

International Investor

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Inside International Investor

| | | | |
|--|---|---|------|
| Time to increase International Investments | 2 | Listed Investment Trust Warrants | 6 |
| | | World Stockmarket Valuations | 4, 5 |
| | | World Stockmarket Capitalisations | 7 |

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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 | 65% | Neutral | Bullish | Bullish | Bearish | +14.4% | +26.3% | +28.0% | 6,297.30 |
| Austria | 44% | Bearish | Bullish | Neutral | Bearish | +6.6% | +19.3% | +15.8% | 4,667.71 |
| Belgium | 63% | Neutral | Bullish | Neutral | Bullish | +7.5% | +16.3% | +26.0% | 4,667.12 |
| Canada | 59% | Bearish | Bullish | Neutral | Neutral | +12.9% | +15.3% | +15.5% | 14,003.82 |
| Denmark | 52% | Bearish | Bullish | Neutral | Neutral | +5.4% | +20.9% | +25.2% | 490.00 |
| Finland | 63% | Neutral | Bullish | Bullish | Bearish | +9.5% | +21.8% | +23.3% | 10,720.60 |
| France | 60% | Bullish | Bullish | Neutral | Bearish | +10.1% | +17.3% | +23.9% | 4,302.68 |
| Germany | 53% | Neutral | Bullish | Neutral | Bearish | +12.6% | +23.7% | +32.7% | 7,479.34 |
| Ireland | 53% | Neutral | Bullish | Neutral | Bearish | +2.6% | +16.0% | +29.5% | 9,584.72 |
| Italy | 57% | Neutral | Bullish | Neutral | Bearish | +6.6% | +14.2% | +20.8% | 33,824.00 |
| Japan | 48% | Bearish | Bullish | Neutral | Neutral | +1.6% | +6.5% | -2.7% | 17,553.72 |
| Netherlands | 50% | Bearish | Bullish | Neutral | Bearish | +8.9% | +13.3% | +22.5% | 531.20 |
| New Zealand | 51% | Neutral | Bullish | Bearish | Neutral | +6.3% | +15.5% | +27.1% | 2,668.03 |
| Norway | 72% | Bearish | Bullish | Bullish | Neutral | +2.9% | +19.7% | +12.5% | 393.25 |
| Spain | 53% | Bullish | Bullish | Neutral | Bearish | +2.7% | +12.3% | +33.9% | 1,630.74 |
| Sweden | 58% | Bullish | Bullish | Neutral | Bearish | +6.2% | +18.5% | +30.3% | 405.76 |
| Switzerland | 49% | Neutral | Bullish | Bearish | Bearish | +3.9% | +9.5% | +16.8% | 9,408.25 |
| Un. Kingdom | 58% | Bullish | Bullish | Neutral | Bearish | +4.7% | +9.7% | +16.5% | 6,565.70 |
| USA | 56% | Bearish | Bullish | Neutral | Bullish | +4.7% | +9.0% | +16.6% | 1,505.85 |
| Argentina | 65% | Bearish | Bullish | Bullish | Bearish | +2.2% | +14.9% | +19.0% | 7,552.71 |
| Brazil | 75% | Bearish | Bullish | Bullish | Bearish | +19.8% | +33.3% | +33.5% | 50,902.38 |
| Czech Rep. | 52% | Neutral | Bullish | Bearish | Bearish | +12.3% | +23.8% | +25.9% | 1,818.50 |
| Chile | 58% | Bearish | Bullish | Bearish | Bullish | +11.2% | +29.5% | +41.0% | 14,440.52 |
| China | 63% | Bearish | Bullish | Bullish | Bearish | +66.4% | +173.1% | +203.4% | 289.21 |
| Greece | 64% | Bearish | Bullish | Bullish | Neutral | +5.2% | +17.0% | +18.3% | 4,741.57 |
| Egypt | 68% | Bearish | Bullish | Bullish | Bearish | +11.3% | +19.5% | +29.4% | 2,637.66 |
| Hong Kong | 56% | Bearish | Bullish | Bullish | Neutral | -1.1% | +7.8% | +20.1% | 20,468.21 |
| Hungary | 66% | Bearish | Bullish | Bullish | Neutral | +15.6% | +22.5% | +18.3% | 25,955.81 |
| India | 38% | Bearish | Bullish | Bearish | Bearish | +1.6% | +12.7% | +22.7% | 13,796.16 |
| Indonesia | 65% | Bearish | Bullish | Bullish | Bearish | +18.6% | +24.8% | +31.1% | 2,022.30 |
| Israel | 55% | Bearish | Bullish | Neutral | Neutral | +19.1% | +28.7% | +33.9% | 1,099.58 |
| Korea | 73% | Bearish | Bullish | Bullish | Bullish | +13.3% | +15.8% | +11.7% | 1,603.56 |
| Malaysia | 80% | Neutral | Bullish | Bullish | Bullish | +11.6% | +41.1% | +46.9% | 1,351.45 |
| Mexico | 57% | Bearish | Bullish | Neutral | Neutral | +9.4% | +26.8% | +45.0% | 30,058.75 |
| Philippines | 80% | Neutral | Bullish | Bullish | Bearish | +6.3% | +25.3% | +46.4% | 3,364.61 |
| Poland | 63% | Bullish | Bullish | Neutral | Bearish | +19.5% | +30.3% | +42.1% | 59,667.38 |
| Portugal | 53% | Bearish | Bullish | Neutral | Bearish | +10.1% | +25.8% | +35.4% | 3,934.96 |
| Russia | 46% | Bearish | Bearish | Bullish | Bearish | -3.2% | +3.8% | +0.5% | 20,613.27 |
| Singapore | 78% | Neutral | Bullish | Bullish | Neutral | +8.1% | +28.7% | +35.8% | 3,446.92 |
| Sth Africa | 68% | Bearish | Bullish | Bullish | Bearish | +14.6% | +24.7% | +17.4% | 28,671.48 |
| Taiwan | 58% | Bullish | Bullish | Neutral | Neutral | +1.2% | +10.2% | +4.0% | 8,031.54 |
| Thailand | 76% | Bullish | Bullish | Bullish | Bullish | -0.5% | +1.1% | -1.0% | 706.90 |
| Turkey | 66% | Bullish | Bullish | Neutral | Bullish | +11.5% | +22.6% | +11.8% | 44,820.76 |
| Venezuela | 66% | Bullish | Bearish | Bullish | Neutral | +15.6% | +13.0% | +14.6% | 42,980.03 |

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.

World Stockmarket and Currency Outlook

At *International Investor* we normally take a fairly neutral view of currencies.

Firstly, predicting currency fluctuations is particularly difficult.

Secondly, stockmarket returns over the medium to long term probably have a bigger impact on the value of an international portfolio than currency movements.

Thirdly, shares are a natural currency hedge. A strong currency will tend to depress economic activity and share prices, while a weak currency will boost the stockmarket.

Fourthly, if you have a diversified portfolio of international equities then your portfolio is invested in a diversified spread of shares valued in US dollars, Sterling, Euros, Yen and other currencies.

Finally, hedging an international portfolio is not particularly easy or cheap - especially for a private investor. Institutions can hedge foreign exchange exposure, but that can still cost around 2% per annum off the expected long term returns. Compounded over the long term, that is a high price to pay. Costs would be higher for smaller investors, with more "tracking error".

If you are a long term investor then why hedge a diversified basket of currencies back to your *home* currency? An *unhedged* international portfolio will offset fluctuations in your home currency. If your home currency weakens, then you will enjoy an exchange rate gain on your international investments - which will compensate for the increasing cost of living as the local cost of imports (e.g. oil, clothing, motor vehicles, overseas travel) increases. If your home currency appreciates, then you will suffer an exchange loss on the international investments, but imported goods will be cheaper.

So an *unhedged* international investment portfolio hedges the exchange rate risks in your future living expenses!

The High New Zealand Dollar

The current very high value of the NZ dollar, however, suggests a strategic opportunity to buy foreign currency assets for investment and to diversify a greater percentage of one's investments offshore into assets valued in other currencies. A NZ based investor should hold substantial

Australian shares but also up to 20-30% internationally.

We remain cautious about the US economy and the value of the US dollar. Even if we avoid direct investment in the United States, however, our Technology funds have some exposure to US shares and many Asian currencies are directly or indirectly linked to the US dollar.

The European economies are performing well, so European shares (giving a currency exposure to Euros) remain attractive for investment. UK shares (valued in Pounds Sterling) and Asian shares (valued in their local currencies, but usually linked to the US dollar) are also attractive.

Our Japanese investments have performed poorly over the last 18 months but offer a counter-cyclical opportunity. The Japanese Yen is a very under-valued currency, caused by low interest rates. "Carry trade" speculators borrow Yen cheaply and sell them to buy high yielding currencies like the NZ dollar. This depresses the Yen and inflates the NZ dollar. Eventually - and probably quite suddenly - sentiment will change and these speculators will seek to unwind these positions and eliminate their exposure to Yen debts. That will require selling NZ dollars (and other high yielding currencies where the money is invested) and repurchasing Yen. That could lead to a major movement in exchange rates for the currencies involved.

The Japanese economy and stockmarket also remain depressed owing to low consumer spending. Unfortunately, these trends can go on for longer than one could imagine - we are now approaching two decades - and then begin to appear that they will continue forever. That is not the case. The current long recession is perhaps the result of excessive growth and expectations and Japanese asset valuations in the 1970's and 1980's. That boom ended - as will the current recession. The economy is showing signs of its potential to recover - but that actual recovery is painfully slow. Especially when our current Japanese investments continue to slip in value.

And that is just another reason why good *diversification* is important!

Recommended International Investment Funds

Fund Report

JPMorgan European Fledgling Investment Trust plc performed well in its financial year to 31 March, with net assets up 23.7% exceeding the benchmark smaller European companies index by 4.2%.

The share price discount to net assets narrowed from 10.3% to 8.2%, resulting in a 26.6% increase in the shares for the period.

The board of directors is "somewhat cautious" about the European market, but mainly owing to the "extended period of good performance".

Management Fee Change

Fidelity European Values plc has approved a new management fee structure. The old fee was 1.0% p.a. of gross assets (i.e. including borrowings), while the new fee, back dated to 1 January, is 0.85% of net assets *plus* an incentive fee equal to 20% of returns in excess of the change in the FTSE World Europe index plus a margin of 0.5%.

Any under performance will need to be made up in

future years before the incentive fee becomes payable. The maximum incentive payable will be 1.5% per annum, with any excess carried forward only to be offset against any future under-performance, but will not count towards future incentive fees payable.

Overall, the base fee will fall about 0.2-0.3% per annum, with the Manager able to earn up to an additional 1.5% per annum by outperforming the index by a margin of at least 8% each year.

Share Buy Backs

Fidelity European Values plc made three on-market share buy-backs over the last month, acquiring a total of 97,000 shares for £1,328,688 (i.e. £13.52-13.85 per share).

JFMorgan European Fledgling Investment Trust plc re-purchased 140,000 shares on-market at 828 pence on 24 May.

Fidelity Japanese Values plc has made two on-market share buy-backs, acquiring 250,000 shares on 7 June and 500,000 shares on 8 June at 65.5-65.9 pence

| 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 | -6% | 1330.0p | 3427.8 | +166 |
| BUY | JFM Fleming Euro Fledgeling IT plc | JFF | 15/01/02 | 226.5p | 765.8 | -11% | 810.0p | 2087.6 | +173 |
| United Kingdom | | | | | | | | | |
| BUY | Aberforth Smaller Cos Trt plc | ASL | 15/07/03 | 375.5p | 1042.0 | -11% | 779.5p | 2009.0 | +93 |
| BUY | Invesco English & Int'l Trust | IEI | 10/01/06 | 273.5p | 700.6 | -6% | 366.0p | 943.3 | +35 |
| Asian Regional | | | | | | | | | |
| BUY | Aberdeen Asian Sm Co WARRANTSAASW | | 09/09/03 | 75.3p | 209.1 | | 214.5p | 552.8 | +164 |
| HOLD | Gartmore Pacific Growth Fund | * | 29/10/85 | 41.4p | 105.4 | | 333.09p | 858.5 | +715 |
| HOLD | HSBC Asian Fund | * | 10/11/98 | 34.4p | 106.3 | | 74.06p | 190.9 | +80 |
| HOLD | HSBC Greater China Fund | * | 07/04/98 | 159.4p | 481.6 | | 244.8p | 630.9 | +31 |
| HOLD | Henderson Asia Pac Capital | * | 08/08/00 | 342.2p | 1122.6 | | 478.1p | 1232.2 | +10 |
| BUY | Scot Oriental Smaller Coy | SST | 11/11/03 | 121.9p | 330.5 | -6% | 328.25p | 846.0 | +156 |
| Japan | | | | | | | | | |
| BUY | Baillie Gifford Shin Nippon plc | BGS | 11/01/94 | 156.0p | 440.3 | -7% | 184.75p | 476.2 | +8 |
| BUY | Fidelity Japan Values plc | FJV | 10/01/06 | 126.0p | 322.7 | -11% | 65.5p | 168.8 | -48 |
| BUY | Invesco Japan Discovery Trust | IJD | 13/07/99 | 95.5p | 284.0 | -12% | 77.0p | 198.5 | -30 |
| Korea | | | | | | | | | |
| HOLD | Baring Korea Trust | * | 12/04/94 | 81.1p | 209.4 | | 231.4-245.0p | 613.9 | +193 |
| International | | | | | | | | | |
| BUY | Aberdeen Emerging Markets | * | 13/08/91 | 61.7p | 184.0 | | 284.2p | 732.5 | +298 |
| BUY | Herald Investment Trust | HRI | 12/10/04 | 310.8p | 820.1 | -14% | 408.0p | 1051.5 | +28 |
| BUY | Private Equity Investor plc | PEQ | 11/12/01 | 122.5p | 420.2 | -1% | 169.0p | 435.6 | +4 |

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +122.0%. This is equal to an average annual rate of +16.2%, 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 45 closed out) is +13.7%.

Other Shares and Warrants

Alternative investments in the UK listed investment trust warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 315 pence (trading at an 11% discount to net asset value).

United States: Dividend Yield



United States: Price/Earnings Ratio



Japan: Dividend Yield



Japan: Price/Earnings Ratio



United Kingdom: Dividend Yield



United Kingdom: Price/Earnings Ratio



China: Dividend Yield



China: Price/Earnings Ratio



World Stockmarket Valuations

| Country | Dividend Yield | Price/Earn. Ratio | Country | Dividend Yield | Price/Earn. Ratio |
|-------------|----------------|-------------------|-------------|----------------|-------------------|
| Australia | 3.4 | 15.9 | Chile | 1.7 | 21.2 |
| Austria | 1.2 | 17.4 | China | 1.5 | 21.5 |
| Belgium | 3.2 | 10.8 | Greece | 2.2 | 21.5 |
| Canada | 1.9 | 17.6 | Egypt | 1.0 | 57.2 |
| Denmark | 1.4 | 19.9 | Hong Kong | 2.5 | 13.2 |
| Finland | 2.9 | 18.9 | Hungary | 2.5 | 10.4 |
| France | 3.8 | 15.8 | India | 1.0 | 21.3 |
| Germany | 2.4 | 14.6 | Indonesia | 1.7 | 18.8 |
| Ireland | 2.7 | 14.5 | Israel | 0.9 | 49.8 |
| Italy | 3.4 | 15.1 | Korea | 1.5 | 14.4 |
| Japan | 1.2 | 22.4 | Malaysia | 2.7 | 18.8 |
| Netherlands | 2.8 | 14.2 | Mexico | 1.4 | 18.0 |
| New Zealand | 4.0 | 20.5 | Philippines | 2.0 | 17.3 |
| Norway | 2.6 | 14.4 | Poland | 3.1 | 18.2 |
| Spain | 3.0 | 15.6 | Portugal | 2.7 | 16.4 |
| Sweden | 2.7 | 14.1 | Russia | 0.9 | 10.8 |
| Switzerland | 2.0 | 16.8 | Singapore | 2.5 | 15.6 |
| Un. Kingdom | 3.6 | 16.8 | Sth Africa | 2.5 | 13.0 |
| USA | 1.5 | 17.2 | Taiwan | 3.2 | 18.8 |
| Argentina | 0.9 | 14.0 | Thailand | 4.0 | 12.3 |
| Brazil | 1.4 | 4.0 | Turkey | 2.7 | 15.0 |
| Czech Rep. | 2.9 | 20.5 | Venezuela | 10.4 | 4.4 |

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 | £137 | 6 | 33.5 | 2.0 | 15.0 | 16.0 | | | 6.0 | 21.0 | 10.0 | 6.0 | 11.0 | Indo 6.0%, Sri Lanka 4.0% |
| Baring Korea | £165 | Nil | 43.0 | 6.6 | | | | 93.4 | | | | | | |
| Gartmore Pacific Opps | £113 | Nil | 29.4 | 0.0 | 13.3 | 33.9 | 0.4 | 14.3 | 20.0 | 7.1 | | 0.6 | 8.6 | |
| HSBC Asian Fund | £66 | Nil | 25.5 | | 13.4 | | 5.6 | 19.1 | 28.0 | 11.6 | 2.5 | 0.3 | 18.1 | Indonesia 1.3% |
| HSBC Greater China Fund | £27 | Nil | 38.8 | | 44.6 | | | 38.8 | | | | | 16.6 | |
| Henderson Asia Pacific Cap | £156 | Nil | 34.5 | 0.9 | 9.3 | 20.6 | 4.9 | 9.8 | 18.3 | 9.0 | | | 14.3 | 4.1 Indonesia 5.4% |
| Scottish Oriental Sm Coys plc | £106 | Nil | 18.8 | 3.8 | 7.3 | | 12.3 | 8.3 | 12.2 | 18.4 | 10.2 | 3.2 | 9.7 | 4.0 Indonesia 5.3% |
| | | | | Cash | USA | UK | Europe | Japan | Other | | | | | |
| Aberforth Small Cos Trust plc | £906 | 1 | 21.0 | 0.0 | | 100.0 | | | | | | | | |
| Baillie Gifford Shin Nippon plc | £74 | 19 | 27.9 | 2.0 | | | | 98.0 | | | | | | |
| Fidelity European Values plc | £992 | 12 | 27.5 | 2.0 | | | 98.0 | | | | | | | |
| Fidelity Japan Values plc | £87 | 18 | 16.8 | 2.8 | | | | 97.2 | | | | | | |
| Herald Investment Trust plc | £451 | 8 | 24.5 | 3.0 | 16.0 | 68.0 | 6.0 | | 7.0 | | | | | |
| JPM Fleming Euro Fledgling | £498 | 3 | 24.4 | | | | 100.0 | | | | | | | |
| Invesco England & Int'l | £157 | 17 | 16.1 | 3.0 | | 93.0 | | | 4.0 | | | | | |
| Invesco Japan Discovery Trt | £26 | Nil | 34.7 | 0.0 | | | | 100.0 | | | | | | |
| Private Equity Investor plc | £85 | Nil | 25.9 | 38.0 | 62.0 | | | | | | | | | |
| | | | | Cash | Asia | Latin Amer | Africa | Europe & Middle East | | | | | | |
| Aberdeen Emerging Markets | £392 | Nil | 34.0 | 2.8 | 48.7 | 27.2 | 6.5 | 14.8 | | | | | | |

Fidelity European Values plc continues to have its largest investments in Germany (22.0% of the portfolio), followed by France (16.0%) and Switzerland (12.0%). It has smaller holdings in Sweden (9.0%), Italy (8.0%), Netherlands (8.0%), Spain (6.0%), Greece (4.0%), Finland (3%), Norway (2.0%) and other European holdings 8.0%.

JPMorgan Fleming European Fledgling has its largest investments in the Netherlands (18.0% of the portfolio), Spain (14.0%), Germany (11.0%), Finland (9.0%), Italy (8.0%), France (8.0%), Denmark (7.0%), Switzerland (6.0%) and Austria (4.0%).

Listed Investment Trust

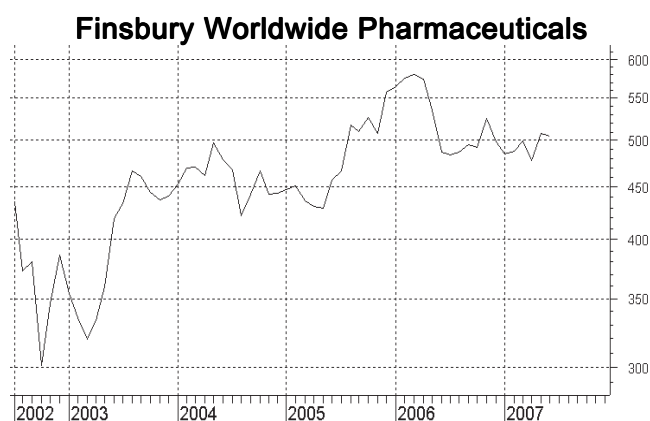
Warrant Analysis

Review of Speculative Warrants

Finsbury Worldwide Pharmaceuticals shares rose 15¾ pence or 3.2% over the last quarter, but the warrants slipped 1½ pence to 103 pence.

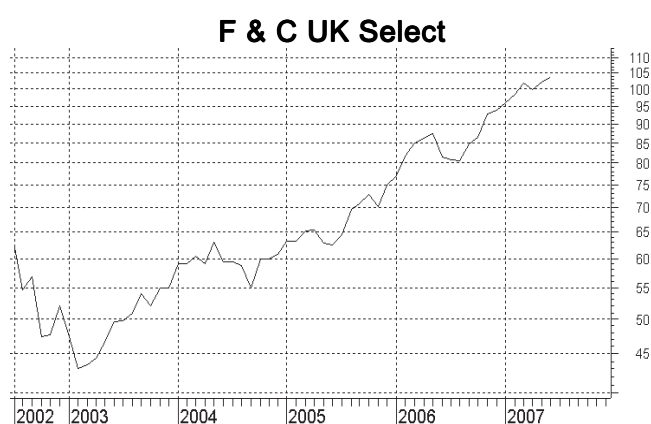
The warrants are relatively fairly valued (i.e. just 7% under-valued), but offer a very high 3.6 times leverage and have a moderate 7% per annum *Break Even* rate. So if the shares can rise just 7% per annum, then investors in these warrants will start to enjoy high returns on their investment. There is still just over two years until the final exercise/expiry date.

Finsbury Worldwide Pharmaceuticals warrants remain an attractively leveraged way to profit from a recovery by technology shares over the next few years. A small exposure to these warrants could therefore be appropriate for many investors.



F & C UK Select (formerly **ISIS UK Select**) is an extremely high risk, extremely leveraged situation.

The final exercise date is 31 October 2007 - just 4½ months away - when warrant holders will have the right to buy shares at 104 pence. The shares are currently worth 100½ pence. So if the shares rise 3½ pence or more over the next 4½ months then the warrants will have some value. If the shares are below 104 pence, then the warrants will expire worthless.



| Warrant | Current Share Price | Warrant Exercise Price | Years & Months to Expiry | Current Warrant Price | Black-Scholes Value | Warrant Over/Under Valued (%) | Share Volatility | Warrant Leverage | Warrant Return (%p.a.) from Share Price appreciation of: | Break-Even Rate | | |
|---------------------------|---------------------|------------------------|--------------------------|-----------------------|---------------------|-------------------------------|------------------|------------------|--|-----------------|-------|------|
| | | | | | | | | | 5%pa | 10%pa | 20%pa | |
| UNITED KINGDOM | | | | | | | | | | | | |
| Edinburgh Smaller Coys | 133.0p | 100.0p | 1-3 | 38.75p | 42.31p | -8 | 0.285 | 2.9 | +5.4 | +22.3 | +55.0 | +3% |
| F & C UK Select | 100.5p | 104.0p | 0-4 | 4.50p | 3.63p | +24 | 0.186 | 17.7 | -100.0 | -100.0 | -76.0 | +26% |
| EUROPE | | | | | | | | | | | | |
| Blue Planet Gth & Inc | 2290.0p | 1000.0p | 3-1 | 1477.50p | 1462.49p | +1 | 0.307 | 1.5 | +3.9 | +11.6 | +26.1 | +3% |
| FAR EASTERN | | | | | | | | | | | | |
| Aberdeen Asian Small | 315.0p | 100.0p | 3-5 | 214.50p | 232.98p | -8 | 0.201 | 1.4 | +7.2 | +14.1 | +27.1 | -0% |
| GOLD & MINING | | | | | | | | | | | | |
| City Nat Res High Yld | 169.0p | 85.0p | 2-4 | 80.50p | 94.77p | -15 | 0.174 | 1.8 | +11.8 | +21.2 | +39.0 | -1% |
| TECHNOLOGY | | | | | | | | | | | | |
| Finsbury Worldwide Pharm. | 495.5p | 464.0p | 2-1 | 103.00p | 110.17p | -7 | 0.226 | 3.6 | -9.1 | +16.0 | +56.1 | +7% |

World Stockmarket Capitalisations

World stockmarket capitalisations rose 8.9% to US\$50,860 billion over the three months to the end May 2007. The United States share of that total continued to decline from 37.02% to 36.28%. China's capitalisation rose a further 24% over the quarter to US\$2,133 billion.

| Country | Market Capitalisation (US\$ Billions) | Percentage of Total | Country | Market Capitalisation (US\$ Billions) | Percentage of Total |
|----------------------|---------------------------------------|---------------------|----------------------|---------------------------------------|---------------------|
| United States | 18,456 | 36.29 | Greece | 208 | 0.41 |
| Japan | 4,883 | 9.60 | Austria | 190 | 0.37 |
| United Kingdom | 3,838 | 7.55 | Turkey | 163 | 0.32 |
| France | 2,466 | 4.85 | Ireland | 162 | 0.32 |
| China | 2,133 | 4.19 | Chile | 162 | 0.32 |
| Canada | 1,772 | 3.48 | Poland | 157 | 0.31 |
| Germany | 1,708 | 3.36 | Thailand | 140 | 0.28 |
| Switzerland | 1,313 | 2.58 | Israel | 137 | 0.27 |
| Australia | 1,215 | 2.39 | Portugal | 123 | 0.24 |
| Italy | 1,092 | 2.15 | Indonesia | 120 | 0.24 |
| Spain | 993 | 1.95 | Peru | 73 | 0.14 |
| South Korea | 902 | 1.77 | Egypt | 63 | 0.12 |
| Russia | 859 | 1.69 | Philippines | 63 | 0.12 |
| Brazil | 811 | 1.59 | Morocco | 55 | 0.11 |
| India | 794 | 1.56 | Czech Republic | 52 | 0.10 |
| Netherlands | 762 | 1.50 | Argentina | 51 | 0.10 |
| Hong Kong | 669 | 1.32 | Luxembourg | 44 | 0.09 |
| Taiwan | 630 | 1.24 | New Zealand | 43 | 0.08 |
| Sweden | 625 | 1.23 | Iceland | 42 | 0.08 |
| Mexico | 465 | 0.91 | Hungary | 40 | 0.08 |
| South Africa | 410 | 0.81 | Columbia | 40 | 0.08 |
| Singapore | 350 | 0.69 | Pakistan | 37 | 0.07 |
| Belgium | 348 | 0.68 | Nigeria | 33 | 0.07 |
| Finland | 322 | 0.63 | Jordan | 23 | 0.05 |
| Norway | 312 | 0.61 | Slovenia | 13 | 0.02 |
| Denmark | 257 | 0.51 | Venezuela | 2.9 | 0.01 |
| Malaysia | 240 | 0.47 | | | |
| | | | TOTAL | \$50,860 | 100.00% |

Next Issue:

The next issue of *International Investor* will be emailed in four weeks time on Monday July 9, 2007.

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