# International Investor

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### Inside International Investor

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Best Managed Funds:
British Empire Securities .....

## World Stockmarket Forecasts

Stockmarket	One-Year	Fundamental	Technical	Monetary	Economic	<u>Historica</u>	l Performance	e (in US\$)_	Share
	Forecast	Indicators	Indicators	Indicators	Indicators	3 mths	6 mths	12 mths	Index
Australia	72%	Bullish	Bullish	Neutral	Bullish	-2.4%	+1.2%	+21.3%	4,193.80
Austria	74%	Bearish	Bullish	Bullish	Neutral	+6.0%	+14.4%	+46.9%	3,095.55
Belgium	64%	Neutral	Neutral	Bullish	Neutral	-9.3%	-5.4%	+21.8%	3,107.01
Canada	61%	Bearish	Bullish	Neutral	Bearish	+6.6%	+14.3%	+30.1%	10,177.86
Denmark	67%	Bearish	Bullish	Bullish	Bullish	-1.7%	+9.4%	+26.0%	349.41
Finland	82%	Neutral	Bullish	Bullish	Bullish	+3.1%	+7.5%	+22.8%	7,398.61
France	68%	Neutral	Bullish	Bullish	Neutral	-2.7%	+2.4%	+15.0%	2,990.26
Germany	59%	Neutral	Bullish	Bullish	Neutral	-3.0%	-2.6%	+12.8%	4,597.97
Ireland	68%	Bearish	Bullish	Bullish	Bullish	-1.5%	-6.4%	+15.4%	6,524.90
Italy	71%	Bullish	Bullish	Bullish	Bullish	-7.2%	-3.7%	+14.9%	25,056.00
Japan	54%	Bearish	Bearish	Bullish	Neutral	-5.6%	-5.4%	-2.3%	11,565.99
Netherlands	71%	Bullish	Bullish	Bullish	Bullish	-3.4%	+0.3%	+11.4%	388.60
Japan Netherlands New Zealand _		Bullish	Bearish	Neutral	Neutral	-6.2%	-8.7%	+10.9%	2,324.93
Norway	77%	Neutral	<b>Bullish</b>	Bullish	Neutral	+5.8%	+16.6%	+44.9%	1,002.69
Spain	73%	Neutral	Bullish	Bullish	Neutral	-2.4%	+1.1%	+20.2%	1,059.62
Sweden	61%	Bearish	Bullish	Bullish	Bullish	-5.3%	-1.5%	+16.9%	258.90
Spain Sweden Switzerland	60%	Bearish	Bullish	Neutral	Neutral	-2.9%	+0.3%	+7.1%	6,312.16
Un. Kingdom_	67%	Neutral	Bullish	Bullish	Bullish	-2.8%	+0.2%	+11.5%	5,232.20
USA	 54%	Neutral	Bullish	Neutral	Bearish	+2.6%	+2.2%	+8.9%	1,211.86
Argentina	61%	Bearish	Bullish	Bullish	Bearish	+9.8%	+29.2%	+59.4%	3,690.69
Brazil	56%	Bullish	Neutral	Neutral	Neutral	+4.0%	+13.9%	+50.7%	24,422.91
Czech Rep.		Neutral	Bullish	Neutral	Bearish	-5.2%	+5.3%	+56.9%	1,224.70
Chile	47%	Neutral	<b>Bullish</b>	Bearish	<b>Bearish</b>	-0.9%	+5.4%	+35.7%	9,472.34
China	26%	Bullish	<b>Bearish</b>	Bearish	<b>Bearish</b>	-26.8%	-22.4%	-31.3%	60.94
Greece	80%	Bearish	Bullish	Bullish	Bullish	-3.9%	-0.5%	+28.0%	3,098.61
Egypt	_ 63%	Bearish	<b>Bullish</b>	Bullish	Bullish	+9.5%	+44.3%	+109.5%	1,773.37
Egypt Hong Kong	_ 47%	Neutral	Bullish	Bearish	Neutral	+2.5%	+3.1%	+14.8%	13,964.47
Hungary	_ 82%	Bearish	Bullish	Bullish	Bullish	+3.1%	+21.4%	+65.8%	19,447.51
India	_ 40%	Bearish	Bullish	Bearish	Bearish	+11.8%	+12.6%	+52.7%	7,212.08
Indonesia	_ 55%	Bullish	Bullish	Neutral	Bearish	-3.2%	+1.9%	+32.7%	1,110.56
Israel	_ 30%	Bearish	Neutral	Bearish	Bearish	-8.0%	-3.1%	+6.4%	651.28
Korea	_ 68%	Bearish	Bullish	Bullish	Bullish	-0.8%	+17.0%	+49.0%	1,021.95
Malaysia	_ 55%	Bullish	Neutral	Neutral	Neutral	+4.6%	-1.4%	+5.8%	903.61
Mexico	_ 69%	Bearish	Bullish	Bullish	Neutral			+48.1%	
Philippines	_ 65%		Bearish	Bullish	Bullish				1,876.28
Poland	_ 79%	Bearish	Bullish	Bullish	Bullish	-0.8%	+2.5%	+29.7%	28,925.62
Portugal		Bullish	Bearish	Bullish	Bullish	-8.5%	-8.7%	+4.0%	2,273.91
Russia	_ 77%	Bearish	Bullish	Bullish	Bullish	+2.5%	+14.3%	+26.4%	9,002.66
Singapore	_ 62%	Bullish	Bullish	Neutral	Neutral	-1.0%	+3.0%	+19.0%	2,215.99
Sth Africa	_ 72%	Neutral	Bullish	Bullish	Bearish	-2.8%	+0.2%	+26.7%	14,457.80
Taiwan	_ 56%	Bullish	Bullish	Neutral	Neutral	+1.4%	+4.2%	+12.3%	6,201.40
Thailand	_ 36%	Bullish	Bearish	Bearish	Neutral	-11.1%	-14.2%	-6.6%	643.31
Turkey	_ 70%	Neutral	Bullish	Bullish	Bearish	+8.5%	+14.1%	+63.2%	27,842.43
Venezuela	_ 40%	Bullish	Bearish	Bullish	Bearish	-16.8%	-24.5%	-15.8%	21,845.31

**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.

Page 2 International Investor

## Stockmarket Outlook

Last week's London bombings resulted in the United Kingdom stockmarket falling 1% in value - then jumping back up 1% the next day while other world stockmarkets soared to new highs for the year.

This is a *normal* response to terrorism - which usually has little impact on politics, the economy or the stockmarket. When Kennedy was assassinated in 1963 the United States stockmarket fell 3%. The next day it rose 3%.

Clearly the September 2001 terrorist attack in New York was different. Or was it?

The September 11 attack was a spectacular sight, expertly planned for the TV audience. The terror was not in the actual attack but its constant repeat on television screens around the world-causing depression in people not directly affected by the attack. Fortunately, this type of attack is almost impossible to repeat. Almost four years later and terrorism has reverted to the low-tech bombs in a crowded underground commuter train - which has little to offer for the TV cameras!

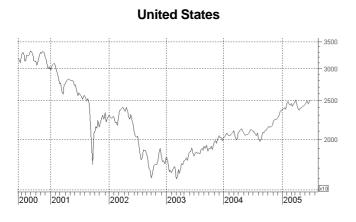
The September 11 attack had only a very short term impact on stockmarkets. The US market fell 10-12%, then recovered the next week. Other world markets initially dipped 5-10%, then also recovered. As a result

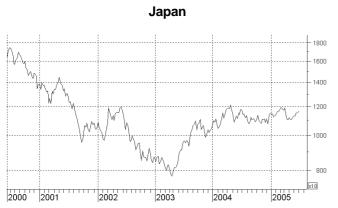
of the attacks there was some worldwide increase in security - increasing the costs of trade and tourism - with some long term impact on the world economy.

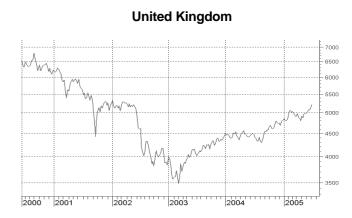
The *major* impact on the economy and stockmarket came a year later - when consumers and investors were "terrorised" by intelligence reports predicting further attacks using Weapons of Mass Destruction and Anthrax. The economy - already in recession - dipped again as consumer spending slowed and the stockmarket plunged as investors (1) cashed up to protect themselves from the expected stockmarket decline and (2) deferred purchases until the next terrorist attack created the expected bargains.

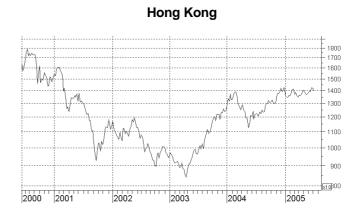
So last week's - or the next - terrorist attack is unlikely to have any significant impact on the world economy or stockmarkets. The danger to the economy and stockmarket comes from creating the *expectation* of future terrorism and overstating the scale of such events.

Overall the world economy is in a period of recovery and steady growth - despite the high price of oil and steadily rising interest rates. This is a generally favourable environment for stockmarkets - so remain fully invested in the *Recommended Portfolio* which increased 5.5% in value over the last month.









July 12, 2005. Page 3

## Recommended International Investment Funds

#### **Fund News**

JP Morgan Fleming European Investment Trust plc lifted its net asset value 41.4% for its financial year to 31 March 2005. This outperformed its benchmark index by 9.6%-with 4.6% of this excess gain from the use of moderate leverage. Debt levels ranged from 2-20% of the portfolio.

Despite its strong performance - both over the last year and over longer periods - JP Morgan Fleming European shares continued to trade at a discount to net asset value which ranged from 12.3-21.9%

The trust will seek shareholder approval to be able to re-purchase up to 15% of its capital over the coming year as the directors seek to prevent the shares trading at a large discount to net assets. Over the last year, however, the trust re-purchased only 950,000 shares (about  $1\frac{1}{2}\%$  of its capital). Future shares re-purchased

will not be cancelled but held as "treasury stock" and can be re-sold on-market "at a discount *narrower* than the weighted average discount at which purchases" were made.

To close the discount - so that the shares trade closer to their net asset value - the trust needs to increase the number of shares re-purchased. Buying back only  $1\frac{1}{2}$ % of the capital when the shares are trading at a 15-20% discount had little impact last year. The intention to accumulate Treasury stock - that can be re-sold at a discount - also sends the wrong message to the market: That the directors are not serious about closing this large discount.

Re-purchasing shares at a 15-20% discount is the best way to further increase the net asset value of the remaining shares and to increase shareholder wealth. Treasury shares - or any shares - (Continued on Page 8)

Curren Advice		EPIC Code	Initial Rec Date			Prem/ Disc to Net Assets	Recent F Bid-Offer or Last Sale	Price NZ Cents	Gain or Loss %
	Europe								
BUY	Fidelity European Values plc	FEV	13/05/03	162 En	1291.1	-5%	908.0p	2343.8	+82
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p		-17%	406.5p	1049.3	+37
БОТ	United Kingdom	JFF	13/01/02	220.5p	705.6	-17/0	400.5p	1049.3	+37
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	275 5n	1042.0	-7%	561.5p	1449.4	. 20
	•			-	1042.0		•		+39 -39
HOLD	Eaglet Investment Trust plc	EIN	13/11/01	334.Up	1160.7	-17%	273.5p	706.0	-39
DLIV	Asian Regional	A A C\A/	00/00/03	7E 2n	200.1		140 7En	242.2	. 71
BUY	Aberdeen Asian Sm Co WARRANTS	AASW *	09/09/03	75.3p	209.1		140.75p	363.3	+74
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		216.89p	559.9	+431
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		49.02p	126.5	+19
HOLD	HSBC Hong Kong Growth Fund		07/04/98	159.4p	481.6		198.9p	513.4	+7
HOLD	Henderson Pacific Capital	*	08/08/00		1122.6		317.8p	820.3	-27
BUY	Scot Oriental Sm Cos WARRANTS	SSTW	11/11/03	78.0p	211.5		105.0p	271.0	+28
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		9.375p	24.2	-68
	Japan								
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-12%	168.00p	433.7	-2
BUY	Invesco Japan Discovery Trust	ND	13/07/99	95.5p	284.0	-13%	105.25p	271.7	-4
	Korea								
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		125.0-134.0p	334.3	+60
	International			•			·		
BUY	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		171.3p	442.2	+140
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-13%	330.0p	851.8	+4
HOLD	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-12%	111.5p	287.8	-32
* United	d Kingdom based Unit Trust						·		

The average Gains/Losses of all current investments from initial recommendation is +44.0%. This is equal to an average annual rate of +7.0%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 17 current and 43 closed out) is +10.7%.

### Other Shares and Warrants

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 240¾ (trading at 2% *premium* to net asset value), **Schroder Asia Pacific** shares at 105 pence (a 7% *discount* to net asset value) and **Scottish Oriental Smaller Companies** shares at 205 pence (a 5% *discount* to net assets)

Page 4 International Investor

# Investment Fund Survey

Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	Perf 36 mth	ormar 12 mth	3	Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	Perfo 36 mth	12	nce 3 mth
	INTERN	A TION	IAI						Prudential Global Growth	High	-0%	0.88	-13	-3	-2
	·								Prudential Int'l Growth	High	-1%	0.87	-14	-5	-2
	Australian bas	SED ${\sf U}$ NIT	TRUS	TS				Buy Buy	Quilter Global Growth Rathbone Global Companies	Medium High	+7% +8%	0.60 0.67	14	17 15	2 -1
	AMP FLI International	Medium	-1%	0.64	-7	2	7	Duy	Royal London International	Medium	-3%	0.90		-1	4
	ANZ ING Global Advance Int'l Share MB	Medium Medium	-2% -2%	0.45 0.65	-10 -7	0	5 5		SPFM Global Equity	High	+2%	0.58		5	1
	Advance International	Medium	-1%	0.57	-14	-3	5		SPFM Global Growth SPFM International Growth	Medium Medium	+1% +1%	0.38 0.41		8 4	3 1
Avoid	Allianz Global	Medium	-8%	0.58	-22	-7	6		SPFM Worldwide	Low	-2%	0.46		-5	-0
Avoid	Allianz International BT Global	Medium Medium	-8% -2%	0.56 0.55	-27 -7	-7 -0	6 6		SWIP Global	Medium	-2%	0.76	47	-2	3
	BT International	Medium	-3%	0.55	-11	-1	7		Scot Life Worldwide Scot Mutual International	Medium Medium	-4% +0%	0.85 0.84	-17 -8	-0 1	5 4
	Challenger Global Shares Commonwealth Int'l Share	Medium Medium	-1% -2%	0.56 0.51	-8 -15	2 -1	2		Scot Wid. Global Growth	Low	-3%	0.76		-2	3
	Gold Sachs International	Medium	-2%	0.64	-15	-2	7		Scot Wid. Global Select Gth	Low	-2% -0%	0.78 0.79		-2 2	2 4
	HSBC International	Medium	-2%	0.66	-10	-2	4		Scot Wid. Int Equity Tracker Singer & Freidlander Global	Medium Medium	-4%	0.79	-9	2	4
	Invesco Global Matrix MLC Aust - Platinum Gbl	Very High Medium	+2% +5%	0.67 0.58	4	13 -6	5 -5		Sovereign Int'l Growth	Medium	+1%	0.65	-2	8	6
	MLC MKey Global Share	Medium	-1%	0.58	-7	-2	4		St James's International	High	+6%	0.92	8	8	4
	NAFM Inv Trt - Global	High	-0%	0.71	-6	-0	6		AUSTRALIAN LISTED						
	Perpetual Fid. Intern'l Perpetual ICSav - Int'l	Medium Medium	-1% -1%	0.54 0.65	-16 .9	1 1	2		Platinum Capital Templeton Global	Very Low Low	+3%	0.11 0.23	-18 -22	-15 3	-3 -2
	Platinum International	Medium	+5%	0.57	-2	-4	-0		New Zealand Lister					Ü	_
	New Zealand BA	ASED UN	IT TRU	STS					World Index Fund	Medium	-3%	0.78	-14	-3	5
	AMP International Share	High	+3%	0.57	-10	1	-2		UNITED KINGDOM BASED L						-
	AMP Passive Int'l Share	Medium Medium	-2% +6%	0.67 0.63	-10 8	-2 3	6 4	Avoid	Alliance Trust	Very High	-11%	0.08	-93	-91	-91
	ANZ World Equity Trust ASB World Shares	Medium	+6%	0.83	10	4	3		Anglo & Overseas Trust	Very High	-2%	0.81	-10	8	2
Buy	BNZ International Equity	Medium	+7%	0.65	7	7	3	Duna	Bankers Investment	High	-0% +20%	0.78 0.62	-14 52	5 32	1 6
	BTIS International Share ING International Share	Very Low Medium	+5% +3%	0.56 0.70	7 5	12 7	6 6	Buy	Brit Empire Securities Brunner Invest. Trust	High Medium	+20% -4%	0.82	-18	32 7	5
	NZ Guardian Global	Medium	+3%	0.70	2	1	3	Buy	Caledonia	Very High	+11%	0.65		20	6
	Thoroughbred Int'l Equ.	High	-3%	0.73	-17	-6	3	Buy	Capital Gearing Trust EP Global Opportunities	Low Medium	+15% +7%	0.39 0.59	26	9 25	-3 6
	Tower Global Equity Tower Tortis Intern'l	Medium Medium	-3% -2%	0.68 0.73	-20 -12	3 -4	4 4	Buy	Edinburgh Investment	Very High	-4%	0.39	-18	7	6
	Westpac International	Medium	-2% +0%	0.73	-12	-4 7	6		Edinburgh Worldwide	High	-2%	0.54	-9	16	11
	UNITED KINGDOM I	BASED U	NIT <b>T</b> R	USTS				Buy	Establishment IT Foreign & Colonial	Low High	+10% -2%	0.32 0.75	7 -16	-7 9	-7 5
	AXA Global Growth	Medium	+1%	0.83	-5	5	4		Gartmore Global	High	-2%	0.75	-10	9	4
	Abbey Nat'l International	High	-0%	0.85	-8	3	4	Buy	Henderson Strata Inv	Very High	+8%	0.46	17	16	-5
	Aberdeen World Equity Aegon Worldwide Tactical	Medium Medium	+2% -6%	0.87 0.87	-18	6 -2	4		JPMF Overseas Jupiter Global Green	High High	-2% -2%	0.82 0.39	-8 -21	9 8	8 -2
	Allcurches Int'l Growth	Medium	+2%	0.90	-10	2	4		Jupiter Primadona	Very High	+5%	0.50	1	13	-10
	Allianz Dres Global Equity	Medium	-4%	0.89	-14	1	5		Law Debenture Corp.	High	+3%	0.67	-3	14	4
	Artemis Global Growth BG International	High Medium	-1% +1%	0.75 0.78	.3	23 10	9 7		Majedie Investment Martin Currie Portfolio	High Medium	+0% +4%	0.50 0.77	-6 4	13 4	-4 4
	BG Phoenix Global Growth	Medium	+1%	0.61	3	7	4		Merrill Asset All (Bal)	Very Low	+0%	0.17	-13	-2	1
	Bank Ireland British & Oversea	Medium	-5%	0.83		-6	1		Merrill Asset All (Gth)	Very Low	-1%	0.42	-15	-4	0
	Bank Ireland Worldwide Opps Baring Global Growth	Medium Medium	-4% -1%	0.78 0.82	-10	-6 -3	1 2		Mid Wynd Invest Trust Monks Investment	Medium High	+3% +2%	0.47 0.84	-8 -5	6 13	6 8
	Britannic Global Growth	Medium	-2%	0.82	-10	5	3		Murray International	High	+5%	0.81	13	17	8
	CS Worldwide Growth	Medium	-1%	0.92		1	4	Buy	New Star	Medium	+9%	0.31	18	31	3
	Cavendish Worldwide Cazenove Global Opps	Medium Medium	+3% -5%	0.84 0.83	-1	5 -3	4 2	Buy	Pantheon International Personal Assets Trust	Low Low	+8% +4%	0.28 0.70	12 -4	27 -1	15 1
	Cazenove MM Univ International	Medium	-2%	0.89		1	4	Buy	RIT Capital Partners	High	+18%	0.50	58	17	10
	F & C Global Growth	Medium	-2% +1%	0.91 0.93	4	2	4 5		Scottish American Inv.	Very High	-0%	0.80	-7	10	1 7
	Fidelity International Fidelity Managed Int'l	Medium Medium	-4%	0.93	-4 -14	6 2	6		Scottish Invest. Trust Scottish Mortgage & Trt	High High	-1% +2%	0.74 0.82	-10 -3	16 12	8
	First State Global Growth	Medium	-4%	0.85	-17	-0	6		Second Alliance	High	-0%	0.74	-7	5	4
	First State Global Opps Framlington Financial	High Medium	+3% +0%	0.68 0.85	11	22 6	9 4	Buy	Witan Investment Coy World Trust Fund	High High	-2% +9%	0.76 0.44	-14	9 23	1 -0
	Gartmore Global Focus	Medium	-1%	0.83		8	4		TED KINGDOM BASED INVES				т С		
	Henderson Independent Port.	Medium	+2%	0.66	-4	3	2	Avoid	Asset Management	Very Low	-15%	0.00	-66	<b>1</b>	AL 1
	Henderson International Invesco Perp Int'l Equity	Medium High	-2% +1%	0.77 0.84	-13 -7	2	6 5	Avoid	Asset Management	VCI y LOW	-1370	0.00	-00	_	
	Invesco Perp International	Medium	-4%	0.76	-16	-0	3		INTERNATIONA	L SM	<b>ALLE</b>	R C	os		
	Invesco Perp World Growth	Medium	+3%	0.92		7	4								
Buy	Investec Global Free Enter. Investec International Equity	High Medium	+7% -1%	0.89 0.85		16 3	5 3		UNITED KINGDOM E						
	Jupiter Ecology	High	-2%	0.61	-14	10	3		Invesco Perp Global Small Cos NatWest Global Small Cap	Medium Medium	+0%	0.97 0.94	12	9 7	4 4
	L & G (Barclays) Worldwide	Medium	+2%	0.90	-2	4	5		Tattrest Gobal Gillali Gap	modiam	0,0	0.71		•	·
	L & G Global Growth L & G Worldwide	Medium Medium	-0% +1%	0.91 0.93	-9 -6	1 3	4		<u>UNITED</u>	STAT	TES				
	Lazard International Equity	Medium	-2%	0.78	-15	-2	4		AUSTRALIAN BAS			то			
	Lincoln Global	Medium	-2% +3%	0.80	-13 10	-2 14	4 8		BT American Growth	Low	.0%	0.39	10	1	0
Buy	M & G Global Leaders M & G International Gth	High High	+3%	0.90 0.83	22	15	2		Perpetual Fid. America	Very Low	-0% +1%	0.39	-12 -12	-1 4	9 2
,	MLC Global Equity	Medium	-3%	0.75		-2	4		UNITED KINGDOM E	,					
	MSDW Global Brands	Low	+0%	0.65		3	6		ACM American Growth	Medium	-5%	0.60	-19	-3	12
	MSDW Global Value Martin Currie International	Medium Medium	-2% -3%	0.87 0.88	-8	-2 -2	4 5		AXA American	Low	-2%	0.69	-14	2	7
	Merrill Global Titans	Medium	-1%	0.89		1	4		Aberdeen North American	Low Low	-3% -4%	0.67	-16 -20	-2	5
	Morley Global Theme	Medium	-3%	0.92		-1 1	4		Aegon American Allianz Dres North American	Low	-4% -3%	0.77 0.78	-20 -11	-6 -5	4 7
	Morley SF Global Growth NFU Mutual Global Growth	Low Medium	-3% -4%	0.81 0.81		-1 -6	5 1		Artemis North American Growth	Medium	-3%	0.86		-9	5
	NatWest Internaional Growth	Medium	-3%	0.90		-0	4		BG American	Very Low	+1%	0.73	-6 15	5	9
D	New Star Global Equity Ret A	High	-2%	0.64	-13	1	4		Baring American Gth Britannic American	Low Low	-3% -4%	0.68 0.74	-15 -17	-3 -1	6 6
Buy	New Star Global Financial Newton Falcon	Very High Medium	+9% +3%	0.84 0.93		25 8	7 4		CIS US Growth	Low	-1%	0.74	-15	-4	6
	Newton International	High	+3%	0.95	-0	6	4		CS MM North America CS Transatlantic	Medium Low	+0% -4%	0.74	-20	-0 4	7
	Norwich International Index	Medium	+1% -2%	0.86	-6	2 -1	5 2		DWS American Growth	Low Medium	-4% -2%	0.72 0.77	-20 -17	-4 -1	4 6
	Norwich World Leaders Old Mutual Global Equity	High Medium	-2% +0%	0.90 0.79		-1 6	7		F & C North American 1	Low	-6%	0.80	-22	-4	7
	Old Mutual Worldwide	Medium	-3%	0.86	-16	2	5		Fidelity American	Medium	+1%	0.72	-13	-2	6
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July 12, 2005.											I	Page	e 5
Current Investment Fund Advice	Risk Rating	Superi- ority Rating	Market Correla- tion		orma 12 mth	ance 3 mth	Current Investment Fund Advice	i Risk Rating	Superi- ority Rating	Market Correla- tion	Perfo 36 mth	orma 12	
Framlington American Gth	Low	-1%	0.61	-11	-1	6	DWS UK Blue Chip	High	-0%	0.82	-9	6	4
GAM North America	Very Low	+4%	0.40	-4	-2	10	DWS UK Equity	High	-1%	0.75	-13	2	4
HSBC American Index	Medium	-0%	0.80	-15	-4	5	DWS UK Growth	High	+0%	0.80	-10	3	3
HSBC Splst American	Low	-2%	0.75	-18	-5	4	DWS UK Opportunities	Low	+5%	0.35		5	3
Inscape US Equities	High	+0%	0.93		-3	6	Direct Line FTSE 100 Tra	cker Medium	+1%	0.89	-0	6	4
Insight US Equity	Low	-4%	0.74	-18	-5	5	Direct Line FTSE-4-GOOD	Track. Low	+1%	0.96		6	4
Invesco Perp US Aggressive	Medium	-5%	0.63	-23	-3	4	Eagle Star UK Index Tracl	ker Medium	+2%	0.95		6	4
Invesco Perp US Equity	Medium	-5%	0.68	-27	-6	4	F & C Blue	Very Low	-0%	0.24		-4	1
Investec American	Medium	-1%	0.83		0	7	F & C FTSE 100 Tracker	Medium	-0%	0.85	-7	3	3
JPMF United States Growth	Medium	+0%	0.79	-8	2	7	F & C FTSE All Share	Medium	+1%	0.85	-4	4	2
Jupiter North America	Medium	-3%	0.73	-14	-2	6	F & C UK Equity 1	Medium	+2%	0.93		6	4

	Merrill Lynch American	Medium	+0%	0.70	-9	3	8		Gartmore UK Growth
	New Star American Portfolio	Medium	+1%	0.85		-0	5		Gartmore UK Index
	New Star North America Ret A	Medium	-3%	0.80	-17	-4	5		Gartmore UK Tracker
	Newton American	Low	-2%	0.70	-12	2	9		HSBC British
	Old Mutual North American	Medium	+1%	0.74	-4	5	8		HSBC FTSE 100 Index
	Prudential North American	Medium	+1%	0.70	-16	-6	2	Buy	HSBC FTSE 250 Index
	Royal London North American	Low	-5%	0.75	-21	-2	5		HSBC FTSE All Share Index
	S & W American	Low	+2%	0.72	-4	2	6		HSBC Household Names
	SG American Growth	Medium	-1%	0.75	-14	-6	7		HSBC Splst UK Growth
	SWIP North American	High	+0%	0.84		-0	7		HSBC UK Gth & Inc
	Scot Life America	Low	-5%	0.75	-21	-3	6		Henderson UK Capital Growth
	Scot Mutual North American	Medium	-2%	0.82	-12	-2	6		Hill Samuel Capital
	Scot Wid. American	Medium	-3%	0.78	-15	-3	6		Inscape UK Equities
	Scot Wid. American Sel Gth	High	+0%	0.86		-2	7		Insight UK Discretionary
	Sing & Fried Amer Growth	Very High	+0%	0.84		-1	5		Insight UK Dynamic Managed
	St James's North America	Medium	-0%	0.72	-12	1	5		Insight UK Equity
	Stan Life America	Medium	+2%	0.74	-11	-3	4	Buy	Invesco Perp UK Aggressive
	Threadneedle American Gth	Very Low	-1%	0.27	-15	1	7		Invesco Perp UK Equity
	UBS US Equity	Medium	+2%	0.84		2	8		Invesco Perp UK Growth
	UNITED KINGDOM BASED L	ISTED IN	/ESTME	ENT TI	RUST	S			Invesco Perp UK Key Trends
	American Opportunity	Very Low	+7%	0.00	4	12	6		Investec UK Blue Chip
	Edinburgh US Tracker	Medium	-2%	0.81	-18	-2	7		Investec UK Opportunities
	JPMF American	Medium	-2%	0.77	-16	-4	2	_	Investec UK Value
.1	Consent London Association	Maria Lauri	220	0.77	-10	10	-	Buy	JPMF UK Dynamic

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Fidelity Special Situations

Fidelity UK Aggressive

First State British Opps

Framlington Blue Chip

Framlington UK Growth

GAM UK Diversified

Gartmore UK Focus

Jupiter Environmental

Jupiter UK Special Situations

Jupiter Undervalued Assets

L & G (A & L) Capital Growth

L & G (A & L) UK 100 Index

L & G (Barclays) 500 L & G (Barclays) Capital

L & G UK Stockmarket

M & G British Opportunities

L & G UK Index

Lincoln Growth

M & G Blue Chip

M & G Capital M & G Index Tracker

M & G Recovery

M & G UK Growth MFS UK Equity

MSDW UK Index Linked

Martin Currie UK Growth

Merrill Growth Portfolio

Merrill UK Dynamic

Morley UK Focus

NatWest Growth

Merrill UK Spec Sits Morley SF UK Growth

NFU Mutual UK Growth

NPI UK Equity Tracker

MLC UK Equity

Merrill UK

Jupiter UK Growth

Fidelity UK Growth

L & G North American

MFS US Growth Equity

L & G US Index

MSDW UK Fauity

Second London American

F & C US Smaller Coys

JPMF US Discovery

Nth Atlantic Smaller

Baring UK Growth

Britannic UK Focus

Britannic UK Genera

CS FTSE 100 Tracker

**DWS Capital Growth** 

CIS LIK Growth

CIS UK FTSE-4-GOOD Tracker

CS MM UK Growth Cazenove MM Univ Growth Port.

Cazenove MM Univ UK Growth

Cazenove Managed UK Equity

Cazenove UK Growth & Income

Buy

Avoid

Buy Buy

L & G (Barclays) America

Lincoln North American M & G American & General

Martin Currie North American

	UNITED KINGDOM	BASED <b>U</b>	NIT I RI	JSTS			
	F & C US Smaller Coys	Very Low	+5%	0.53	8	5	6
	Fidelity American Spec Sits	Medium	-5%	0.78	-13	-7	4
Avoid	Invesco Perp US Smaller Coys	Medium	-7%	0.70	-22	-10	-1
	Merrill Lynch American Opps	Medium	-0%	0.71	2	4	9
Buy	Old Mutual UK Select Small Cos	Very Low	+10%	0.34		18	1
	Quilter UK Smaller Companies	Very Low	+2%	0.05		-2	-5
	SWIP North American Small Cos	Medium	+1%	0.75		9	7
	Schroder US Smaller Coys	Low	+5%	0.73	6	6	8
	Scot Wid. American Small Cos	Medium	+2%	0.75		9	7
	Threadneedle Amer Small Cos	Medium	-0%	0.74	-7	7	6
	UNITED KINGDOM BASED I	ISTED IN	IVESTM	ENT T	RUST	S	

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	UNITED KINGDON	1
aissance U.S.	Very Low +14%	ò

	United Kingdo	м based <b>U</b>	NIT TRI	USTS			
	AXA Ethical B	Medium	+1%	0.54		1	0
	AXA UK Equity Income	Very Low	+0%	0.57		4	4
	AXA UK Growth	Medium	+1%	0.89	-7	3	3
	AXA UK Opportunities	High	+6%	0.80	9	2	4
	AXA UK Tracker	Medium	+1%	0.89	-6	4	3
	Abbey Nat'l N & P UK Growth	High	-0%	0.81	-6	5	3
	Abbey Nat'l Stockmarket 100	High	+3%	0.87	1	6	4
	Abbey Nat'l UK Growth	High	-1%	0.81	-9	4	3
	Aberdeen UK Growth	High	+2%	0.86	-3	6	2
Buy	Aberdeen UK Mid-Cap	High	+8%	0.67	3	12	2
	Aegon UK Equity Growth	Medium	+1%	0.84	-2	5	4
	Allianz Dres UK Equity	Medium	+0%	0.94		6	4
	Allianz Dres UK Growth	Medium	+2%	0.83		9	5
	Allianz Dres UK Index	Medium	-0%	0.84		4	3
Buy	Artemis UK Growth	Low	+10%	0.39	16	-2	-7
Buy	Artemis UK Special Sits	Low	+13%	0.50	24	4	0
	BG British 350	Medium	+2%	0.82	-2	3	2
	BGI Growth & Income	Medium	+1%	0.79		4	2
	BGI UK Growth	Medium	+1%	0.76		4	1

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_		Natwest Growth	iviedium	+0%	0.93		/	
3		New Star Select Opportunities	Low	+2%	0.28		7	
3		New Star UK Alpha	Medium	+4%	0.50		5	
4		New Star UK Growth	High	+4%	0.65		10	
3		Newton Growth	Low	+1%	0.80		4	
2		Newton UK Oportunities	Low	+2%	0.61		5	
2		Norwich Blue Chip Tracking	Medium	-0%	0.88	-7	3	
4		Norwich UK Equity	Medium	-0%	0.92		5	
4		Norwich UK Ethical	Medium	+1%	0.62		2	
5		Norwich UK Growth	Medium	+1%	0.63	-1	3	
3		Norwich UK Index	Medium	+1%	0.91	-6	4	
-7		Old Mutual Equity Income	Low	+2%	0.63		5	
0		Old Mutual Ethical	Medium	+4%	0.54		9	
2		Old Mutual UK Equity	High	+0%	0.87		5	
2		Old Mutual UK Select Equity	Medium	+0%	0.92		6	
1		Old Mutual UK Select Large Cap	Medium	-1%	0.87		4	
3		Prudential UK Growth	Medium	-1%	0.70	-13	-2	
3		Prudential UK Index	High	+3%	0.65	3	14	
2		Rathbone Capital	Medium	+4%	0.64	-1	3	
3	Buy	Rathbone Spec Situations	Low	+13%	0.35	33	5	
3		Royal London UK Equity	Medium	+1%	0.88	5	7	
4		Royal London UK Growth	Medium	+0%	0.89	-3	6	
2		Ruffer Equity & General	Very Low	-3%	0.00		-4	
4	Buy	SG UK Growth	Very High	+7%	0.58	12	6	
1		SG UK Special Opps	Very High	-3%	0.60		5	
3		SPFM Special Situations	Very Low	+0%	0.17		2	
2		SVM UK 100 Select	Very High	-0%	0.93		5	
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Current Advice		Risk Rating	Superi- ority Rating	Market Correla- tion		orma 12 mth	ince 3 mth	Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion		12	nce 3 mth
	SVM UK Opportunities SWIP UK Opportunities	Medium Medium	+3% +0%	0.48 0.76		9	1	Buy	Artemis New Enterprises Artemis UK Smaller Coys	Very High Low	+3% +12%	0.87 0.71	27 39	-3 11	-8 -5
	Schroder UK Equity	High	+2%	0.76	-4	6	4	Buy	BG British Smaller Coys	Medium	+8%	0.60	28	13	0
Buy	Schroder UK Mid 250	Medium	+12%	0.55	28	10 7	4		BGI Smaller Companies	Medium	+1%	0.87	4	4	-3
	Scot Life UK Equity Scot Mutual Growth	Medium Medium	+1% +3%	0.89 0.85	-0 1	5	4		Baring UK Small Coys Britannic Smaller Companies	Medium Medium	+0% +2%	0.84 0.58	4 13	7 17	-3 6
	Scot Mutual Opportunity	Medium	+3%	0.84	-1	5	3		CS Smaller Companies	Medium	+3%	0.83		5	2
	Scot Mutual UK All Share Index Scot Mutual UK Equity	Medium High	+6% -1%	0.86 0.86	9 -8	7 4	4 2	Buy	CS UK Mid 250 Cavendish Opportunities	Low High	+0% +7%	0.77 0.81	7 26	3	2 1
	Scot Widtual OK Equity Scot Wid. UK All Share Track	Medium	+2%	0.85	-0	6	4	buy	Cazenove UK Smaller Coys	Medium	+0%	0.87	2	9	-4
	Scot Wid. UK Growth	Medium	+3%	0.73	4 -8	6 -3	6		F & C AIM Growth	Low	+4%	0.68	10	4	-7 1
	Scot Wid. UK Index Scot Wid. UK Tracker	Very Low Medium	-4% +0%	0.00 0.77	-8	-3 3	4 3	Buy	F & C UK Smaller Companies First State British Small Cos	Medium Medium	+2% +16%	0.88	8 60	11 18	1 -8
	Sing & Fried UK Growth Retail	Medium	+0%	0.86		6	3	Buy	Framlington UK Smaller Coys	Medium	+15%	0.84	61	24	-4
	Skandia Equity Solus UK Special Situations	Medium Medium	-1% -3%	0.80 0.65	-19	-1 6	1 -2		Gartmore UK & Irish Small Cos HSBC Splst UK Smaller Coys	High Medium	+5% +1%	0.79 0.84	7	4 1	-7 -5
	Sovereign FTSE 100	High	-1%	0.88	-7	4	4		Henderson UK Small Coys	Medium	+1%	0.91	15	6	-2
	Sovereign UK Growth St James's Recovery	Medium Medium	+4% +6%	0.77 0.52	-2 5	6 -1	2	Buy	Insight UK Small Cap Invesco Perp UK Small Coys	Low High	+4% +7%	0.88	15 22	7 11	-2 -4
	St James's Tracker	Medium	+4%	0.32	2	6	4	Биу	Invesco Perp UK Small Coys Invesco Perp UK Small Cos Equ.	Low	+7%	0.83	13	14	5
	St James's UK & Gen Prog.	Medium	+2%	0.77	-7	1	1	Buy	Investec UK Smaller Cos	Low	+9%	0.83	20	13	1
	Stan Life UK Equity Gth Stan Life UK Opportnities	Medium Verv Low	+4% +6%	0.79 0.41	7	8	4 2	Buy	JPMF UK Smaller Companies Jupiter UK Small Cos	Medium Medium	+6% +7%	0.93 0.74	30 20	11 8	-0 -8
	TU British	Low	-0%	0.83		2	4	,	L & G UK Small Coys	Medium	+3%	0.83	17	9	1
	Threadneedle UK Growth Tilney UK Equity	High Medium	+5% +2%	0.66 0.84	11 -5	4	4 3	Buy	Lazard UK Small Coy M & G Smaller Companies	Low Low	+6% +7%	0.86 0.90	17 31	5 14	0 2
	UBS UK Select	Medium	+0%	0.87	-5	5	4	Buy	Marlborough Special Situations	Medium	+20%	0.78	97	18	-4
	UNITED KINGDOM BASED I	LISTED I	NVESTM	IENT <b>T</b>	RUST	ΓS		Buy	Merrill Lynch UK Small Cos	Medium	+11% +3%	0.72 0.94	43 11	22 1	1 -0
	3i Group	Very High	+2%	0.33	-17	0	-2		Norwich UK Smaller Cos Old Mutual UK Select Mid Cap	Low Medium	+5%	0.71	- 11	10	-0 5
Buy	Advance UK Albany	Medium Medium	+8% +3%	0.51 0.47	15 1	11 11	0		Premier UK Smaller Coys	Medium	+5%	0.68	16	15	-3
Buy	Aurora Invest Trust	Very High	+16%	0.32	30	5	-10	Buy	Prudential Smaller Companies Rathbone Smaller Coys	Low Medium	+7% +6%	0.76 0.84	23 27	11 12	-3 -2
	British American IT British Assets	Very Low Very High	+2% -5%	0.02 0.79	-13 -17	8	-14 7		S & W Smaller Securities	High	+2%	0.70	9	16	-5
	British Portfolio Trt	High	+2%	0.71	-3	7	3		SWIP UK Smaller Companies Schroder UK Smaller Coys	Medium Medium	+5% +6%	0.85 0.92	20	8 5	-1 -3
	City Merchants High Yld	Very Low	-2%	0.09	-7	2	3		Scot Mutual UK Small Coys	Medium	-4%	0.93	-5	5	-3 -1
	City of London Collective Assets	Very High Very Low	+0% +0%	0.66 0.18	-11 -6	11 1	6 -4		Scot Wid. UK Smaller Coys	Medium	+1%	0.85	ar.	4	0
	Deutche Equity Income	Medium	-1%	0.52	-13	2	2		Stan Life UK Smaller Cos Threadneedle UK Smaller Cos	Low Medium	+4% +1%	0.80	25 7	9	1 -1
Buy	Edinburgh UK Tracker F & C Capital & Income	Medium Very Low	-2% +7%	0.79 0.15	-11	6 3	5 1	Buy	UBS UK Smaller Companies	High	+7%	0.62		11	-9
Duy	Falcon Investment Trust	Medium	+4%	0.13	-14	18	-3	Avoid	Unicorn UK Smaller Coys UNITED KINGDOM BASED I	High	-8%	0.69 T	DUIGT	-10	-7
Buy Buy	Fidelity Special Values Finsbury Growth	Medium High	+14% +13%	0.41 0.59	22 31	9 21	2 6	Buy	Aberforth Smaller Coys	LISTED II Medium	+9%	0.69	29	<b>5</b> 13	5
Buy	Gartmore Growth Opps	Very Low	+20%	0.12	65	11	-10	buy	Acorn Income Fund	High	+1%	0.46	-9	15	-2
Deni	Glasgow Income Trust	Very High	+3%	0.53	-10	9	2	Buy	Active Capital Trust	Very High	+15%	0.61	27	-3	-14
Buy	Hansa Trust ISIS UK Select	Very Low Very High	+23% +1%	0.06 0.63	63 -14	54 -2	7 -3	Buy Buy	Chelverton Growth Trust Discovery Trust	Medium Very High	+10% +11%	0.24 0.61	26 45	1 23	-8 1
Buy	Independent Invest Trt	High	+7%	0.34	17	2	-0		Dunedin Smaller Coys IT	High	+3%	0.70	15	19	2
	Invesco City & Commer. Invesco Income Growth	High Very High	+2% +2%	0.10 0.48	-31 -6	24 11	-0 8	Avoid	Eaglet Investment Trust Edinburgh Smaller Coys	Very High Very High	-8% -5%	0.74 0.63	-31 -17	-19 23	-16 0
	JPMF Claverhouse	Very High	-0%	0.80		6	3	Buy	Framlington Innovation	High	+11%	0.71	35	16	-6
	JPMF Mid Cap Keystone Inv Trust	Very High High	+5% +2%	0.50 0.47	-2	13 7	-1 1	Buy Buy	Gartmore Fledgling Indx Gartmore Small Coys	Medium Very High	+20% +10%	0.53 0.63	72 37	14 5	-7 -13
Avoid	Life Offices Opport.	Very Low	-8%	0.47	-27	3	2	Buy	Henderson Smaller Cos	Very High	+7%	0.83	23	10	-4
Dine	London & St Lawrence Lowland Investment Co	Very Low Medium	+1% +10%	0.29 0.38	-0 17	3 14	-1 -0	Buy	I & S UK Smaller Coys Invesco England	Very High Very High	+11% +13%	0.72 0.65	60 38	38 25	7 -6
Buy	Merchants Trust	Very High	+10%	0.38	-13	13	-0 7	Buy	Invesco England Invesco Perp UK Smaller	Medium	+13%	0.65	38 21	23	-o 6
	Murray Income Trust	Very High	+2%	0.74	-5	14	5		JPMF Mercantile	Very High	+1%	0.78	3	6	-1
Buy	Perpetual Income & Gth Schroder Income & Grwth	Medium Very Low	+10% +2%	0.49 0.29	18 -1	14 3	7 1	Buy	JPMF Smaller Cos Montanaro UK Small Coys	High Medium	+9% +4%	0.67 0.65	32 -0	24 26	-4 -2
	Schroder UK Growth	Medium	-2%	0.42	-4	3	2		Osprey Small Cos Income	High	-4%	0.48	_	-4	-11
	Shires Income Temple Bar Inv. Trust	Very High Medium	-0% +5%	0.29 0.61	-29 5	25 15	3 5	Buy	Platinum Trust Schroder UK Mid & Small	Very Low High	+12% +5%	0.25 0.68		5 21	-2 6
	Value & Income Trust	Very Low	+6%	0.30	4	18	4		Shires Smaller Coys	High	+3%	0.52	-5	12	-5
Uni	TED KINGDOM BASED INVES	STMENT	TRUSTS	S - SPL	лт С	APIT	AL	Buy	Throgmorton Trust	Very High	+11%	0.77	35	26	-8
Buy	Allianz Dres Income Gth	Medium Von High	+14%	0.07	/7	39	1		TED KINGDOM BASED INVES						
Avoid Avoid	Blue Chip Value & Inc Danae - Capital	Very High High	-14% -23%	0.29 0.02	-67 -94	46 -40	4 -1	Buy Buy	Aberforth Geared (cap) Small Cos Value Trt (c)	Very High Very High	+29% +20%	0.37 0.25	59	75 36	-2 -11
Buy	Ecofin Water & Power(c)	Very Low	+41%	0.00	69	170	33	,	.,	, ,					
Buy	Equity Partnership Framlington I & C - Cap	Very Low Very High	-3% +28%	0.00 0.34	-30 23	10 58	-3 0		<u>EUI</u>	<u>ROPE</u>					
Avoid	Gartmore High Income	Medium	-11%	0.11	-45	11	-7		Australian ba	SED UNI	t Trus	TS			
Avoid	Gartmore SNT Henderson High Income	Very Low High	-44% +2%	0.00 0.28	-97 -17	-52 13	-1 -2		Allianz Europe Growth	Low	-3%	0.47	-3	4	5
Buy	Invesco Recovery 2005	Medium	+8%	0.28	-17	30	-4		BT Europe Growth	Very Low	-1%	0.39	-2	5	5
	Investec High Income	Very Low	+4%	0.02	-26	42	3		Perpetual Fid. Europe Platinum Europe	Very Low Medium	-0% +6%	0.27 0.51	0 9	7 -1	2
Buy	JPMF Income & Capital JPMF Income & Gth (cap)	Medium Very High	+3% +14%	0.13 0.40	-23 10	20 49	-5 4		New Zealand B				-	•	-
Buy	Jupiter Dividend & Gth	Very High	+15%	0.27	-30	82	20		BTIS European Share	Very Low	-1%	0.38	-2	6	1
Buy	M & G Equity Trust -Cap M & G High Income - Cap	Low High	+1% +13%	0.07 0.17	-2 2	33 64	4 18		Tower Spotlight Europe	Low	-3%	0.54	-5	1	1
	M & G Income	Very Low	-0%	0.06	-16	11	4		United Kingdom						
	M & G Recovery Merrill FTSE100 G&I (c)	Very Low Very Low	-5% +5%	0.11 0.29	-27	15 5	3		AXA European Growth Aberdeen European Growth	High High	+2% +2%	0.89 0.86	1 -4	6 6	1 1
Avoid	Premier High Income	Very Low	-60%	0.02	-98	-93	-89		Aberdeen European Opps	Medium	+3%	0.90		6	1
Buy	Rights & Issues	Very Low	+13%	0.03	19	18	-3		Aegon European	High Modium	-1%	0.87	-1 0	7 3	4
Buy	Schroder Split Invest.	Medium	+8%	0.18	-10	29	8		Allchurches Euro Growth Allianz Dres Euro Index	Medium High	+1% +1%	0.85 0.88	0 -2	3 7	2
	UNITED KINGDO	M SN	IALI	ER (	:09	3		D	Allianz Dres European	Medium	+1%	0.87	1	6	3
	United Kingdom					-		Buy	Artemis European Growth BG Europe	High Medium	+11% -2%	0.88 0.79	32 -4	17 9	5 4
	AXA UK Smaller	Medium	NIT 1 R +2%	0.96	8	6	0	Buy	Baring Euro Sel.	Medium	+11%	0.69	42	22	7
	Abbey Nat'l Smaller Cos	Medium	-2%	0.86	-1	7	-0		Baring European Growth Britannic European	High High	-1% +1%	0.87 0.82	-6 -4	6 6	3
Rinz	Aberdeen UK Emerging Aberforth UK Small Coys	Medium Low	-1% +12%	0.76 0.86	-3 39	-5 14	.9 2	_	CIS European	High	-2%	0.88	-7	5	2
Buy	Allianz Dres UK Mid-Cap	Low	+12%	0.80	39	10	5	Buy	CS Euro Frontiers CS European	High High	+18% -1%	0.31 0.88	-11	27 4	10 2
										9	170	0.50		,	-

July	12, 2005.												I	Pag	e 7
Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla- tion	Perf 36 mth	orma 12 mth	nce 3 mth	Current Advice	Investment Fund	Risk Rating	Superi- ority Rating	Market Correla tion	Perfo - 36 mth	orma 12 mth	ance 3 mth
	CS MM European Portfolio	Medium	+5%	0.78	_	12	3		Scot Wid. Euro Select Gth	Low	+3%	0.63		9	4
	Cazenove European Portfolio DWS European Growth	Medium High	+3% -1%	0.90 0.87	7 -5	12 6	3 2		Scot Wid. Euroland Scot Wid. European Growth	Medium Medium	+0% +1%	0.79 0.80	-4 6	9 11	4 5
	DWS European Opportunities	Low	+5%	0.65		16	3		Sing & Fried European Growth	Medium	+4%	0.83		16	5
Buy	F & C European 1 Fidelity European	Very High Medium	+3% +10%	0.89 0.86	2 33	7 20	3 6		Skandia Continental European Sovereign European Gth	Medium Very High	+0% +1%	0.95 0.88	-3	6 7	3 2
Buy	Fidelity European Opps	Very High	+8%	0.85	17	16	5		St James's Gtr Euro Prog.	Medium	+3%	0.84	6	7	5
	Framlington European	High	+3%	0.88	9 -5	16 8	4		Stan Life Euro Equity Gth	Medium	+1%	0.82	6	9	4
Buy	Gartmore European Gartmore European Focus	Medium Medium	-1% +7%	0.59 0.84	-5	ี 8 11	3		TU European Threadneedle Euro Growth	Medium High	+1% +4%	0.79 0.85	5	6 11	3 5
,	Gartmore European Sel Opps	High	+1%	0.88	-2	10	5		Threadneedle Euro Sel Growth	High	+4%	0.85	3	9	4
	HSBC Eurotrack 100 HSBC Splst European	High Very High	+1% +2%	0.88 0.90	-4 -0	6 6	1 3		Threadneedle Pan Euro Gth Tilney European Growth	Medium High	+1%	0.91 0.85	-2 -1	5 9	4 -0
	Henderson Euro Cap Gth	High	+2%	0.90	-0	8	4		United Kingdom Based	9					-0
	Inscape Europe	Medium	+3%	0.87		9	3	Buy	Artemis Alpha	Very High	+20%	0.18	KUSI	28	-10
	Insight Euro Discretionary Insight European	Medium Medium	+3% +1%	0.81 0.64	-1	8 7	2 -1	Buy	Baring Emerging Europe	Medium	+20%	0.26	93	25	5
	Insight Pan Euro Sel Opps	Low	+1%	0.84	•	7	2		Blue Planet Gth & Inc	Very Low	-2%	0.01	-19	4	-12
	Invesco Perp Euro Growth	Medium	-2% +5%	0.83 0.81	-6 3	10 12	4	Buy	Charter Pan European Eastern European	High Medium	+4% +26%	0.84 0.31	11 115	11 39	3 7
	Invesco Perp European Equity Investec European	High Low	+5%	0.81	3	9	4	Buy	European Assets	Very High	+10%	0.60	19	22	-0
	JPMF European Growth	High	+2%	0.92	9	13	5		F & C European Gartmore European	Very High High	+2% +0%	0.84 0.73	-8 -4	11 15	3 4
Buy	JPMF New Europe Jupiter European	Medium Medium	+18% +5%	0.37 0.76	74 14	19 7	7 4	Buy	Gartmore Irish Small	High	+29%	0.73	99	31	-7
	L & G (A & L) European	High	-2%	0.70	-7	4	3	_	Henderson Eurotrust	Medium	+6%	0.37		18	-2
	L & G Euro Index	High	+1%	0.89	-2	6	4	Buy	Invesco Perp European JPMF Cont. Euro.	Very High Very High	+11%	0.64 0.74	25	27 16	6 6
	L & G European Lazard European Growth	High Medium	-3% +3%	0.90 0.89	.9 7	6 10	4 4	Buy	JPMF Russia	Medium	+18%	0.09		5	8
	Lincoln European	High	+1%	0.86	0	9	3	Buy	Jupiter European Opps	High	+14%	0.45	35	20	3
	M & G European	Very High	+1%	0.89	-2	8	3	Buy Buy	Martin Currie European SR Europe	Very High Medium	+8% +8%	0.76 0.40	-0 25	7 24	-6 -2
	M & G European Index Tracker MFS Continental European	High Low	+1% +5%	0.77 0.82	3	13 11	10 3	Duy	·				20	۷4	-2
	MSDW Europe (ex-UK)	High	-2%	0.89		2	2		EUROPE S	MALL	ER C	OS			
	Martin Currie European	Very High	+2%	0.90	-0	2 9	-0		UNITED KINGDOM						
	Merrill Continental Euro Merrill European Dynamic	High Very High	+1% +4%	0.83 0.85		18	4 5	Deni			NII 116 +7%	0.59	18	20	_
	Morley European Focus	Low	+1%	0.83		7	3	Buy Buy	BG Euro Small Coys DWS European Smaller Cos	High High	+7%	0.59	16	15	5 3
Deni	Morley SF European Growth	Medium	+4%	0.95		10	3	Buy	Henderson European Small Cos	Medium	+10%	0.66	30	22	4
Buy	New Star European Growth New Star European Leaders	Low Medium	+7% +3%	0.62 0.94		16 11	2 5	Buy	Insight European Small Cap	Low	+9%	0.54	1.4	15 27	4
Buy	New Star European Portfolio	Low	+7%	0.77		13	3	Buy	Invesco Perp Euro Smaller Cos JPMF European Smaller Coys	Medium Medium	+6% +13%	0.69 0.73	14 42	30	8 7
	Newton Continental European	Medium	+1%	0.89	5	9	4	Buy	Jupiter Euro Spec Sits	Medium	+8%	0.76	20	18	4
	Newton Pan-European Old Mutual European Equity	Medium High	+0% +0%	0.90 0.92	3	8 7	4	Buy	M & G European Smaller Coys	Medium	+10%	0.74	36	18	5
	Premier European Growth	Medium	+5%	0.81	16	17	5	Buy	SWIP Pan-Euro Small Companies Schroder Euro Small Coys	Very High Medium	+4% +9%	0.64 0.67	22	13 23	3 5
	Prudential Euro Index	High	+1%	0.81	2	12	3	Buy	Threadneedle Euro Small Cos	Medium	+16%	0.71	47	27	6
	Prudential European Royal London European Gth	High High	-0% +2%	0.83 0.86	-8 -1	3 6	-1 4		United Kingdom based	LISTED I	NVESTM	1ENT T	RUST	rs	
Buy	Ruffer European	Very Low	+8%	0.18		12	-1	Buy	F & C Smaller Companies	High	+10%	0.52	32	23	3
Buy	S & W European SG European	High High	+2% +14%	0.89 0.37	-5 31	4 11	1 4	Buy Buy	Fidelity Euro V. JPMF Euro Fledgling	High Verv High	+13% +19%	0.60 0.51	32 45	31 48	5 4
buy	SVM Continental European	High	+4%	0.61	31	17	6	Buy	TR European	High	+18%	0.57	59	31	3
	SWIP European	Low	+3%	0.62		9	4								
	SWIP Pan Euro Equity Schroder European	Low Medium	+0% +5%	0.64 0.85	12	5 9	1 3		<u>GER</u>	<u>RMAN</u>	<u>Y</u>				
	Scot Life European	High	+1%	0.85	-1	6	4		UNITED KINGDOM	BASED L	JNIT TR	RUSTS			
	Scot Mutual European	Very High	+1%	0.88	-7	7	3		Baring German Growth	Low	+1%	0.82	4	12	5
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### **Recommended International Funds**

(Continued from Page 3)

should <u>not</u> be sold at a discount but only at a *premium* to net asset value.

Clearly the directors' main concern is that share re-purchases *reduce* the funds under management on which the Fund Manager is paid an annual fee - not maximising shareholder wealth.

Nevertheless, JP Morgan Fleming European Investment Trust offers an excellent investment in smaller European companies - albeit rather volatile at times - and the large discount is attractive for investors buying into the trust.

Aberdeen Asian Smaller Companies

**Investment Trust plc** has issued and sold 100,000 shares at 231 pence and a further 100,000 shares at 234 pence during June. These shares were issued at a  $2-2\frac{1}{2}\%$  premium to net asset value - so this expands the size of the trust and, ever so slightly, *increases* the net asset value of *all* the shares.

**Eaglet Investment Trust plc** re-purchased 100,000 shares at 256¾ pence and 75,000 shares at 257½ pence on-market during June.

**Fidelity European Values plc** has borrowed a further • 40 million from **Lloyds TSB Bank** for 5 years at a fixed interest rate of 3.23%. The trust already has borrowings of • 90 million (at an average rate of 5.25%) repayable on 29 December 2006.

## Best Managed Funds

British Empire Securities and General Trust plc (code BTEM) is a £586 million investment trust that seeks "capital growth" from a "focused portfolio of investments" in "companies whose share prices stand at a discount to estimated underlying net asset value". In practice, this means the trust favours investments in investment holding companies, other investment trusts, property companies and selected individual shares.

Many funds that invest in other funds are poorly diversified and British Empire Securities' "focused" portfolio statement would suggest this is the case here. The top ten investments, however, account for only 26.1% of the portfolio, so this fund is <u>not</u> poorly diversified.

Geographically most of the investments are in the United Kingdom (22.0% of the portfolio) and Japan (13.0%), with smaller investments in France (7.0%), Singapore (6.1%), Belgium (5.9%), Canada (5.4%), Turkey (4.4%), Hong Kong (4.1%), Sweden (3.8%), Luxembourg (3.1%), Germany (3.0%), Hungary (2.3%), Netherlands (2.1%), Cayman Islands (1.0%), South Africa (1.0%), Australia (1.0%) and Italy (1.0%), with a relatively high cash holding (13.9%) at the present time. The most remarkable feature of this spread would have to be the lack of United States shares. This newsletter expects the US stockmarket and US dollar to underperform relative to other markets, so British Empire Securities is an international investment trust that reflects our own investment strategy (i.e. investing globally in non-US equities).

The trust uses slight leverage, equal to about 6% of its portfolio.

The trust declined only moderately during the global stockmarket decline of 2001 and 2002, and it has appreciated strongly in value over the last year. This performance has earned the trust a *Superiority Rating* of +20% in our quarterly *Investment Fund Survey*. The trust has a high *risk rating*.

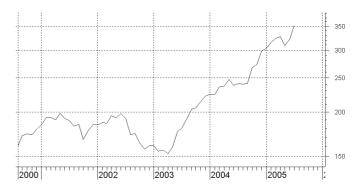
The annual management fee is a relatively low

0.55% per annum - although performance fees can increase this to a maximum of 1.0% per annum. Capital appreciation is the main objective, but small interim and final dividends are paid and provide a yield of around 0.6% per annum.

### **Summary and Recommendation**

British Empire Securities and General Trust plc is a large, diversified and well managed international investment fund that should continue to be a sound long term investment. These shares would be suitable for investors seeking a long term investment in non-US global equity markets.

**British Empire Securities and General Trust plc** 



### Next Issue

The next issue of *International Investor* will be posted in four weeks time on Tuesday August 9, 2005 (and delivered in most areas on Wednesday 10).

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

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