

International Investor

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Editor and Research Director: James R Cornell (B.Com.)

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	64%	Neutral	Bullish	Bullish	Neutral	-2.2%	+3.7%	+25.9%	3,007.00
Austria	56%	Bullish	Bearish	Bullish	Bullish	-9.1%	+1.5%	-19.4%	1,174.66
Belgium	46%	Neutral	Bearish	Bullish	Bullish	-9.4%	-20.8%	-19.3%	2,885.14
Canada	38%	Bearish	Neutral	Bearish	Bullish	-4.2%	+2.8%	+4.8%	6,878.80
Denmark	54%	Neutral	Neutral	Neutral	Bullish	-1.0%	-3.0%	-10.6%	640.18
Finland	51%	Bearish	Bullish	Neutral	Bullish	+6.8%	+17.5%	+38.1%	7,232.72
France	48%	Bearish	Neutral	Neutral	Neutral	-0.2%	+0.4%	+3.4%	2,746.41
Germany	48%	Bearish	Bearish	Neutral	Bullish	-5.5%	-5.9%	-12.2%	5,010.47
Ireland	44%	Neutral	Bearish	Neutral	Neutral	-8.1%	-12.8%	-9.6%	4,767.66
Italy	43%	Neutral	Bearish	Neutral	Neutral	-10.3%	-7.9%	-7.1%	22,309.00
Japan	60%	Bearish	Bullish	Bullish	Neutral	+6.0%	+21.1%	+37.4%	17,084.24
Netherlands	42%	Bearish	Bearish	Neutral	Neutral	-4.8%	-1.0%	-3.8%	750.90
New Zealand	66%	Bullish	Bullish	Neutral	Neutral	+0.6%	+3.6%	+26.9%	2,226.43
Norway	60%	Bearish	Bullish	Bullish	Bullish	+0.4%	+7.7%	-8.0%	600.24
Spain	34%	Bearish	Bearish	Neutral	Neutral	-8.6%	-9.7%	-10.0%	823.57
Sweden	54%	Neutral	Bullish	Neutral	Neutral	+4.8%	+4.6%	+2.0%	3,757.77
Switzerland	38%	Bearish	Bearish	Neutral	Bullish	-6.7%	-10.3%	-15.3%	6,710.50
Un. Kingdom	54%	Bearish	Bearish	Bullish	Bullish	-4.9%	+3.0%	+6.4%	6,121.00
USA	34%	Bearish	Neutral	Neutral	Bearish	-3.3%	+4.9%	+19.4%	1,300.29
Argentina	79%	Bullish	Bearish	Bullish	Bullish	-17.6%	+14.4%	-0.9%	18,891.22
Brazil	59%	Bullish	Bearish	Neutral	Bullish	-27.1%	+18.0%	-31.8%	10,038.86
Czech Rep.	70%	Bearish	Bullish	Bullish	Bullish	+24.9%	+30.8%	+0.6%	1,639.00
Chile	71%	Neutral	Bullish	Bullish	Bullish	-2.7%	+26.4%	+7.8%	4,734.27
China	78%	Bearish	Bullish	Bullish	Bullish	+16.8%	+83.4%	+92.4%	729.68
Greece	63%	Bearish	Bullish	Bullish	Bearish	+10.0%	+26.4%	+58.7%	4,443.44
Hong Kong	67%	Bearish	Bullish	Bullish	Bullish	+1.1%	+43.0%	+87.3%	13,167.06
Hungary	51%	Bearish	Bullish	Neutral	Bearish	+7.6%	+2.5%	-17.0%	7,104.71
India	55%	Bearish	Bullish	Neutral	Bullish	+21.4%	+39.0%	+46.4%	4,575.30
Indonesia	72%	Neutral	Bullish	Bullish	Neutral	+16.4%	+86.4%	+166.2%	607.84
Israel	70%	Bearish	Bullish	Bullish	Bullish	-10.1%	+41.0%	+22.3%	373.43
Malaysia	64%	Bearish	Bullish	Bullish	Neutral	+1.7%	+25.8%	+113.7%	703.09
Mexico	59%	Neutral	Neutral	Bullish	Neutral	-17.3%	+32.8%	+24.3%	5,029.66
Philippines	58%	Bearish	Bullish	Bullish	Neutral	-11.2%	+15.1%	+75.0%	2,298.64
Poland	59%	Bearish	Bullish	Neutral	Bullish	+7.2%	+10.9%	-5.9%	16,869.80
Portugal	51%	Bullish	Bearish	Bullish	Neutral	-2.9%	-18.8%	-24.6%	2,156.43
Russia	61%	Bearish	Neutral	Bullish	Neutral	+5.8%	+114.8%	-16.3%	881.49
Singapore	54%	Bearish	Bullish	Neutral	Neutral	+10.9%	+53.9%	+109.2%	2,069.22
Sth Africa	75%	Neutral	Bullish	Bullish	Bullish	+2.6%	+18.3%	+9.3%	7,141.60
Korea	57%	Bearish	Bullish	Bullish	Bearish	+14.2%	+65.8%	+226.2%	938.26
Taiwan	54%	Neutral	Bearish	Bullish	Neutral	-6.2%	+26.1%	-1.7%	6,823.52
Thailand	55%	Bearish	Neutral	Bullish	Neutral	-12.4%	+26.2%	+96.7%	437.04
Turkey	56%	Bearish	Bullish	Bearish	Bullish	-11.3%	+57.3%	-10.4%	5,604.00
Venezuela	60%	Bearish	Bearish	Bullish	Bullish	-23.4%	+5.8%	-2.9%	4,650.08

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 major factors likely to impact on world stockmarkets are rising interest rates in the United States (which is likely to be reflected by similar increases in most other countries), growth in Asian economies and the prospect of a devaluation in China's currency.

The US Federal Reserve has clearly signalled that interest rates are to be raised back to the level of before the October 1998 crisis, so these *widely anticipated* increases are unlikely to have any significant impact on economic activity or stockmarkets. The risk, however, is that *weakness in the US dollar* (which eases monetary policy and stimulates the US economy) may require *greater than expected* increases in interest rates to achieve the desired tightening of monetary conditions. If that depresses US stock prices, then the combination of *falling stock prices and a falling US dollar* could well lead to panic selling. The next "crisis" economy being

the United States! No-one ever said stockmarket investment was without risk. Nevertheless, we shall continue to avoid the US stockmarket where our Forecast is now Bearish at 34%. A panic on the US financial markets would, of course, have a significant impact on other world stockmarkets. We, however, continue to favour the view that the *over-valuation* in the US stockmarket will be corrected by a *moderate decline* and/or a period of under-performance without a major impact on other world stockmarkets.

Thailand has been showing signs of economic recovery for over a year (with a recovery in Industrial Production) and the Korean economy has also recovered strongly this year. Japan and Hong Kong show clear signs that their economies are recovering and starting to grow. This early stage of an economic recovery is a very good time to be *(Continued on Page 3)*

Recommended International Investment Funds

Martin Currie Pacific has been re-purchasing (and cancelling) its own warrants. The exercise of the warrants next year (at 130 pence) would dilute the net asset value of the fund (which is currently 160 cents), so the company has re-purchased 798,600 warrants over the last five weeks at between 21-23 pence. This leave 7,273,838 warrants outstanding.

Ivory & Sime UK Smaller Companies Trust has arranged a £7.0 million five year loan and a revolving credit loan of £5.0 million. £6.0 million of the term loan has been drawn down to repay a previous loan at maturity, while the revolving loan will be used for purposes at the discretion of the investment manager. *(Continued on Page 3)*

Current Advice	Investment Fund	EPIC Code	Initial Recommendation - Date -	- Offer Price - Foreign NZ Cents	Recent Price Bid-Offer NZ Cents	Gain or Loss
Europe						
HOLD	TR European Growth Trust plc	TRG	11/02/97	157.5p (374.7)	218.25p (663.1)	+77
Asia						
BUY	AIB Govett Greater China Fund	*	13/08/96	212.9p (480.4)	215.09-230.04p (676.2)	+41
BUY	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p (49.7)	27.25p (82.8)	+67
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p (105.4)	177.01-189.32p (556.5)	+428
BUY	HSBC Asian Fund	*	10/11/98	34.4p (106.3)	47.76-50.97p (150.0)	+41
BUY	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p (481.6)	175.30-186.90p (550.2)	+14
HOLD	Martin Currie Pacific WARRANTS	MCPW	10/02/98	21.0p (59.3)	19.25p (58.5)	-1
BUY	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p (75.8)	19.0p (57.7)	-24
Japan						
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p (440.3)	143.5p (436.0)	-1
BUY	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p (284.0)	88.75p (269.6)	-5
Korea						
BUY	Baring Korea Trust	*	12/04/94	81.1p (209.4)	74.59-79.97p (234.8)	+12
Thailand						
BUY	Old Mutual Thailand Trust	*	08/12/98	49.0p (155.9)	63.74-68.69p (201.2)	+29
International						
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p (116.1)	53.81-56.94p (168.2)	+45
HOLD	Jupiter International Green IT plc	JUP	08/10/96	36.0p (80.7)	50.25p (152.7)	+89
BUY	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p (119.7)	31.25p (94.9)	-21
United Kingdom						
HOLD	Hill Samuel UK Emerging Coys	*	13/04/93	56.2p (159.1)	140.92-147.56p (438.2)	+175
HOLD	I & S UK Smaller Coys IT plc	ISU	11/02/97	160.0p (380.6)	179.0p (543.8)	+43
* United Kingdom based Unit Trust						

Stockmarket Outlook *(Continued from Page 2)*

invested in shares. The strong performance of Asian stockmarkets over recent months is now clearly justified by the recovery in their economies. As that economic recovery continues, corporate profits will rise strongly and balance sheets will improve. Asian stockmarkets should move significantly higher over the next several years - but will remain volatile at times.

Lagging behind that Asian recovery is China which is suffering from deflation. The problem here is that the Chinese *know* that the state sector is inefficient and that their jobs are therefore insecure. The national savings rate is 40% of income, as Chinese save as much as they can in the expectation that they may lose their job in the near future. So consumer spending is low, and manufacturing capacity exceeds demand. Prices fall and low selling prices result in companies operating unprofitably.

This situation in China could be resolved by two main methods. An asset transfer from the state to the public (i.e. giving away shares in telephone and

electricity companies) which would increase spending as individuals would feel wealthier, or a devaluation which would boost export activity and by raising import prices encouraging consumers to bring forward (rather than defer) purchases.

A small 10-15% devaluation now seems increasingly likely - but probably not until late 1999 or early 2000. A devaluation in 1998 would have had a serious impact on global economic confidence - and particularly on South East Asia which was suffering a major financial crisis. Asian economies are stronger today - they have large current account surpluses and are showing positive economic growth. A moderate devaluation by China would have little global impact but would pull the country out of its current deflationary spiral. While a 10-15% devaluation would decrease the value of our Chinese investments by a similar amount - the positive impact on the economy should result in a much greater increase in Chinese share prices, and improve capital appreciation rates over the next several years.

Recommended Funds *(Continued from Page 2)*

Jupiter International Green allotted 1,146,969 new ordinary shares and 1,146,969 zero dividend preference shares in May, following the early exercise of 48.9% of its warrants. This increases the trust's capital to 28,593,089 ordinary shares and 28,593,089 zero dividend preference shares.

Discounts/Premiums on**UK Investment Trusts**

Baillie Gifford Shin Nippon shares currently trade at a large 24% discount to net assets, **Fidelity Asian Values** shares trade at a 13% discount, **Invesco Japan Discovery** shares at a 19% discount and **I & S UK Smaller Companies** shares trade at a 20%

discount. **Jupiter International Green** shares are at a discount of 23%, **Martin Currie Pacific** shares trade at a 17% discount, **Schroder Asia Pacific** shares trade at an 11% discount, **Templeton Emerging Markets** shares trade at a 17% discount and **TR European Growth** shares trade at a 5% discount.

Other Shares and Warrants

Fidelity Asian Values shares are at 78¾ pence, **Martin Currie Pacific** shares are at 131¾ pence, **Schroder Asia Pacific** shares are at 73½ pence and **Templeton Emerging Markets** shares trade for 121¾ pence. **BG Shin Nippon** warrants are trading at 42¾ pence, **I & S UK Smaller Companies** warrants at 88 pence and **TR European Growth** warrants at 68½ pence.

Split Capital Review

The number of "split capital" shares that we are informally following (and in which we have made small investments) is decreasing.

Our remaining investment in **Fleming Income & Growth** warrants changed to "capital 2006" shares in the company's re-organisation and we then sold those shares. Overall, our investment in Fleming Income & Growth increased 4.7-fold in value.

The remaining shares in **Framlington Dual** have also been realised - 500 sold on-market at £2.55 and the last 1000 shares will be repaid in cash at the company's winding up (but we haven't yet received notification of the amount received). In total, our investment will have increased about 3.6-fold.

Current "Split Capital" Shares

That leaves us **Schroder Split Fund plc** (informally recommended in May 1999 at 50½ pence) and **Gartmore Scotland Investment Trust** "capital" shares (informally recommended in January 1999 at £2.91½).

Since May, Schroder Split Fund's net asset value has fallen 2.0% to 149 pence, but the discount has narrowed from 67% to 58%, so the share price is up 23.8% from 50½ pence to 62½ pence! Gartmore Scotland capital has suffered an 8.2% drop in net asset value, but the discount has also narrowed here from 32% to 28%, so the share price is down just 2.9% at 298½ pence.

If the UK stockmarket rises *(Continued on Page 4)*

over the 2-2½ years until these funds are wound up then they should yield substantial capital gains - but could become worthless if stock prices drop sharply!

A New "Split Capital" Share

Another "split capital" share that we now consider attractive is **Finsbury Income and Growth**. The capital structure of this trust consists of 13,333,360 Zero Dividend Preference shares (that will be repaid at £1.50 each), 8,000,016 Income shares (that will be repaid at 1 pence each) and 21,333,376 Capital shares that will receive the remaining assets in excess of the £20,080,040 needed to repay the other two classes of shares.

At present the trust's portfolio is worth £27.2 million, leaving £7.1 million for the Capital shares (33 pence per share). Based upon the current value of the ZDP shares, the net asset backing is 46 pence - so at 28½ pence the Capital shares trade at a 38.2% discount to net assets. The winding up date is March 2001, so this substantial discount should narrow towards zero over the next 19 months.

The Capital shares also offer high leverage - with every 1% rise in the UK stockmarket adding 1.3 pence to net assets (equal to 4.5% of the current share price).

So if the trust's portfolio remains unchanged then

the Capital share price must rise 16% to 33 pence (10% per annum). A 5% per annum gain in the portfolio will increase the Capital shares by 51% to 43 pence (32% p.a.), while a 10% p.a. gain will increase the shares by 86% to 53 pence (51% p.a.). With a 20% p.a. rise in the portfolio, the Capital shares would increase 160% to 74 pence (88% p.a.).

On the other hand, a total drop of 26% in the trust's portfolio would leave the Capital shares absolutely worthless.

The trust seeks "superior growth of dividend income and capital appreciation" but invests in mainly large, *blue chip* shares, so should closely match the performance of the UK stockmarket.

While these shares do involve high risks (and could become worthless on a major stockmarket decline) they do offer the potential for high rates of return from relatively modest increases in the value of the trust's portfolio. Therefore, a small investment in Finsbury Income & Growth "capital" shares should make a valuable addition to a diversified portfolio - for long term investors prepared to accept the risks involved.

Finsbury Income & Growth "capital" shares last traded at 28½ pence, and were quoted at 27-30 pence, with four brokers acting as market-makers in the shares. Their EPIC code is "FBIC".

Listed Investment Trust Warrant Analysis

A large number of warrants on UK listed investment trusts continue to appear under-valued. Warrants trading at discounts of 35-50% (or more) from their theoretical Black-Scholes valuations are not uncommon - and usually with low "break-even" rates (indicating that there is a high probability that an investment in these warrants will be profitable).

Out of favour sections such as *Emerging Stockmarket* and *Latin American* trusts nearly all have their warrants trading at significant discounts.

Several warrants on *United Kingdom* trusts also offer good value - with the warrants of **Gartmore Fledgling Index** looking particularly attractive.

Gartmore Fledgling Index Warrants

This fund has *outperformed* its index (i.e. very small UK company shares) consistently - although has rated poorly in our quarterly *Investment Fund Survey* as smaller UK companies have tended to under-perform the rest of the UK stockmarket. Gartmore Fledgling Index, however, has performed *very strongly* over the last several months.

The trust manages a £44.1 million portfolio - invested in the very smallest companies listed on the UK stockmarket. At 118 pence, the shares are trading at an 18.6% discount to net asset value of 145 pence. To narrow that discount the company is actively re-

purchasing its own shares on-market. To date it has repurchased 5,125,000 shares or 14.4% of its capital. That leaves an issued capital of 3,405,030 shares.

There are 4,076,601 warrants that each give investors the right to subscribe for one ordinary share at 100 pence in December 2001 (i.e. in two years and four months). At 23 pence, these warrants trade at a 30% discount to their Black-Scholes value, have a very low "break-even" rate of 2% and offer high leverage of 3.2. Therefore, if the share price rises by 5% per annum, these warrants will produce a 15.6% p.a. gain. If the shares appreciate at 20% p.a. the warrants will soar at 71.1% p.a. So just a slight increase in the share price over the next couple of years will produce a significant increase in the value of the warrants. That increase should come from appreciation in the value of smaller UK companies *and* the narrowing of the discount as the company continues to aggressively buy back its own shares. (A narrowing of the discount to 10% would see the share price rise 10.6% to 130 pence.)

The EPIC code for Gartmore Fledgling Index warrants is GMFW. There are four "market-makers" (i.e. brokers who will buy or sell, making a market for these warrants) but the bid-offer spread is very wide at 21-25 pence. While not formally recommending these warrants, we shall make a small investment in Gartmore Fledgling Index warrants for our own portfolio.

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 Share Price 5%pa	Return (%p.a.) 10%pa	Break-Even appreciation of: 20%pa	Even Rate
<u>INTERNATIONAL</u>												
World Trust Fund	1128.8p	US\$10.00	1-4	593.77p	549.15p	+8	0.235	2.0	-1.4	+8.3	+27.1	+6%
Henderson Technology	187.8p	100.0p	6-1	107.50p	120.16p	-11	0.327	1.5	+5.9	+13.7	+27.4	+2%
Herald Investment Trust	236.0p	100.0p	3-8	145.50p	153.70p	-5	0.254	1.5	+6.3	+13.9	+28.1	+1%
Inv Trt of Inv Trts	123.0p	150.0p	4-4	58.50p	19.11p	+206	0.174	4.2	-54.3	-10.7	+18.3	+13%
Ptarmigan International	291.5p	200.0p	0-1	106.50p	92.36p	+15	0.217	3.2	-81.1	-78.1	-71.3	+83%
Asset Management	98.0p	99.2p	2-5	32.50p	24.28p	+34	0.326	2.9	-35.9	-11.5	+22.5	+13%
<u>EMERGING STOCKMARKETS</u>												
Abtrust Emerging Econ.	54.8p	100.0p	8-5	10.50p	20.57p	-49	0.385	1.8	-100.0	+9.3	+37.6	+9%
Dresdner RCM Emerg Mkts	84.5p	100.0p	4-11	23.50p	26.24p	-10	0.322	2.3	-20.9	+8.4	+36.1	+8%
F & C Emerging Markets	58.0p	102.0p	3-7	7.75p	12.84p	-40	0.462	2.4	-100.0	-100.0	+5.8	+19%
Murray Emerg. Economies	45.5p	100.0p	4-6	6.00p	9.29p	-35	0.447	2.3	-100.0	-100.0	-12.1	+21%
Schroder Emer Countries	67.8p	100.0p	7-1	16.75p	29.91p	-44	0.446	1.7	-100.0	+10.1	+35.8	+8%
Tea Plantations	52.5p	100.0p	2-5	9.00p	2.20p	+309	0.305	5.4	-100.0	-100.0	-100.0	+35%
Templeton Emerging Mkts	121.8p	133.0p	5-1	31.25p	46.45p	-33	0.367	2.0	-5.8	+15.4	+40.3	+6%
<u>LATIN AMERICA</u>												
Aberdeen Latin American	47.0p	100.0p	10-2	10.00p	27.87p	-64	0.569	1.3	-100.0	+8.9	+34.3	+9%
Edinburgh Inca	18.0p	50.0p	9-6	5.00p	9.90p	-49	0.603	1.4	-100.0	-100.0	+27.9	+12%
Morgan G Latin America	54.0p	100.0p	10-10	16.50p	28.59p	-42	0.451	1.5	-100.0	+11.1	+30.3	+7%
Scudder Latin America	71.0p	100.0p	5-0	18.75p	30.17p	-38	0.532	1.7	-100.0	-5.2	+32.5	+11%
Templeton Latin Amer.	68.8p	100.0p	0-9	4.50p	3.75p	+20	0.469	5.6	-100.0	-100.0	-100.0	+75%
Five Arrows Chile IT	133.6p	US\$ 3.26	-1-9	0.00p	33.18p	-100	0.427	1.8	-100.0	-100.0	-100.0	-81%
<u>UNITED STATES</u>												
F & C US Smaller Coys	183.0p	100.0p	3-3	104.50p	98.78p	+6	0.201	1.8	+2.8	+11.6	+27.6	+3%
US Smaller Companies	263.5p	100.0p	3-1	189.50p	178.51p	+6	0.274	1.5	+2.8	+9.9	+23.4	+3%
<u>UNITED KINGDOM</u>												
Aberforth Smaller Coys	281.5p	100.0p	3-7	180.50p	198.49p	-9	0.208	1.4	+7.7	+14.8	+28.3	-0%
Beacon IT	134.5p	100.0p	3-8	47.50p	52.37p	-9	0.149	2.5	+7.0	+19.3	+39.8	+3%
Britannia Smaller Coys	160.5p	100.0p	0-8	69.00p	64.38p	+7	0.343	2.5	-6.9	+4.4	+27.8	+8%
British Assets Trust	138.8p	101.0p	2-1	50.75p	48.57p	+4	0.170	2.8	+1.7	+15.3	+39.7	+4%
Dartmoor	178.0p	118.0p	2-11	50.00p	77.14p	-35	0.181	2.3	+21.0	+33.9	+56.6	-2%
Eaglet Investment Trust	191.5p	100.0p	3-2	101.75p	107.04p	-5	0.224	1.8	+6.3	+15.1	+31.3	+2%
Edinburgh Smaller Coys	117.8p	100.0p	9-1	51.00p	59.74p	-15	0.211	1.8	+5.6	+14.9	+29.0	+3%
F & C Income Growth	114.5p	100.0p	3-11	35.00p	36.05p	-3	0.181	2.8	+2.5	+17.7	+40.8	+4%
Fidelity Special Values	157.5p	100.0p	4-5	83.00p	79.50p	+4	0.219	1.9	+3.2	+12.6	+28.6	+3%
Gartmore Fledgling Indx	118.0p	100.0p	2-4	23.00p	32.94p	-30	0.215	3.2	+15.6	+36.3	+71.1	+2%
Group Trust	52.3p	55.5p	6-8	22.00p	14.62p	+51	0.130	3.1	-3.9	+10.6	+29.1	+6%
Hill Samuel UK Emerging	98.0p	100.0p	2-7	20.00p	21.18p	-6	0.260	3.4	-20.2	+9.6	+49.9	+8%
I & S ISIS	204.0p	107.5p	1-2	99.50p	102.82p	-3	0.186	2.0	+7.7	+17.8	+38.0	+1%
I & S UK Discovery	119.0p	100.0p	2-8	41.00p	33.93p	+21	0.175	3.2	-5.2	+10.4	+36.2	+7%
I & S UK Smaller Coys	179.0p	93.0p	0-11	88.00p	90.33p	-3	0.236	2.0	+7.7	+17.9	+38.4	+1%
Investors Capital	184.5p	137.0p	2-1	63.50p	65.18p	-3	0.253	2.6	+2.8	+17.0	+42.5	+4%
Legal & Gen'l Recovery	154.0p	100.0p	5-2	85.50p	78.06p	+10	0.168	1.9	+2.7	+11.8	+27.1	+4%
Montanaro UK Small Coys	129.0p	100.0p	5-11	53.00p	59.76p	-11	0.229	2.0	+5.4	+15.9	+32.4	+3%
Morgan Grenfell Equity	225.0p	100.0p	0-5	126.50p	127.14p	-1	0.166	1.8	+6.0	+15.1	+33.7	+2%
Perpetual Income & Gth	127.3p	100.0p	7-0	39.00p	63.64p	-39	0.251	1.8	+10.6	+21.0	+37.1	+1%
Prolific Income plc	139.5p	100.0p	4-3	46.50p	61.29p	-24	0.206	2.2	+10.7	+22.2	+41.4	+1%
Schroder Income & Grwth	145.0p	100.0p	4-4	47.50p	65.68p	-28	0.161	2.2	+12.5	+23.6	+42.4	+0%
Schroder UK Growth	142.5p	100.0p	3-0	49.50p	58.67p	-16	0.220	2.3	+9.5	+21.9	+43.5	+2%
Taverners Trust	94.5p	100.0p	11-0	31.00p	47.38p	-35	0.249	1.7	+6.4	+16.7	+31.0	+3%
Fleming Inc & Gth - Cap	345.5p	300.0p	0-8	121.25p	74.37p	+63	0.318	4.3	-34.5	-20.8	+8.3	+17%
Guinness Flight Extra	152.0p	100.0p	2-10	40.50p	66.59p	-39	0.209	2.2	+24.0	+37.1	+60.5	-3%
Jupiter Extra Income	166.0p	100.0p	1-1	63.00p	72.26p	-13	0.168	2.3	+20.3	+33.4	+59.5	-3%
<u>EUROPEAN</u>												
Fidelity Euro Values	326.0p	100.0p	1-8	266.00p	234.29p	+14	0.268	1.4	-2.8	+3.6	+16.2	+7%
Gartmore European	345.8p	220.0p	4-5	152.75p	175.32p	-13	0.234	1.9	+7.3	+17.1	+33.8	+2%
Gartmore Irish Small	149.3p	100.0p	1-11	75.00p	60.00p	+25	0.248	2.4	-8.0	+2.9	+23.1	+9%
Mercury Euro Priv.	169.0p	100.0p	4-11	81.50p	93.52p	-13	0.243	1.7	+7.2	+16.1	+31.6	+1%
TR European	218.3p	166.0p	4-2	68.50p	92.05p	-26	0.248	2.1	+9.9	+22.3	+42.6	+2%
Baring Emerging Euro.	109.8p	100.0p	5-0	56.59p	57.03p	-1	0.490	1.6	-6.7	+6.3	+25.1	+7%
First Russian Front. I	368.0p	US\$10.00	1-10	52.50p	93.78p	-44	0.734	2.1	-100.0	-100.0	-100.0	+39%
First Russian Front. II	368.0p	US\$13.20	1-10	37.50p	68.10p	-45	0.734	2.3	-100.0	-100.0	-100.0	+59%
SR Pan-European	70.5p	39.0p	1-9	33.50p	35.29p	-5	0.311	2.0	+7.1	+17.3	+36.8	+2%

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 Share Price 5%pa	Warrant Share Price 10%pa	Warrant Share Price 20%pa	Return (%p.a.) from Break-Even Rate
GERMANY												
German Smaller Coys	156.0p	130.0p	4-0	39.50p	56.67p	-30	0.228	2.4	+10.8	+25.6	+48.8	+2%
FAR EASTERN / PACIFIC												
Aberdeen New Dawn "A"	157.0p	95.9p	0-11	93.00p	66.35p	+40	0.340	2.3	-28.6	-20.4	-3.9	+22%
Aberdeen New Dawn "B"	157.0p	135.0p	0-11	54.00p	35.90p	+50	0.340	3.6	-48.9	-35.1	-6.9	+22%
Aberdeen New Dawn "C"	157.0p	270.0p	0-11	3.50p	1.82p	+93	0.340	9.9	-100.0	-100.0	-100.0	+83%
Edinburgh Dragon Trust	69.5p	60.0p	5-5	26.25p	32.15p	-18	0.341	1.8	+2.8	+15.2	+33.7	+4%
Edinburgh Java	11.5p	50.0p	0-9	1.00p	0.00p	+83425	0.499	13.8	-100.0	-100.0	-100.0	+629%
Edinburgh New Tiger	15.8p	50.0p	9-7	5.50p	2.61p	+111	0.296	2.5	-100.0	-100.0	+23.1	+14%
Fidelity Asian Values	78.8p	100.0p	7-0	27.25p	39.46p	-31	0.473	1.6	-12.4	+10.1	+31.2	+7%
Fleming Asia	69.8p	100.0p	5-6	15.50p	28.25p	-45	0.480	1.7	-100.0	+2.6	+37.7	+10%
Invesco Asia	65.8p	100.0p	4-11	11.50p	19.48p	-41	0.407	2.1	-100.0	-15.4	+40.5	+11%
Martin Currie Pacific	131.8p	130.0p	0-10	19.25p	18.04p	+7	0.304	5.1	-69.2	-39.6	+26.2	+16%
Pacific Assets	68.8p	130.0p	2-9	5.25p	9.22p	-43	0.441	3.0	-100.0	-100.0	-100.0	+28%
Pacific Horizons	35.8p	56.0p	2-10	5.50p	7.72p	-29	0.479	2.5	-100.0	-100.0	-11.2	+21%
Schroder Asia Pacific	73.5p	100.0p	6-5	19.00p	32.22p	-41	0.450	1.7	-42.9	+10.2	+36.0	+8%
Scottish Oriental Sm Co	74.3p	100.0p	7-5	26.25p	35.50p	-26	0.444	1.6	-16.9	+9.2	+30.3	+7%
Hambros Smaller Asian	35.5p	US\$ 1.00	2-4	5.00p	7.68p	-35	0.592	2.3	-100.0	-100.0	-100.0	+31%
Indonesia Fund	131.4p	US\$10.00	5-4	8.04p	20.93p	-62	0.532	2.2	-100.0	-100.0	-100.0	+34%
HONG KONG / CHINA REGION												
Fleming Chinese	46.8p	100.0p	4-6	13.00p	9.40p	+38	0.435	2.4	-100.0	-100.0	-15.2	+22%
KOREA												
Korea Liberalisation Fd	201.0p	US\$10.50	4-9	15.46p	89.14p	-83	0.817	1.5	-100.0	-100.0	-100.0	+29%
INDIA												
Fleming Indian	57.8p	100.0p	4-6	13.75p	9.57p	+44	0.325	2.9	-100.0	-100.0	+20.0	+16%
Lazard Birla India	44.2p	US\$ 1.00	5-6	10.98p	15.21p	-28	0.401	2.0	-100.0	+2.4	+35.5	+10%
JAPAN												
B Gifford Shin Nippon	143.5p	200.0p	5-8	42.75p	45.36p	-6	0.357	2.1	-100.0	+1.4	+31.7	+10%
Edinburgh Japan Trust	112.0p	100.0p	6-2	42.50p	49.50p	-14	0.284	1.9	+3.1	+15.2	+32.8	+4%
Fidelity Japan Values	82.5p	100.0p	4-8	24.75p	27.42p	-10	0.376	2.1	-33.9	+3.2	+32.9	+9%
Gartmore Select Japan	61.8p	100.0p	3-9	13.75p	12.86p	+7	0.401	2.6	-100.0	-100.0	+13.8	+18%
Henderson Japan Small	58.8p	100.0p	3-3	10.75p	10.98p	-2	0.431	2.6	-100.0	-100.0	-15.4	+22%
Invesco Japan	88.8p	100.0p	5-2	42.50p	37.38p	+14	0.429	1.8	-19.1	+1.2	+23.7	+10%
Invesco Tokyo	39.0p	55.0p	4-10	10.75p	9.59p	+12	0.325	2.5	-100.0	-9.0	+30.7	+11%
Martin Currie Japan	106.5p	100.0p	3-1	30.00p	33.73p	-11	0.325	2.5	-7.2	+12.3	+41.2	+7%
Perpetual Japan	63.5p	100.0p	1-3	8.25p	3.13p	+164	0.379	5.6	-100.0	-100.0	-100.0	+53%
Schroder Japan Growth	90.0p	100.0p	5-3	25.50p	31.20p	-18	0.319	2.1	-8.2	+13.0	+37.2	+7%
Atlantis Japan Growth	677.3p	US\$10.00	1-8	132.36p	218.34p	-39	0.505	2.3	-9.1	+17.1	+62.1	+7%

Address Correction

The address and telephone number that we recently published for **Premier Investment Group** was incorrect. Over the last year we have transferred all of our personal investment business to **FasTrade** and before that we uses **Chelsea Financial Services** to buy UK (unlisted) unit trusts, so we haven't had any contact with the company for a long time!

The correct address is: Premier Investment Group, Regent House, Ward St, Guildford, Surrey, GU1 4LH, United Kingdom. Telephone: (44 1483) 535 335.

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Next Issue

The next issue of "International Investor" will be posted in four weeks time on Tuesday September 7, 1999.