low	+1%	0.64	25	19	2
	BNZ NZ Equity Index	Low	-3%	0.68	18	21	3
	BTIS NZ Share	Very Low	-1%	0.73	21	16	2
	ING NZ Share	Very Low	-1%	0.65	20	14	3
	NZ Guardian NZGT 30	Low	-3%	0.75	16	20	5
Avoid	NZ Guardian Small Coys	Very Low	-8%	0.24	-8	23	3
	NZ Share Index Top 40	Low	-2%	0.54	18	18	3
	Thoroughbred NZ Equity	Very Low	+2%	0.67	28	19	3
	Tower New Zealand Equity	Very Low	+0%	0.69	24	17	3
	Westpac Sel. NZ Shares	Very Low	-2%	0.68	18	12	1

NEW ZEALAND LISTED INVESTMENT TRUSTS

	Mid-Cap Index	Very Low	-4%	0.49	11	12	2
	TeNZ	Medium	-2%	0.74	27	19	5

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	NZ Investment Trust	Very Low	+5%	0.03	30	25	8
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	Westpac Aust Gth Share	Low	-2%	0.26	-20	-4	-17
	Westpac Aust Tax Effect.	Low	-1%	0.32	-17	-1	-14

NEW ZEALAND BASED UNIT TRUSTS

	ING Australian Share	Low	-0%	0.42	-2	9	-1
	Thoroughbred Trans Tas.	Very Low	+3%	0.26	6	13	-0
	Thoroughbred Aust Equity	Low	+0%	0.37	-3	16	-3

UNITED KINGDOM BASED UNIT TRUSTS

Buy	New Star Australasian	Low	+9%	0.37		23	1
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AUSTRALIAN LISTED INVESTMENT TRUSTS

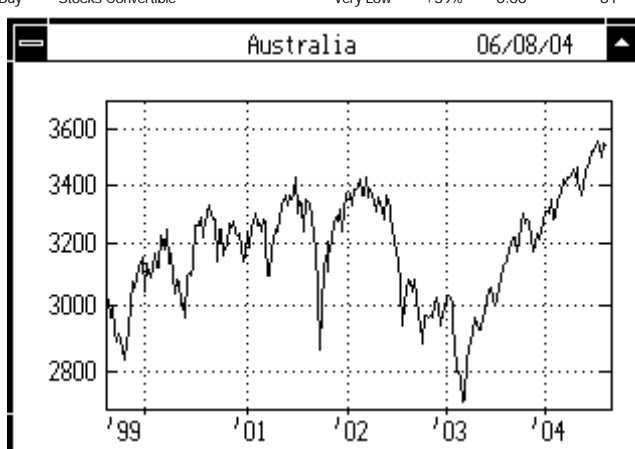
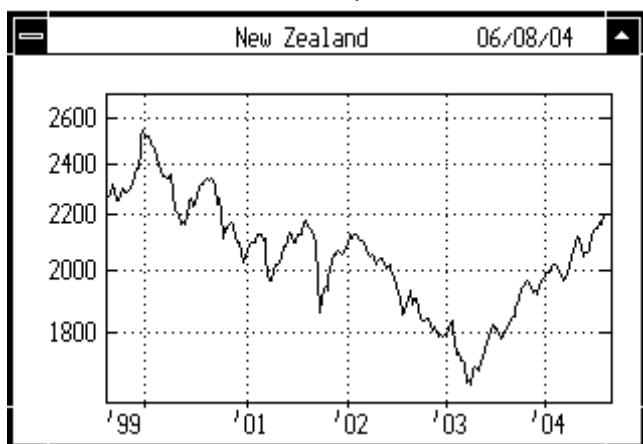
	Argo Investments	Low	+4%	0.38	11	-2	-5
	Australian Foundation	Medium	-1%	0.47	-5	-6	-3
Avoid	BT Australian Equity	Medium	-9%	0.27	-29	-1	-4
	Choiseul Plantation	Low	+6%	0.20	15	1	-2
	Diversified United Inv.	Very Low	-1%	0.19	-8	5	3
	Huntley Investment Coy	Very Low	-3%	0.23	-11	2	4

NEW ZEALAND LISTED INVESTMENT TRUSTS

	Ozzy Torts	High	-3%	0.60	-15	5	-4
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UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Stocks Convertible	Very Low	+39%	0.00		61	7
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AUSTRALIA

AUSTRALIAN BASED UNIT TRUSTS

	AMP Blue Chip Trust	Low	-3%	0.60	-10	12	-3
	AMP Equity Trust	Medium	-2%	0.69	-10	13	-3
	AMP FLI Aust	Medium	-6%	0.51	-22	7	-8
Avoid	AMP FLI Small Companies	Low	+5%	0.35	3	13	-11
	ANZ Equity Imputation Trt	Low	-8%	0.44	-24	6	-6
	ANZ Equity Trust No 1	Medium	-5%	0.53	-14	11	-3
	ANZ ING Aust Shares	Medium	-4%	0.53	-13	13	-4
	ANZ ING Blue Chip	Medium	-4%	0.50	-18	10	-4
	AXA Australia Industrial	High	-3%	0.76	-18	8	-4
	Advance Imputation Fund	Low	-1%	0.65	-5	8	-6
Avoid	Aust Ethical Equities	Very Low	-2%	0.33	-12	5	-1
	BT Australia	Low	-9%	0.32	-24	1	-2
	BT Smaller Companies	High	+1%	0.28	-15	16	-15
Avoid	BT Split Trust Growth	Medium	-12%	0.41	-36	5	-8
	Challenger Aust Shares	Medium	-2%	0.48	-18	1	-12
	Col First State Future Ld	Low	-2%	0.41	-17	12	-5
	Col First State Imputn	Low	-5%	0.53	-20	2	-5
Buy	Col First State Dev. Coys	Medium	+9%	0.40	11	23	-8
	Col First State Aust Sh.	Low	-4%	0.61	-14	9	-3
	Commonwealth Share Income	Very Low	-2%	0.48	-5	13	-3
	Commonwealth Aust Share	Low	-3%	0.51	-10	14	-2
	Dresdner Australian Gth	Medium	-4%	0.64	-13	9	-5
	HSBC Imputation Fund	Low	-4%	0.54	-15	3	-7
Buy	Hunter Hall Value Growth	Medium	+8%	0.41	17	13	-6
	ING Australia Share	Medium	-3%	0.57	-17	8	-6
	ING Blue Chip	Medium	-3%	0.56	-14	6	-7
	ING Emerging Companies	Medium	-0%	0.41	-8	27	-1
Buy	Inv Mutual Aust Small	Very Low	+10%	0.12	16	2	-2
	Inv Mutual Aust Share	Very Low	+3%	0.27	10	4	
	JB Were Emerging Leaders	Medium	+2%	0.50	-3	19	1
	JB Were Investment	High	-5%	0.69	-19	9	-4
	JB Were Leaders Trust	Medium	-4%	0.74	-12	10	-1
	MLC Aust Tr - Aust Share	Medium	-3%	0.71	-15	5	-5
	MLC Aust Trust - Index	Medium	-3%	0.75	-9	12	-2
	Macquarie Active Aust Equ	Medium	-4%	0.73	-14	10	-2
	NAFM In Trt - Equities	Very High	-5%	0.63	-25	13	-2
	NAFM Inv Trust - Div Imp	Medium	-3%	0.69	-18	8	-5
	Parker Enhanced Leaders	Medium	-2%	0.65	-10	8	-4
	Perpetual ICSav - Aust	Low	+3%	0.69	12	17	-0
	Perpetual Industrial	Low	+3%	0.57	9	14	-1
Buy	Perpetual ICSav - Sm Coys	Low	+10%	0.53	45	22	4
	Perpetual ICSav - Indust.	Low	+3%	0.63	10	14	-2
	Portfolio Ptnrs Emerging	Medium	+5%	0.33	19	4	

GOLD & MINING

AUSTRALIAN BASED UNIT TRUSTS

Avoid	BT Natural Resources	Medium	+4%	0.55	32	22	-11
	Col First State Glb Res.	High	-12%	0.77	-5	13	-8
	ING Resources	Medium	+3%	0.81	36	27	-7
	JB Were Resources	Low	-6%	0.73	14	22	5
	Lowell Aust Resources	Low	-1%	0.55	-2	29	-11

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Merrill Lynch Gold & General	High	+10%	0.51	79	4	-1
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UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Merrill World Mining	Very High	+5%	0.77	63	43	9
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EMERGING MARKETS

AUSTRALIAN BASED UNIT TRUSTS

	Macquarie S/M Emerging	Medium	-3%	0.79	-6	18	-9
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UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen Emerging Markets	Medium	+2%	0.86	5	23	-3
	BG Emerging Markets	Medium	-1%	0.89	-7	13	-6
	First State Global Emerg Mkts	Low	+1%	0.89	-3	8	-7
	Framlington Emerging Markets	Medium	+2%	0.88	3	9	-12
	Henderson Emerging Markets	Medium	-5%	0.89	7	11	
	ISIS Emerging Markets	Medium	-4%	0.90	-14	7	-6
	Insight Global Emerging Mkts	Low	+1%	0.79	14	6	
	Invesco Perp Emerging Country	Medium	-4%	0.87	-9	7	-7
	JPMF Emerging Markets	Medium	-3%	0.89	-8	15	-4
	Lazard Emerging Markets	Medium	-0%	0.94	-2	16	-5
	Martin Currie Emerging Mkts	High	-5%	0.88	-14	10	-12
	Merrill Lynch Emerging Markets	Medium	-3%	0.94	-13	10	-8
	Schroder Gbl Emerging Mkts	Medium	-4%	0.91	-11	8	-9
	Scot Wid. Emerging Markets	Medium	-3%	0.86	-14	12	-6

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Advance Developing Mkts	Medium	+4%	0.86	12	20	-12
	F & C Emerging Markets	Very High	-3%	0.88	-3	5	-17
	Genesis Emerging Mkts	Medium	+6%	0.73	23	11	
	JPMF Emerging Mkts	High	+0%	0.85	5	21	-7
	Tea Plantations	Very Low	+1%	0.18	-14	32	0
	Templeton Emerging Mkts	Low	+4%	0.79	9	13	-5

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Buy	Murray Emerging Growth	Very High	+17%	0.38		38	-42
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Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth

LATIN AMERICA

UNITED KINGDOM BASED UNIT TRUSTS

Invesco Perp Latin America	High	+2%	0.93	-6	29	3
Scot Wid. Latin America	Medium	-0%	0.94	-17	21	4
Threadneedle Latin America	Medium	+0%	0.93		22	4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Deutsche Latin America	Medium	-1%	0.87	-17	18	-8
F & C Latin America	High	+1%	0.84		31	-3

FAR EASTERN / PACIFIC (EXCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS

Dresdner Taipan Trust	High	-2%	0.74	-17	5	-12
HSBC Dragon	High	-2%	0.86	-12	7	-9
Perpetual Fid. SE Asia	High	+0%	0.80	-14	1	-18

NEW ZEALAND BASED UNIT TRUSTS

AMP Asian Shares	Low	-1%	0.72	-13	3	-10
Tower Spotlight Asia	Medium	+0%	0.84	-11	9	-9

UNITED KINGDOM BASED UNIT TRUSTS

Buy AXA Pacific Growth	Low	+1%	0.89	-6	10	-3
Aberdeen Far East Emerging	Low	+8%	0.92	9	17	-6
Allianz Dres Tiger	High	-1%	0.93	-15	1	-9
BG Developing Asia Pacific	Very Low	+3%	0.69		10	-2
BG Pacific	High	-1%	0.90	-17	6	-7
Baring East	High	-2%	0.92	-10	3	-5
Britannic Pacific Growth	Medium	+3%	0.94	-12	11	-9
CS Orient	Medium	-3%	0.93	-20	8	-9
Canada Life Far East	Medium	+1%	0.95	-10	3	-11
DWS Asian Growth	High	-0%	0.94	-15	7	-7
Fidelity South East Asian	Medium	-4%	0.90	-27	3	-11
First State Asia Pacific	Low	+4%	0.93		9	-6
Gartmore Pacific	Medium	-1%	0.90	-16	6	-10
HSBC Pacific Index	Medium	-2%	0.93	-19	3	-8
HSBC Splst Asian	High	-3%	0.95	-16	2	-8
Henderson Pacific Capital	Medium	+1%	0.84	-13	4	-6
Insight Asia Pacific Equity	Medium	-3%	0.94		5	-7
Invesco Perp Pacific	Very Low	-1%	0.82		6	-5
L & G Pacific Growth	High	+2%	0.96	-9	8	-7
L & G Pacific Index	Medium	-2%	0.93	-19	2	-8
M & G South East Asian	Medium	+0%	0.95	-11	8	-8
Martin Currie Asian Pacific	Medium	+3%	0.85	-8	16	-9
New Star Pacific Ret A	Medium	-2%	0.95	-16	7	-8
Newton Oriental	Medium	+1%	0.94	-6	11	-4
Old Mutual Asian Select	Medium	-3%	0.92	-19	9	-6
Prudential Pacific Markets	Medium	+2%	0.95	-8	8	-8
Royal London Far East Gth	High	-1%	0.96	-17	9	-9
Schroder Pacific Growth	High	-0%	0.96	-13	1	-9
Scot Amic Asia Pacific	Medium	+3%	0.97	-6	10	-8
Scot Mutual Far Eastern	Medium	-4%	0.96	-23	0	-7
Scot Wid. Pacific	Medium	-1%	0.93		2	-10
Solus Eastern Enterprise	Medium	+5%	0.86	-4	2	-13
Stan Life Asian Pacific	Medium	-1%	0.93		5	-7
Threadneedle Asia Growth	Medium	+1%	0.94		6	-7

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy Aberdeen New Dawn	Medium	+13%	0.86	25	17	-12
Buy Aberdeen Asian Small Co	Low	+19%	0.59	48	14	-8
Edinburgh Dragon Trust	Very High	+3%	0.90	-8	7	-15
Fidelity Asian Values	Very High	-0%	0.89	-10	0	-15
Govett Singapore Gth	Low	+3%	0.45	-5	32	1
Henderson TR Pacific	Very High	+0%	0.87	-13	2	-18
Invesco Asia	Very High	-1%	0.81	-10	2	-11
JPMF Asian	High	+2%	0.84	-6	3	-12
Buy Pacific Horizons	High	+10%	0.78	19	21	-6
Pacific Assets	Very High	+2%	0.86	-12	6	-15
Schroder Asia Pacific	Very High	+5%	0.88	6	8	-15
Buy Scottish Oriental Sm Co	Medium	+18%	0.71	35	13	-12

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Avoid BFS Asian Assets - Inc	Very Low	-2%	0.24	-25	35	-4
BFS Asian Assets - Cap	Very Low	-35%	0.07	-84	25	1

FAR EASTERN / PACIFIC (INCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS

Avoid BT Asian	Very High	-1%	0.87	-15	7	-14
Invesco Asian Growth	Very High	-8%	0.77	-29	11	-9

NEW ZEALAND BASED UNIT TRUSTS

BTIS Pacific Basin	Medium	+2%	0.72	-5	13	-9
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UNITED KINGDOM BASED UNIT TRUSTS

Aberdeen Asia Pacific	Medium	+5%	0.92	-1	15	-4
Jupiter Far Eastern	Low	-5%	0.87	-29	10	-7
L & G Far East	Medium	-1%	0.92	-18	12	-9
Lincoln Far East	Medium	+6%	0.78	6	16	-1
S & W Far Eastern	Medium	-5%	0.89	-27	9	-8
Schroder Far Eastern	Medium	-4%	0.90	-21	10	-6
Scot Life Pacific	Medium	-5%	0.94	-26	9	-9
St James's Far East	Medium	+1%	0.91	-6	16	-3

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy F & C Pacific	High	-3%	0.83	-17	15	-9
Buy Govett Asian Recovery	Medium	+7%	0.65	6	24	-15
Henderson Far East Inc.	Medium	+10%	0.79	22	7	-8
Martin Currie Pacific	Very High	+6%	0.82	-3	31	-12

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

HONG KONG / CHINA REGION

UNITED KINGDOM BASED UNIT TRUSTS

Buy Gartmore China Growth	Medium	+18%	0.62	-0	25	0
HSBC Splst Hong Kong Gth	Medium	+4%	0.90	-31	13	1
Buy Invesco Perp HK and China	Medium	+9%	0.77	-13	8	2
Buy Investec HK & China	Medium	+12%	0.91		18	1

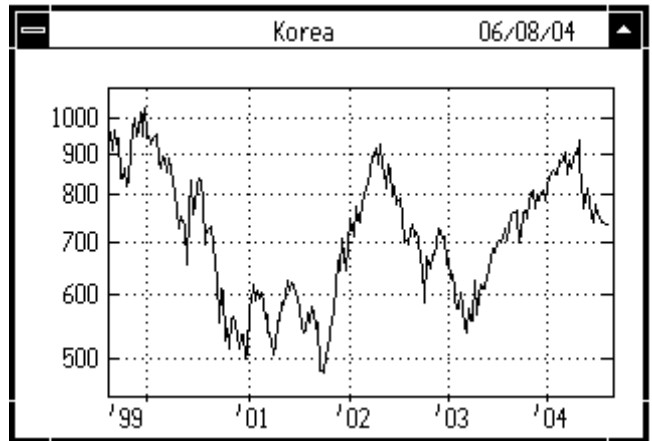
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy JPMF Chinese	Very High	+14%	0.61	-20	-6	-4
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KOREA

UNITED KINGDOM BASED UNIT TRUSTS

Baring Korean	Medium	+4%	0.89	15	-3	-11
Schroder Seoul	Medium	+4%	0.91	9	-8	-17



THAILAND

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy Aberdeen New Thai IT	Medium	+14%	0.69	97	19	-12
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INDIA

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy JPMF Indian	Medium	+21%	0.80	49	65	-10
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(Continued on Page 8)

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

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

JAPAN

AUSTRALIAN BASED UNIT TRUSTS

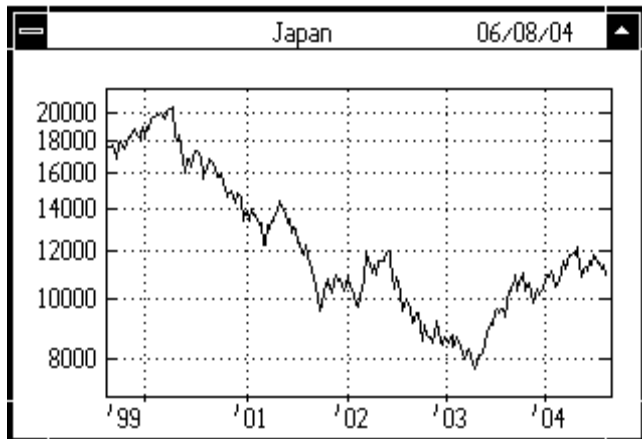
	Dresdner Japan Growth	Medium	-0%	0.72	-33	11	-10
	Perpetual Fid. Japan	High	+6%	0.64	-27	22	-13
Buy	Platinum Japan	Low	+10%	0.49		23	-10

UNITED KINGDOM BASED UNIT TRUSTS

	AXA Japan Growth	Low	-1%	0.68	-31	23	-6
	Aberdeen Japan Growth	Very Low	-4%	0.73		13	-2
	Allianz Dres Japan	Low	-3%	0.70	-37	9	-10
	BG Japan	Medium	+3%	0.68	-27	33	-10
	Baring Japan Growth	Medium	+4%	0.68	-25	29	-10
	Britannic Japan	Medium	-0%	0.84	-31	17	-10
	CS New Japan	Medium	+5%	0.61		9	-14
	Canada Life Japanese	Low	-5%	0.72	-41	16	-9
	DWS Japan Growth	Low	-1%	0.73	-33	16	-9
	Fidelity Japan	High	+3%	0.87	-28	18	-10
Buy	Framlington Japan & General	Medium	+21%	0.37	17	90	-5
	HSBC Japan Index	Low	-2%	0.81	-34	17	-8
	HSBC Splst Japan	Low	-6%	0.72		14	-6
	JPMF Japan Growth	Medium	-2%	0.79	-36	13	-10
	L & G (Barclays) Japan	Low	-1%	0.75	-32	17	-8
	L & G Japan Index	Low	-1%	0.83	-32	17	-8
	L & G Japanese	Medium	+1%	0.71	-31	17	-12
Avoid	Lazard Japanese	Very Low	-7%	0.66	-40	13	-5
	Lincoln Japan	Low	-6%	0.79	-39	13	-9
	M & G Japan & General	Low	-3%	0.77	-36	17	-8
	Martin Currie Japan	Medium	-1%	0.79	6	14	-10
	Merrill Lynch Japan	Low	-3%	0.78	-34	13	-9
	New Star Japan A	Low	-1%	0.76	-29	13	-8
	Newton Japan Growth	Low	+3%	0.69	-23	28	-5
	Old Mutual Japanese Select	Medium	+2%	0.78	-29	21	-8
	Prudential Japanese	Low	-4%	0.81	-36	15	-7
Buy	Royal London Japan Growth	Medium	-2%	0.74	-33	18	-11
	Schroder Japan Alpha Plus	Low	+9%	0.60		26	-7
	Schroder Tokyo	Very Low	+1%	0.75	-22	20	-3
	Scot Amic Japanese	Low	-3%	0.78	-36	15	-8
	Scot Mutual Japanese	Low	-1%	0.82	-32	23	-5
	Scot Wid. Japanese	Low	-6%	0.77	-41	10	-9
	Stan Life Japanese	Low	-3%	0.67		19	-10
	Threadneedle Japan Growth	Medium	-3%	0.80		17	-8

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Atlantis Japan Growth	Low	+22%	0.23		95	2
	JPMF Japanese	Very High	+6%	0.75	-30	17	-13
	Martin Currie Japan	Medium	+3%	0.57	-33	22	-11
	Perpetual Japan	Low	+2%	0.44	-33	22	-1
	Schroder Japan Growth	Medium	+6%	0.60	-19	24	-3



JAPAN SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

	BG Japan Small	Low	+6%	0.48	-18	32	-8
Buy	Fidelity Japan Sp Sits	Low	+7%	0.49	-17	34	-12
	Henderson Japan Capital Gth	Low	+4%	0.62	-27	24	-10
Buy	Invesco Perp Japan Small Coys	Low	+12%	0.25	-11	58	-12
Buy	M & G Jap Small Cos	Low	+13%	0.42	-3	62	-4
	Threadneedle Japan Small Cos	Low	+1%	0.55		20	-9

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	B Gifford Shin Nippon	Medium	+15%	0.46	-4	60	-5
Buy	Baillie Gifford Japan	High	+14%	0.60	-6	52	-9
Buy	Fidelity Japan Values	Medium	+16%	0.37	-0	61	-7
Buy	Invesco Japan	Low	+17%	0.25	3	95	-1
Buy	JPMF Japan Small	High	+13%	0.46	-13	42	-12

SOUTH AFRICA

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Old Mutual South Africa	Very Low	+9%	0.07	-6	41	12
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TECHNOLOGY

AUSTRALIAN BASED UNIT TRUSTS

	CFS Global Health Biotech	Very Low	-4%	0.36	-45	-1	-6
	CFS Tech & Comms	Low	+1%	0.71	-43	0	-7
Buy	Platinum Intl Technology	Low	+9%	0.57		7	-16

UNITED KINGDOM BASED UNIT TRUSTS

	Abbey Natl Technology	High	-0%	0.79	-50	-7	-5
	Aegon Technology	High	-4%	0.87	-59	-8	-11
	Britannic Global Healthcare	Very Low	-6%	0.39		-5	-9
	Britannic Global Technology	Medium	+1%	0.82		-2	-11
	CF Bio-Tech	Medium	+3%	0.56	-48	-19	-22
	Framlington Biotech	High	+1%	0.67		-8	-24
	Framlington Health	Low	+6%	0.83	-42	-1	-16
	Framlington NASDAQ	Medium	+4%	0.86	-45	-0	-9
	Framlington Netnet	High	-1%	0.88	-53	0	-7
	Framlington New Leaders	Very Low	-4%	0.88	-47	1	-7
	Franklin Biotech	Low	+2%	0.62	-44	-4	-16
	Henderson Global Technology	High	-4%	0.87	-55	-9	-11
	Jupiter Global Technology	Medium	-4%	0.94	-54	-6	-11
	L & G Global Technology	High	+1%	0.87	-51	-2	-7
	Lincoln Internet Tollkeeper	Medium	-4%	0.78	-54	-2	-7
	M & G Euro Tech	High	-2%	0.86	-54	6	-8
	M & G Global Media & Com.	Low	-2%	0.77		9	-6
	M & G Global Technology	High	-6%	0.89	-62	-5	-12
	M & G Innovator	Medium	-3%	0.79	-53	30	-1
Avoid	New Star Technology Ret A	Very High	-14%	0.89	-72	-3	-11
	Newton Global Innovation	Medium	-2%	0.92	-52	-6	-13
	Old Mutual Global Technology	Medium	-4%	0.90	-54	-11	-10
Avoid	Rathbone Technology	Medium	-9%	0.92	-60	-7	-9
	Schroder Medical Discovery	Very Low	-5%	0.43	-43	-6	-7

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	3i Bioscience	Medium	-2%	0.70	-59	-6	-15
	3i Euro Technology	Very High	+6%	0.87	-51	31	-6
	Amerindo Internet Fund	High	-2%	0.63	-58	-4	-11
Buy	Close Fin Eurotech	Very High	+21%	0.71	-46	13	-15
Buy	Finsbury W/wide Pharm.	Medium	+9%	0.75	-39	-6	-14
Buy	Finsbury Technology	Very High	+12%	0.87	-55	-6	-21
Buy	Finsbury Life Sciences	Very High	+8%	0.76	-52	13	-12
Buy	Herald Investment Trust	Very High	+24%	0.76	-13	8	-11
	International Biotech	High	+4%	0.70	-57	23	-12
	Invesco TechMARK	Medium	+4%	0.33	-44	51	7
	Merrill New Energy Tech	High	-6%	0.50	-75	32	-21
	Polar Cap Technology	High	+6%	0.85	-38	3	-9
	Private Equity Investor	Very Low	-1%	0.16	-40	16	8

Next Issue

The next issue of *International Investor* will be posted in four weeks time on Tuesday September 7, 2004 (and delivered in most areas on Wednesday 8).

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

INTERNATIONAL INVESTOR is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Auckland. (66 Stanaway Street. Telephone 64-9-4199 427 Facsimile 64-9-4199 428 Internet: www.stockmarket.co.nz or www.australia-stockmarket.com Email: james@stockmarket.co.nz). Subscription Rate NZ\$180 (including GST) per year.

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