

# International Investor

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## Inside 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   | 39%               | Neutral                | Neutral              | Bearish             | Bearish             | -4.9%                            | -0.0%   | -1.8%   | 3,168.20    |
| Austria     | 36%               | Bullish                | Bearish              | Bearish             | Bearish             | -15.4%                           | -11.9%  | -18.8%  | 1,116.05    |
| Belgium     | 42%               | Neutral                | Bearish              | Neutral             | Neutral             | -15.3%                           | -15.5%  | -23.9%  | 2,868.17    |
| Canada      | 47%               | Bearish                | Bullish              | Bullish             | Bearish             | +12.1%                           | +34.2%  | +41.4%  | 9,465.19    |
| Denmark     | 53%               | Bearish                | Bullish              | Neutral             | Neutral             | +4.4%                            | +14.4%  | +22.3%  | 862.52      |
| Finland     | 50%               | Bearish                | Bullish              | Bearish             | Bullish             | +15.8%                           | +88.3%  | +114.3% | 16,916.68   |
| France      | 45%               | Bearish                | Bullish              | Neutral             | Bearish             | +3.8%                            | +17.9%  | +28.7%  | 4,002.70    |
| Germany     | 42%               | Bearish                | Bullish              | Bearish             | Neutral             | +2.9%                            | +24.7%  | +29.7%  | 7,522.20    |
| Ireland     | 55%               | Neutral                | Bullish              | Neutral             | Bullish             | +3.9%                            | +2.6%   | -9.2%   | 5,505.90    |
| Italy       | 43%               | Bearish                | Bullish              | Neutral             | Neutral             | +6.6%                            | +18.1%  | +10.8%  | 31,436.00   |
| Japan       | 49%               | Bearish                | Bullish              | Neutral             | Neutral             | +11.3%                           | +14.2%  | +37.9%  | 20,252.81   |
| Netherlands | 42%               | Bearish                | Bullish              | Neutral             | Bearish             | -1.6%                            | +10.8%  | +13.1%  | 948.10      |
| New Zealand | 35%               | Neutral                | Neutral              | Bearish             | Bearish             | -9.1%                            | +1.1%   | +11.1%  | 2,363.55    |
| Norway      | 50%               | Bearish                | Neutral              | Neutral             | Bullish             | -4.8%                            | +5.6%   | +15.3%  | 708.54      |
| Spain       | 40%               | Bearish                | Bullish              | Neutral             | Bearish             | +2.4%                            | +10.0%  | +6.0%   | 1,072.93    |
| Sweden      | 46%               | Bearish                | Bullish              | Neutral             | Neutral             | +16.2%                           | +47.4%  | +66.5%  | 6,320.94    |
| Switzerland | 35%               | Bearish                | Bullish              | Bearish             | Bearish             | -4.8%                            | -4.1%   | -9.1%   | 7,450.80    |
| Un. Kingdom | 32%               | Bearish                | Neutral              | Bearish             | Bearish             | -2.7%                            | +1.3%   | -0.3%   | 6,569.90    |
| USA         | 37%               | Bearish                | Bullish              | Bearish             | Bearish             | +5.2%                            | +13.5%  | +12.5%  | 1,516.35    |
| Argentina   | 55%               | Neutral                | Neutral              | Neutral             | Neutral             | +2.6%                            | +5.8%   | +16.8%  | 20,911.77   |
| Brazil      | 58%               | Neutral                | Bullish              | Bullish             | Bearish             | +12.3%                           | +70.3%  | +46.6%  | 17,513.72   |
| Czech Rep.  | 60%               | Neutral                | Bullish              | Neutral             | Neutral             | +16.2%                           | +14.3%  | +43.4%  | 1,975.00    |
| Chile       | 50%               | Bullish                | Bullish              | Neutral             | Bearish             | +2.6%                            | +17.5%  | +12.3%  | 5,152.23    |
| China       | 57%               | Bearish                | Bullish              | Neutral             | Bullish             | +15.9%                           | +25.5%  | +53.2%  | 831.11      |
| Greece      | 37%               | Bearish                | Bearish              | Neutral             | Neutral             | -16.2%                           | -26.4%  | +16.9%  | 4,934.81    |
| Hong Kong   | 36%               | Bearish                | Bullish              | Bearish             | Bearish             | +9.8%                            | +28.9%  | +41.5%  | 16,941.68   |
| Hungary     | 42%               | Bearish                | Bullish              | Neutral             | Bearish             | +4.4%                            | +29.9%  | +47.2%  | 9,913.62    |
| India       | 38%               | Bearish                | Bullish              | Bearish             | Neutral             | -3.8%                            | +4.3%   | +48.3%  | 5,219.20    |
| Indonesia   | 30%               | Bearish                | Bearish              | Neutral             | Bearish             | -22.7%                           | -1.5%   | +53.8%  | 570.82      |
| Israel      | 66%               | Bullish                | Bullish              | Bullish             | Neutral             | +6.6%                            | +32.3%  | +46.1%  | 455.35      |
| Korea       | 29%               | Bearish                | Bearish              | Bullish             | Bearish             | -9.3%                            | +8.1%   | +33.1%  | 837.38      |
| Malaysia    | 49%               | Bearish                | Bullish              | Bullish             | Bearish             | +16.0%                           | +27.7%  | +67.2%  | 949.85      |
| Mexico      | 55%               | Bearish                | Bullish              | Bullish             | Bearish             | +9.0%                            | +45.2%  | +48.8%  | 7,540.09    |
| Philippines | 32%               | Bearish                | Bearish              | Bullish             | Bearish             | -18.5%                           | -17.3%  | -22.7%  | 1,738.49    |
| Poland      | 31%               | Bearish                | Bullish              | Bearish             | Bearish             | +10.1%                           | +41.0%  | +36.9%  | 21,243.50   |
| Portugal    | 43%               | Neutral                | Bullish              | Bearish             | Neutral             | +7.1%                            | +19.0%  | +13.4%  | 3,059.99    |
| Russia      | 49%               | Bearish                | Bullish              | Bullish             | Bearish             | +19.0%                           | +137.9% | +233.8% | 2,192.75    |
| Singapore   | 47%               | Bearish                | Neutral              | Bullish             | Bearish             | -13.5%                           | -0.3%   | +30.4%  | 2,150.51    |
| Sth Africa  | 33%               | Bearish                | Bearish              | Bearish             | Neutral             | -16.5%                           | -2.1%   | +14.0%  | 7,831.47    |
| Taiwan      | 49%               | Bearish                | Bullish              | Bullish             | Bearish             | +13.1%                           | +37.1%  | +47.6%  | 9,921.03    |
| Thailand    | 26%               | Bearish                | Bearish              | Neutral             | Bearish             | -12.4%                           | +8.0%   | +8.4%   | 403.45      |
| Turkey      | 66%               | Bearish                | Bullish              | Bullish             | Bullish             | -2.8%                            | +130.7% | +134.1% | 16,901.00   |
| Venezuela   | 72%               | Bullish                | Neutral              | Bullish             | Neutral             | +3.0%                            | -2.7%   | +20.0%  | 5,790.95    |

**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

A boom in technology shares is dominating global stockmarkets - while the shares of many *old economy* companies have been falling in price and in many cases are under-valued. Over recent weeks, technology shares have declined. Where will markets go from here? Would a decline in technology stocks further depress *old economy* stocks?

While the rate of technology change in the *economy* will likely continue, the *stockmarket* boom in technology shares must end eventually. More importantly, investors will have to become more selective, putting lower value on blue sky promises and more value on cashflows and profits.

An end to the technology boom on the stockmarket would not necessarily be unfavourable for shares in other sectors. Firstly, the stockmarket usually does the opposite to what most investors expect. Investors *expect* the end of the technology decline to depress other share prices, so have *already* sold down the *old economy* shares which are depressed. Secondly, investors are starting to differentiate between various types of technology shares. Weakness by internet retail stocks earlier this year, for example, was not reflected in semiconductor or software stocks. Biotechnology shares fell sharply in value during March. Thirdly, speculators may simply rotate their money from technology shares (depressing that sector) in to *old economy* sectors (boosting prices there), while more conservative investors may see a decline in the technology sector (and the end of the boom madness) as a signal to buy *old economy* shares in a more normal investment environment.

The impact on the general economy may also be less than many people would expect. Although technology related shares make up to 40% of the value of all US

stocks, these companies make up only 5% of the US economy. Furthermore, technology companies are generally capital intensive businesses - so the downturn in employment would be even less.

A slowdown in the general economy would speed up the rate at which *old economy* companies seek to reduce costs through B2B (business to business) e-commerce. Historically, an economic downturn led to staff layoffs, which further depressed consumer demand. There will be less reduction in employment during the next economic slowdown - with cost savings being sought through B2B efficiency gains.

Until recently it was widely thought that there was little potential to increase efficiencies in mature *old economy* companies. The three large US car makers have announced a B2B parts exchange which will lower inventory and distribution costs. B2C (business to consumer) e-commerce could also reduce the retail cost of a car by around US\$2000. Most other industries could realise similar benefits.

## **Summary & Recommendation**

Our World Stockmarket Forecasts on Page One are only Neutral, stocks are highly valued (relative to historical norms) and intelligence may be about to replace *momentum investing* in technology shares (internet shares) - all of which is resulting in high volatility on world stockmarkets. Rapid technological and economic change can destroy value in existing companies - but will create greater wealth in new companies and in old companies that are the *most successful* in adapting.

We are cautious enough about the stockmarket situation to raise small cash reserves (22½-25% of portfolios), but it would be unwise not to be participate in this period of restructuring through equity ownership.

## Recommended International Investment Funds

### **Fund Recommendation**

Sell **Martin Currie Pacific Trust** warrants. See Page 3-4 for details - but it is simply *too risky* to hold short dated warrants (especially in the current market!). The sale of these warrants (with two recent fund sales and a warrant purchase last month) will raise our cash holding to about 22½-25% of international portfolios.

### **Warrants in Our Investment Strategy**

All of our recommended warrants are currently trading at unusually large discounts to their Black-Scholes valuation.

While warrants can be *speculative, risky* and *volatile* securities, they can also be attractive during a period of stockmarket uncertainty and high market volatility. Warrants allow an investor to either *leverage* their portfolio or to get the same exposure as buying shares but with a smaller initial investment. We are investing in warrants as we see strong prospects for *long term* capital appreciation in Asian (and emerging) stockmarkets, but have raised our cash reserve owing

to short term uncertainty. Our warrant investments may fluctuate widely in value short term - but, as long as we hold a well diversified portfolio, all that really matters is their value in 5-6 years close to their expiry dates. The Martin Currie Pacific warrants once fell to 4-5 pence, but we always planned to sell them just ahead of their June 2000 expiry and we can now sell them around 50 pence.

The 22½-25% cash reserve should protect us from the worst of any stockmarket decline. [Editor's Note. In fact, the very best thing that could happen next would be a *significant* decline that would allow us to re-invest the cash at low prices. "Unfortunately" such a decline probably won't happen.]

### **Fund News**

**Invesco Japan Discovery** attributes its *extremely* strong performance over the last year to "timely investment in Information Technology and related industries, including the Internet". Although the shares have been trading around their net asset value, the

company will seek shareholder and warrant holder approval for the power to be able to re-purchase its own shares and options.

**Martin Currie Pacific** has re-purchased more of its own warrants: 307,000 on March 3 at 45 pence and 120,000 on April 4 at the same price. That leaves 4,872,152 warrants on issue.

| 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 |                |
| <b>Europe</b>         |                                 |           |                        |             |       |                         |                        |          |                |
| HOLD                  | TR European Growth Trust plc    | TRG       | 11/02/97               | 157.5p      | 374.7 | -9%                     | 416.5p                 | 1313.7   | +251           |
| <b>Asia</b>           |                                 |           |                        |             |       |                         |                        |          |                |
| BUY                   | AIB Govett Greater China Fund   | *         | 13/08/96               | 212.9p      | 480.4 |                         | 228.00-243.31p         | 743.3    | +55            |
| BUY                   | Fleming Asia WARRANTS           | FAIW      | 07/03/00               | 43.8p       | 141.7 |                         | 42.75p                 | 134.8    | -5             |
| BUY                   | Fidelity Asian Values WARRANTS  | FASW      | 10/03/98               | 17.5p       | 49.7  |                         | 30.0p                  | 94.6     | +90            |
| BUY                   | Gartmore Pacific Growth Fund    | *         | 29/10/85               | 41.4p       | 105.4 |                         | 236.45-252.89p         | 771.7    | +632           |
| BUY                   | HSBC Asian Fund                 | *         | 10/11/98               | 34.4p       | 106.3 |                         | 59.22- 62.87p          | 192.5    | +81            |
| BUY                   | HSBC Hong Kong Growth Fund      | *         | 07/04/98               | 159.4p      | 481.6 |                         | 218.30-232.90p         | 711.6    | +48            |
| SELL                  | Martin Currie Pacific WARRANTS  | MCPW      | 10/02/98               | 21.0p       | 59.3  |                         | 49.5p                  | 156.1    | +163           |
| BUY                   | Schroder Asia Pacific WARRANTS  | SDPW      | 13/07/99               | 25.5p       | 75.8  |                         | 27.75p                 | 87.5     | +15            |
| <b>Japan</b>          |                                 |           |                        |             |       |                         |                        |          |                |
| HOLD                  | Baillie Gifford Shin Nippon plc | BGS       | 11/01/94               | 156.0p      | 440.3 | -21%                    | 195.5p                 | 616.6    | +40            |
| BUY                   | Invesco Japan Discovery Trust   | IJD       | 13/07/99               | 95.5p       | 284.0 | -4%                     | 175.5p                 | 553.5    | +95            |
| <b>Korea</b>          |                                 |           |                        |             |       |                         |                        |          |                |
| BUY                   | Baring Korea Trust              | *         | 12/04/94               | 81.1p       | 209.4 |                         | 73.57- 79.03p          | 240.7    | +15            |
| <b>Thailand</b>       |                                 |           |                        |             |       |                         |                        |          |                |
| HOLD                  | Old Mutual Thailand Trust       | *         | 08/12/98               | 49.0p       | 155.9 |                         | 59.12- 63.96p          | 194.1    | +24            |
| <b>International</b>  |                                 |           |                        |             |       |                         |                        |          |                |
| HOLD                  | Aberdeen Emerging Markets       | *         | 13/08/91               | 39.0p       | 116.1 |                         | 74.36- 78.68p          | 241.3    | +108           |
| BUY                   | Templeton E/Markets WARRANTS    | TEMA      | 13/07/99               | 40.3p       | 119.7 |                         | 29.75p                 | 93.8     | -22            |
| <b>United Kingdom</b> |                                 |           |                        |             |       |                         |                        |          |                |
| HOLD                  | I & S UK Smaller Coys IT plc    | ISU       | 11/02/97               | 160.0p      | 380.6 | -26%                    | 255.5p                 | 805.9    | +112           |

\* United Kingdom based Unit Trust

### *Other Shares and Warrants*

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Fidelity Asian Values** shares at 100¾ pence (-12%, i.e. 12% below net asset value), **Fleming Asian** shares at 125 pence (-9%), **Martin Currie Pacific** shares at 181¾ pence (-11%), **Schroder Asia Pacific** shares at 93½ pence (-15%), **Templeton Emerging Markets** shares at 128½ pence (-22%), **Baillie Gifford Shin Nippon** warrants at 55¼ pence, **Invesco Japan Discovery** warrants trade at 112¼ pence, **I & S UK Smaller Companies** warrants at 165 pence and **TR European Growth** warrants at 241 pence.

## *Fund Recommendation: Sell Martin Currie Pacific Trust plc June 2000 warrants*

### **SELL Martin Currie Pacific Trust warrants**

In January, when our **Martin Currie Pacific** warrants were trading at 39¾ pence, we recommended selling one-third of this investment when the price rose to 48-50 pence - and were able to make a trade just above 50 pence in early February.

Since then the price dipped, but has recovered back to 49½ pence. We now recommend selling the remainder of these warrants.

The Martin Currie Pacific warrants expire at the end of June this year, when investors can exercise each warrant to buy one ordinary share at 130 pence each. As the share price has risen above that 130 pence

exercise price - to around 181½ pence on the market - the warrants have become valuable. Their *intrinsic value* (i.e. the share price *minus* the exercise price) is 51½ pence, and they trade on the stockmarket ever so slightly below that value (i.e. around 49½).

We have never planned to exercise the warrants, but held them over the last couple of years as a *leveraged* investment to multiply our returns when Asian stockmarkets recovered from the October 1997 crisis. Since we recommended Martin Currie Pacific in February 1998 the shares have appreciated 70.7% (in NZ dollar terms) while the warrants are up 163%.

*(Continued on Page 4)*

**SELL Martin Currie Pacific warrants***(Continued from Page 3)*

Investors who followed our advice to *spread purchases of the warrants over several months* would have built up a holding at an average cost of 13-14 pence (as the warrant price declined after our initial buy recommendation) - so will realise a gain of over 300%!

Last month we recommended **Fleming Asian Investment Trust** warrants - which expire in February 2005 - as a new leveraged investment to profit from the medium to long term gains that we still expect from Asian stockmarkets.

Asian stockmarkets, however, are currently experiencing one of those all too common periods of high volatility. Warrant volatility also increases as the final expiry date approaches. So with just 2½ months to expiry, Martin Currie Pacific warrants are becoming *too risky* to hold. If, for example, Asian stockmarkets were to fall 25% over that period then Martin Currie Pacific shares could fall below 130 pence and the

warrants would become worthless. A 25% rise, however, would double the value of the warrants to 96 pence.

We want to build investment wealth consistently over the medium to long term - not play a roulette game of "double or nothing" with short term uncertainties. Therefore we will sell the Martin Currie Pacific warrants and put the remainder of this substantial capital gain in the bank.

By way of comparison, our long dated Fleming Asian warrants, Fidelity Asian warrants and Schroder Asia Pacific warrants would all rise or fall about 40% with a 25% fluctuation in Asian stockmarkets. However, even if Asian stockmarkets were to suffer a 25% (or greater) fall, we would still own all of the warrants which have 5¾-6¼ years until their expiry date. That is plenty of time for markets to recover from short term fluctuations. These longer dated warrants are also *already trading at 40-50% below their fair value* - which reduces their risk of decline in price.

## Investment Fund Survey

Our quarterly *Investment Fund Survey* measures the *risk adjusted* performance of over 1000 funds to help us select the best managed funds in which to invest. The *risk adjusted* amount by which a fund out performs (or under performs) we call its *Superiority Rating* - and this is the most important statistic for selecting between funds.

Recent fund performance is, of course, dominated by recent events in the stockmarket: (1) volatility in technology and internet shares and (2) a strong rally by *smaller* company shares.

High returns over the last 3-years from funds invested Internationally, the US, the UK and Europe show that these stockmarkets are in the later stages of a major Bull Market. Strong gains in Asia and Japan show a recovery from earlier lows.

Technology change opens up many new opportunities - especially in Asia (which manufactures a wide range of telecommunications and Information Technology products) and in other Emerging Stockmarkets (where the Internet and the spread of information will accelerate development and economic growth).

| Current Advice                                       | Investment Fund          | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|--|--------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|  |                          |             |                    |                    | 36 mth             | 12 mth | 3 mth |
| <b>NEW ZEALAND</b>                                   |                          |             |                    |                    |                    |        |       |
| <b>NEW ZEALAND BASED UNIT TRUSTS</b>                 |                          |             |                    |                    |                    |        |       |
|  | A Jones NZ Share         | Medium      | +0%                | 0.86               | 6                  | 3      | 1     |
|  | AMP NZ Share             | Medium      | +2%                | 0.90               | 15                 | 3      | -2    |
|  | AMP Passive NZ Share     | Medium      | -1%                | 0.16               |                    | -3     | -3    |
|  | AMP Tracker Fund         | Very High   | +1%                | 0.78               |                    | -3     | -4    |
|  | ANZ Tranz Equity         | Low         | -2%                | 0.95               | -0                 | -0     | -1    |
|  | ASB NZ Shares            | Very High   | -1%                | 0.93               |                    | -1     | -3    |
|  | AXA NM NZ Leaders        | Very High   | -1%                | 0.88               | -6                 | 5      | 4     |
|  | BNZ Active Growth        | Very Low    | +2%                | 0.23               |                    | 8      | 0     |
|  | BNZ Equities Discovery   | Very Low    | +5%                | 0.50               |                    | 4      | -2    |
|  | BNZ NZ Blue Chip         | Medium      | +0%                | 0.92               | 7                  | 4      | -3    |
|  | BNZ NZ Equity Index      | Very High   | -1%                | 0.93               |                    | -2     | -6    |
|  | BT LP New Zealand Share  | Low         | +4%                | 0.89               |                    | 9      | 3     |
|  | BTIS NZ Share            | Low         | +2%                | 0.84               | 3                  | -2     |       |
|  | Coronet Equity Trust     | Very Low    | -1%                | 0.65               | -2                 | 4      | 0     |
|  | Countrywide Kiwi Trust   | Very Low    | -3%                | 0.46               | 4                  | -0     | -2    |
|  | Direct Second Fifteen    | Very Low    | -1%                | 0.31               | 0                  | -4     | -11   |
|  | FCMI Toronto New Zealand | Low         | -2%                | 0.56               | 2                  | 1      | -2    |
|  | NZ Guardian NZ Equity    | Very High   | +2%                | 0.82               | 7                  | 0      | -6    |
| Buy  | NZ Guardian Small Coys   | Low         | +20%               | 0.56               | 82                 | 50     | 14    |
|  | NZ Guardian NZGT 30      | Very High   | -3%                | 0.83               | -11                | -8     | -4    |
|  | NZ Share Index Top 40    | Very High   | -3%                | 0.94               |                    | -4     | -4    |
| Buy  | NZFM NZ Equity           | Medium      | +7%                | 0.70               | 32                 | 20     | 12    |
| Buy  | NZFM Prop & Infrastruct. | Low         | +5%                | 0.42               | 22                 | 19     | 11    |
|  | Nat Bank NZ Equity Gth   | Medium      | +6%                | 0.76               | 22                 | 9      | -4    |
|  | Royal & Sun NZ Exp Asia  | Low         | -3%                | 0.19               |                    | 0      | -4    |
|  | Royal & Sun NZ Sharemkt  | Low         | +0%                | 0.78               | 3                  | -2     |       |
|  | Tower New Zealand Equity | Medium      | -1%                | 0.94               | 1                  | 2      | -1    |
|  | Tower Torts New Zealand  | High        | -4%                | 0.70               | -13                | -2     | -2    |
|  | Westpac NZ Share Index   | Medium      | -5%                | 0.73               | -18                | 5      | -4    |
| <b>NEW ZEALAND BASED INSURANCE BONDS</b>             |                          |             |                    |                    |                    |        |       |
|  | CIGNA NZ Shares          | Medium      | -4%                | 0.68               | -8                 | 6      | 9     |
|  | GRE Equity               | Medium      | +2%                | 0.90               | 15                 | 3      | -2    |
|  | Sov. Super New Zealand   | Low         | +4%                | 0.86               | 25                 | 6      | 1     |
| <b>NEW ZEALAND LISTED INVESTMENT TRUSTS</b>          |                          |             |                    |                    |                    |        |       |
| Avoid  | Mid-Cap Index            | Low         | -4%                | 0.49               |                    | -10    | -11   |
|  | TeNZ                     | Very High   | -2%                | 0.74               | -10                | -1     | -4    |
| <b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b> |                          |             |                    |                    |                    |        |       |
| Avoid  | NZ Investment Trust      | Medium      | -8%                | 0.29               | -27                | -2     | -0    |

| Current Advice                      | Investment Fund           | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|-------------------------------------|---------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|                                     |                           |             |                    |                    | 36 mth             | 12 mth | 3 mth |
| <b>AUSTRALIA</b>                    |                           |             |                    |                    |                    |        |       |
| <b>AUSTRALIAN BASED UNIT TRUSTS</b> |                           |             |                    |                    |                    |        |       |
| Avoid                               | AMP Active Quant Share    | Very High   | -6%                | 0.69               |                    | -11    | -13   |
|                                     | AMP Blue Chip Trust       | Very High   | +2%                | 0.85               | 49                 | 10     | 1     |
| Buy                                 | AMP Equity Trust          | Very High   | +7%                | 0.88               | 68                 | 17     | 2     |
|                                     | AMP Multi-Mgr Aust Share  | High        | +3%                | 0.88               |                    | 11     | -1    |
| Buy                                 | AMP Small Companies Trust | High        | +10%               | 0.56               | 60                 | 44     | 12    |
|                                     | ANZ Aust Sharemarket Trt  | High        | -5%                | 0.89               |                    | 3      | -1    |
|                                     | ANZ Australian Leaders    | High        | -6%                | 0.81               | 15                 | -2     | -1    |
|                                     | ANZ Div Imputation Trust  | Very High   | -3%                | 0.66               | 4                  | -1     |       |
| Avoid                               | ANZ Equity Trust No 2     | Medium      | -6%                | 0.79               | 12                 | -2     | -3    |
|                                     | ANZ Equity Imputation Trt | High        | -4%                | 0.77               | 18                 | -5     | -7    |
| Avoid                               | ANZ Equity Trust No 1     | Medium      | -7%                | 0.76               | 7                  | -1     | -3    |
|                                     | AXA NM Australian Leaders | Very High   | +4%                | 0.83               | 59                 | 16     | 6     |
| Avoid                               | AXA NM Equity Growth      | Very High   | -9%                | 0.62               | -4                 | 3      | 4     |
|                                     | AXA NM Equities Imput'n   | Very High   | -4%                | 0.77               | 26                 | -3     | -1    |
|                                     | AXA NM Industrial Fund    | Very High   | -6%                | 0.56               | 19                 | -4     | -1    |
|                                     | AXA NM Special Situations | Very High   | -5%                | 0.46               | -3                 | 14     | -1    |
|                                     | Advance Imputation Fund   | Medium      | -1%                | 0.82               | 32                 | 3      | -5    |
| Buy                                 | Aust Ethical Equities     | Very Low    | +9%                | 0.31               |                    | 31     | -1    |
| Buy                                 | Aust Unity Aust Leaders   | Very High   | +24%               | 0.18               |                    | 9      | 2     |
|                                     | BT Sel Mkts Equity Imp.   | High        | -0%                | 0.86               | 37                 | 1      | -0    |
| Buy                                 | BT Split Trust Growth     | High        | +4%                | 0.45               | 42                 | 20     | 4     |
|                                     | Challenger Growth Link    | High        | +3%                | 0.77               | 47                 | 9      | -2    |
|                                     | Citicorp Inv Port Aust    | Medium      | -3%                | 0.75               |                    | -4     | -5    |
| Buy                                 | Col First State Future Ld | Medium      | +18%               | 0.53               | 108                | 58     | 12    |
|                                     | Col First State Imput'n   | High        | +3%                | 0.86               | 56                 | 6      | 1     |
|                                     | Col First State Aust Sh.  | High        | -3%                | 0.73               |                    | 5      | -1    |
| Buy                                 | Col First State Dev. Coys | Medium      | +25%               | 0.24               |                    | 83     | 20    |
|                                     | Commonwealth Imputation   | Low         | -6%                | 0.57               |                    | 1      | 1     |
|                                     | Commonwealth Aust Share   | Medium      | -1%                | 0.71               | 26                 | 10     | 2     |
| Avoid                               | Dresdner Australian Gth   | High        | -8%                | 0.29               | 0                  | -4     | 10    |
|                                     | GIO Australian Share Trt  | Medium      | -3%                | 0.86               | 19                 | 3      | -2    |
|                                     | HSBC Flexi-Trust Imp Gth  | Very High   | +1%                | 0.84               | 44                 | 5      | 0     |
| Buy                                 | Hunter Hall Value Growth  | Very Low    | +9%                | 0.02               |                    | 33     | -2    |
|                                     | Hunter Hall Enhanced Lead | Low         | +1%                | 0.75               |                    | 14     | 0     |
|                                     | IOOF Flex Trt Aust Equity | High        | -3%                | 0.77               |                    | -0     | -5    |
| Buy                                 | Invesco Australian Small  | Low         | +6%                | 0.29               | 37                 | 32     | 3     |
| Avoid                               | Invesco Australia         | High        | -6%                | 0.76               | 9                  | -0     | -5    |
| Avoid                               | Invesco Imputation        | Medium      | -13%               | 0.61               | -5                 | -19    | -7    |
| Buy                                 | JB Were Emerging Leaders  | Low         | +15%               | 0.45               |                    | 42     | 3     |

| Current Advice | Investment Fund           | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|----------------|---------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|                |                           |             |                    |                    | 36 mth             | 12 mth | 3 mth |
|                | JB Were Investment        | Medium      | +0%                | 0.32               | 3                  | 1      |       |
|                | JB Were Leaders Trust     | High        | +3%                | 0.83               | 11                 | 1      |       |
|                | MLC Aust Tr - Aust Share  | Medium      | -2%                | 0.69               | 28                 | 7      | -1    |
|                | MLC Aust Trust - Index    | High        | +1%                | 0.74               | 38                 | 6      | 2     |
|                | MLMAM Equity Trust        | Medium      | -2%                | 0.65               | -5                 | -1     |       |
|                | MLMAM Growth Trust        | Medium      | -2%                | 0.76               | -2                 | -1     |       |
|                | MLMAM Imputation Trust    | Medium      | -1%                | 0.82               | -1                 | -1     |       |
| Avoid          | Macquarie S/M Aust Share  | Very Low    | -5%                | 0.34               | 3                  | -9     |       |
|                | Merc Mutual Blue Chip     | Medium      | +2%                | 0.77               | -1                 | -4     |       |
|                | NAFM In Trt - Equities    | Medium      | -0%                | 0.84               | 29                 | 11     | 0     |
|                | NAFM Inv Trust - Div Imp  | Medium      | +2%                | 0.88               | 46                 | 9      | 1     |
|                | Norwich Imputation Trust  | Medium      | -3%                | 0.74               | 18                 | 2      | 1     |
|                | Perpetual ICSav - Indust. | Medium      | +1%                | 0.85               | 4                  | -0     |       |
|                | Perpetual Industrial      | Medium      | -2%                | 0.25               | 25                 | 1      | -0    |
|                | Perpetual ICSav - Aust    | Medium      | +0%                | 0.82               | 6                  | -2     |       |
|                | Perpetual ICSav - Sm Coys | Very Low    | +1%                | 0.48               | 15                 | 3      |       |
|                | Roth FA Australian Share  | High        | -2%                | 0.72               | 17                 | 5      | -7    |
|                | Roth FA Smaller Companies | Very Low    | +3%                | 0.33               | 23                 | 27     | 2     |
|                | Tower Aust Imputation Trt | Very Low    | -1%                | 0.55               | 1                  | -2     |       |
| Buy            | Tyndall Aust Spec Sits    | Very High   | +21%               | 0.39               | 124                | 61     | 17    |
|                | Westpac Aust Gth Share    | Very High   | +1%                | 0.90               | 39                 | 11     | 2     |
|                | Westpac Aust Tax Effect.  | High        | +0%                | 0.87               | 39                 | 7      | -0    |

**NEW ZEALAND BASED UNIT TRUSTS**

|       |                          |          |      |      |     |    |    |
|-------|--------------------------|----------|------|------|-----|----|----|
|       | A Jones Australian Share | Very Low | +1%  | 0.60 | 37  | 4  | -5 |
|       | AMP Australian Shares    | Low      | +3%  | 0.59 | 44  | 14 | 2  |
|       | BTIS Australian Share    | Very Low | -3%  | 0.52 | 0   | -7 |    |
|       | Col FS Australian Equity | Medium   | -3%  | 0.80 | 4   | 1  |    |
| Avoid | Col FS Tasman Share Trt  | Low      | -15% | 0.30 | -12 | -3 |    |
|       | Nat Bank Trans Tasman    | Low      | +1%  | 0.44 | 37  | 12 | 2  |
|       | Nat Bank Aust Equity Gth | Very Low | -0%  | 0.40 | 30  | 14 | 5  |
|       | Westpac Australasian     | Medium   | -5%  | 0.62 | 5   | 3  | 0  |

**NEW ZEALAND BASED INSURANCE BONDS**

|  |                         |        |     |      |    |   |    |
|--|-------------------------|--------|-----|------|----|---|----|
|  | GRE Australian Equity   | Medium | +2% | 0.76 | 47 | 8 | -3 |
|  | Royal Sun All Trans-Tas | Medium | -2% | 0.68 | 21 | 7 | -2 |
|  | Sov. Super Australia    | Low    | -3% | 0.71 | 24 | 3 | -4 |

**UNITED KINGDOM BASED UNIT TRUSTS**

|  |                          |        |     |      |    |   |     |
|--|--------------------------|--------|-----|------|----|---|-----|
|  | Friends Prov. Australian | High   | +3% | 0.86 | 51 | 6 | -3  |
|  | M & G Australian         | Medium | -1% | 0.67 | 25 | 4 | -10 |

| Current Advice                             | Investment Fund         | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|--|-------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|  |                         |             |                    |                    | 36 mth             | 12 mth | 3 mth |
| <b>AUSTRALIAN LISTED INVESTMENT TRUSTS</b> |                         |             |                    |                    |                    |        |       |
|  | Argo Investments        | Low         | -3%                | 0.24               | 24                 | -11    | -6    |
| Avoid                                      | Australian Foundation   | Very Low    | -4%                | 0.16               | 23                 | -13    | -20   |
|  | BT Australian Equity    | Very Low    | -6%                | 0.29               | 5                  | 4      | -5    |
|  | Bounty Investments      | Very Low    | -4%                | 0.18               | 15                 | -10    | -10   |
|  | Cambooya                | Low         | +1%                | 0.21               | 25                 | 2      | -9    |
|  | Choiseul Plantation     | Very Low    | +2%                | 0.14               | 41                 | 7      | -4    |
|  | Diversified United Inv. | Low         | +0%                | 0.20               | 35                 | -8     | -14   |
| Avoid                                      | Five Arrows             | Very Low    | -20%               | 0.00               | -43                | -13    | -14   |
|  | Huntley Investment Coy  | Medium      | -1%                | 0.49               | 37                 | -1     | -4    |
|  | MaxiLink - Capital      | High        | +4%                | 0.40               | 37                 | -6     | -4    |
| Avoid                                      | Wakefield Investments   | Low         | -5%                | 0.22               | 18                 | -14    | -15   |

**NEW ZEALAND LISTED INVESTMENT TRUSTS**

|     |            |           |     |      |    |    |   |
|-----|------------|-----------|-----|------|----|----|---|
| Buy | Ozzy Torts | Very High | +7% | 0.71 | 66 | 16 | 2 |
|-----|------------|-----------|-----|------|----|----|---|

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|       |                        |     |      |      |     |     |    |
|-------|------------------------|-----|------|------|-----|-----|----|
| Avoid | Australian Opportunity | Low | -17% | 0.21 | -15 | -30 | -7 |
|-------|------------------------|-----|------|------|-----|-----|----|

**GOLD & MINING**

**AUSTRALIAN BASED UNIT TRUSTS**

|       |                           |           |      |      |     |     |     |
|-------|---------------------------|-----------|------|------|-----|-----|-----|
|       | AMP Gold Trust            | Very High | -2%  | 0.62 | -32 | 7   | -2  |
|       | AMP Resources Trust       | Medium    | +3%  | 0.84 | -0  | 28  | -2  |
|       | AXA NM Resources Fund     | High      | +1%  | 0.78 | -29 | 24  | -18 |
| Avoid | BT Sel Mkts Global Res.   | Very Low  | -11% | 0.65 | -35 | 21  | -7  |
|       | Col First State Glb Res.  | Low       | +6%  | 0.84 | 26  | -11 |     |
|       | JB Were Resources         | Medium    | +1%  | 0.89 | 19  | -17 |     |
|       | Merc Mutual Resources     | High      | -4%  | 0.89 | 15  | -17 |     |
|       | Roth FA Natural Resources | Medium    | -3%  | 0.90 | -23 | 8   | -16 |

**UNITED KINGDOM BASED UNIT TRUSTS**

|     |                        |           |     |      |     |    |     |
|-----|------------------------|-----------|-----|------|-----|----|-----|
|     | M & G Commodity        | Low       | +1% | 0.89 | -3  | 25 | -9  |
|     | M & G Gold & General   | High      | -1% | 0.82 | -31 | 14 | -16 |
| Buy | Mercury Gold & General | Very High | +6% | 0.61 | -12 | 17 | -8  |
|     | S & P Commodity Share  | Very Low  | -1% | 0.79 | -6  | 29 | 2   |

**AUSTRALIAN LISTED INVESTMENT TRUSTS**

|       |              |          |     |      |     |   |     |
|-------|--------------|----------|-----|------|-----|---|-----|
| Avoid | BT Resources | Very Low | -8% | 0.58 | -20 | 9 | -18 |
|-------|--------------|----------|-----|------|-----|---|-----|

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|     |                      |      |      |      |    |    |     |
|-----|----------------------|------|------|------|----|----|-----|
| Buy | Mercury World Mining | High | +14% | 0.87 | 14 | 36 | -17 |
|-----|----------------------|------|------|------|----|----|-----|

(Continued on Page 6)

**Investment Trust Survey Information.**

**Fund Listings.** Unit trusts are listed under the country where they invest, and then sub-divided according to the country where the Fund Manager is based. For example, "Australian Funds" hold principally Australian shares and other Australian investments although these unit trusts may be based in either the UK, NZ or Australia.

**Risk Ratings.** Most equity unit trusts follow general stockmarket trends but some are far more volatile than others. The "Risk Rating" measures just how volatile a trust is relative to the stockmarket in the country where it invests. "Very High" and "High" risk funds will usually rise very fast during a Bull Market (i.e. during a rising stockmarket trend) but will also fall fastest in value when the stockmarket dips. "Low" and "Very Low" risk funds will experience smaller price fluctuations.

**Superiority Ratings.** The "Superiority Rating" is the most important statistic for selecting the best managed funds to buy and the worst managed funds to avoid. The "Superiority Rating" shows whether a fund's actual return was above or below its expected return based upon its volatility. For example, if the stockmarket rises 10% then a fund with a volatility of 1.5 would be expected to rise 15% (i.e. 10% x 1.5). If the fund rose 20% it would have a "Superiority Rating" of +5%. On the other hand, if the fund rose only 10% it would be given a "superiority rating" of -5%. (Actually, the "Superiority Ratings" are calculated from a statistical analysis of each fund's monthly performance over the last three years, with extra importance given to its performance over the latest twelve month period.)

Many unit trusts that beat the stockmarket by a substantial margin during the Bull Market years of 1986-87 simply invested in very risky, volatile shares and were not really managed in a superior way. Only funds that perform better than can be expected from their volatility (or risk exposure) can be said to be benefiting from genuinely superior management.

**Current Advice.** The "Superiority Rating" measures the annual amount by which a fund's performance is above or below its expected return based upon its level of risk exposure. As a high "Superiority Rating" indicates excellent management of the fund's investment portfolio these trusts are automatically given "Buy" recommendations.

A negative "Superiority Rating" shows poor investment results and the unit trusts with the worst management record have been given an "Avoid" recommendation.

**Market Correlation.** The "Market Correlation" measures how closely a fund's price follows general stockmarket movements (in the country where it invests). Correlations, which statisticians call R<sup>2</sup> ("R-squared"), vary from 0 (no correlation) to 1 (100% correlation). Most equity unit trusts have "Market Correlations" between 0.60 and 0.95.

Investors who buy and sell unit trusts on the basis of "market timing" should choose funds with high market correlations. The performance of these funds will closely reflect general stockmarket movements. Other investors may wish to minimise the impact of general stockmarket fluctuations and buy trusts with lower market correlations.

**How to Maximise Profits from this Unit Trust Survey.**

First decide whether you want to invest in a unit trust that holds New Zealand, Australian, International, United Kingdom, European, Japanese or Gold & Mining shares, then turn to the appropriate section.

If you expect the stockmarket to rise strongly (in the country where the fund invests) the "High" and "Very High" risk funds with high superiority ratings and high market correlations will be your choice.

If uncertain about the general stockmarket trend then "Medium", "Low", or even "Very Low", risk unit trusts with the highest superiority ratings will be the best investments.

Most NZ based and Australian based unit trusts are sold through sharebrokers and other commission sales organisations. UK based trusts are not sold through NZ agents but may be bought and sold (by telephone or by post) directly from the management organisations, through Chelsea Financial Services who rebate 2% of the initial sales charge or through UK internet broker FasTrade (www.fastrade.co.uk) who rebate 3%. Addresses and telephone numbers may be found in the unit trust section of leading UK newspapers (available at major public libraries), on the at Financial Times internet site (www.ft.com) or from "International Investor". Prices can also be found at the TrustNet web site (www.trustnet.co.uk).

| Current Advice                           | Investment Fund                | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       | Current Advice  | Investment Fund                                      | Risk Rating           | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |    |
|--|--------------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|---|--|-----------------------|--------------------|--------------------|--------------------|--------|-------|----|
|  |                                |             |                    |                    | 36 mth             | 12 mth | 3 mth |   |  |                       |                    |                    | 36 mth             | 12 mth | 3 mth |    |
| <b>INTERNATIONAL</b>                     |                                |             |                    |                    |                    |        |       |   |  |                       |                    |                    |                    |        |       |    |
| <b>AUSTRALIAN BASED UNIT TRUSTS</b>      |                                |             |                    |                    |                    |        |       |   |  |                       |                    |                    |                    |        |       |    |
| Avoid                                    | AMP Multi-Mgr Global           | Medium      | -8%                | 0.62               | 71                 | 23     | 8     |   | Perpetual Int'l Growth                               | High                  | -1%                | 0.87               | 114                | 33     | 6     |    |
| Avoid                                    | ANZ International Markets      | Medium      | -18%               | 0.58               | 15                 | 7      | 2     |   | Perpetual Int'l Emerging Coys                        | Medium                | +5%                | 0.81               | 140                | 52     | 10    |    |
| Avoid                                    | AXA NM World Growth            | High        | -9%                | 0.37               | 79                 | 10     | 9     |   | Perpetual Worldwide Recovery                         | High                  | +1%                | 0.84               | 125                | 38     | 5     |    |
| Avoid                                    | Advance International          | Low         | -12%               | 0.50               | 53                 | 3      | 6     |   | Premier Global 100                                   | Medium                | +2%                | 0.60               | 138                | 25     | 9     |    |
| Avoid                                    | Advance Worldwide Share        | Low         | -11%               | 0.53               | 55                 | 8      | 7     | Avoid   | Prudential Global Growth                             | Medium                | -6%                | 0.80               | 82                 | 15     | 0     |    |
| Avoid                                    | Aust Unity Int'l Share         | Medium      | -17%               | 0.49               |                    |        | 13    | Avoid   | Prudential Int'l Growth                              | Medium                | -8%                | 0.78               | 71                 | 14     | -1    |    |
| Avoid                                    | BT Sel Mkts International      | Very High   | -9%                | 0.84               | 58                 | 36     | 12    |   | Royal & Sun All. Intern'l Gth                        | Medium                | -2%                | 0.85               | 112                | 23     | 5     |    |
| Avoid                                    | Challenger World Link          | Low         | -13%               | 0.25               | 29                 | 22     | 18    |   | Royal London International                           | Medium                | +1%                | 0.91               | 133                | 42     | 12    |    |
| Avoid                                    | Citicorp Inv Port Global       | Medium      | -17%               | 0.34               |                    |        | 17    |   | Scottish Life Worldwide                              | Medium                | -1%                | 0.73               | 108                | 41     | 13    |    |
| Avoid                                    | Col First State Intern'l       | Medium      | -2%                | 0.84               |                    |        | 13    |   | Scottish Mutual Worldwide Vent                       | Medium                | -1%                | 0.79               | 103                | 27     | 0     |    |
| Avoid                                    | Commonwealth Int'l Share       | Medium      | -7%                | 0.70               |                    |        | 19    | Buy   | Scottish Mutual International                        | Medium                | +1%                | 0.52               | 124                | 24     | 8     |    |
| Avoid                                    | Dresdner Global                | Very Low    | -5%                | 0.41               | 71                 | 26     | 11    |   | Scottish Widows' Global                              | High                  | +7%                | 0.87               | 158                | 54     | 10    |    |
| Buy                                      | Dresdner International         | Medium      | +11%               | 0.53               |                    |        | 22    | Buy   | Singer & Freudlander Global                          | Medium                | +3%                | 0.92               | 145                | 35     | 8     |    |
|  | Fidelity Perp. Int'l           | Medium      | -1%                | 0.67               | 111                | 28     | 6     |   | Societe Generale Technology                          | Very High             | +54%               | 0.44               |                    |        | 179   | 32 |
|  | HSBC Flexi-Trt Int'l Trt       | Medium      | -5%                | 0.52               | 86                 | 26     | 12    | Buy   | Sovereign Int'l Growth                               | High                  | +2%                | 0.92               | 142                | 41     | 9     |    |
| Avoid                                    | Invesco International          | High        | -11%               | 0.56               | 58                 | 32     | 20    | Buy   | St. James's Place Int'l                              | Medium                | +5%                | 0.57               | 150                | 50     | 16    |    |
|  | JB Were International          | Medium      | -6%                | 0.63               |                    |        | 11    |   | Sun Life of Canada W/Wide Gth                        | Medium                | +1%                | 0.86               | 127                | 31     | 4     |    |
|  | MLC Aust - Platinum Gbl        | Low         | +2%                | 0.42               | 98                 | 47     | 10    | <b>AUSTRALIAN LISTED INVESTMENT TRUSTS</b>                    |  |                       |                    |                    |                    |        |       |    |
| Avoid                                    | MLMAM International Gth        | Medium      | -8%                | 0.53               |                    |        | 25    |   | BT Global  | Medium                | -2%                | 0.37               | 93                 | 27     | -3    |    |
| Avoid                                    | Macquarie S/M Int'l Share      | High        | -21%               | 0.47               |                    |        | 1     |   | Platinum Capital                                     | Very Low              | +1%                | 0.06               | 67                 | 35     | 10    |    |
| Avoid                                    | NAFM Inv Trt - Global          | Low         | -6%                | 0.58               | 71                 | 24     | 7     |   | Templeton Global                                     | Very Low              | -12%               | 0.02               | 3                  | -27    | -27   |    |
| Avoid                                    | Perpetual ICSav - Int'l        | Medium      | -2%                | 0.70               |                    |        | 29    |   | <b>NEW ZEALAND LISTED INVESTMENT TRUSTS</b>          |                       |                    |                    |                    |        |       |    |
|  | Roth FA Global Small Coy       | Low         | +2%                | 0.24               | 77                 | 61     | 11    |   | World Index Fund                                     | Medium                | +4%                | 0.75               |                    |        | 33    | 7  |
| Avoid                                    | Roth FA Int'l Share            | Very High   | -16%               | 0.57               | 56                 | 3      | 10    |   | <b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b> |                       |                    |                    |                    |        |       |    |
| Avoid                                    | Tower International Gth        | Medium      | -13%               | 0.28               |                    |        | -2    | Avoid   | Alliance Trust                                       | Medium                | -6%                | 0.55               | 81                 | 6      | -4    |    |
| Avoid                                    | Tyndall Aust Int'l No 1        | Medium      | -5%                | 0.73               | 94                 | 14     | 4     | Avoid   | Anglo & Overseas Trust                               | Very High             | +5%                | 0.64               | 157                | 31     | -4    |    |
| Avoid                                    | Westpac International          | Medium      | -17%               | 0.40               | 34                 | 1      | 9     | Avoid   | Bankers Investment                                   | High                  | -6%                | 0.71               | 72                 | 19     | -3    |    |
| <b>NEW ZEALAND BASED UNIT TRUSTS</b>     |                                |             |                    |                    |                    |        |       |   |  |                       |                    |                    |                    |        |       |    |
|  | AJ International Share         | Medium      | -2%                | 0.63               |                    |        | 26    |   | Buy  | Brunner Invest. Trust | Very High          | +7%                | 0.70               | 158    | 69    | 13 |
| Avoid                                    | AMP International Share        | Very Low    | -6%                | 0.54               | 67                 | 13     | 4     | Buy   | Capital Gearing Trust                                | Very Low              | +3%                | 0.01               |                    |        | 12    | -1 |
|  | AMP Passive Int'l Share        | Medium      | +6%                | 0.57               |                    |        | 28    | Buy   | Edinburgh Worldwide                                  | Very High             | -2%                | 0.78               |                    |        | 39    | 14 |
| Avoid                                    | ANZ World Equity Trust         | Low         | -6%                | 0.68               | 60                 | 21     | 5     | Buy   | Edinburgh Investment                                 | High                  | -4%                | 0.76               | 99                 | 22     | 1     |    |
|  | ASB World Shares               | Medium      | -2%                | 0.61               |                    |        | 25    | Buy   | English & Scottish                                   | Very High             | -7%                | 0.63               | 73                 | 40     | 8     |    |
| Avoid                                    | BNZ International Equity       | Medium      | -10%               | 0.67               | 45                 | 22     | 4     | Buy   | F & C Smaller Companies                              | Low                   | +8%                | 0.38               | 117                | 71     | 20    |    |
|  | BT Life Int'l Share            | Medium      | -3%                | 0.85               |                    |        | 29    | Buy   | F & C Special 'S'                                    | Low                   | -3%                | 0.31               | 94                 | 16     | 10    |    |
| Avoid                                    | BTIS International Share       | Low         | -7%                | 0.78               |                    |        | 23    | Buy   | Finsbury Technology                                  | Very High             | +46%               | 0.46               | 693                | 288    | 40    |    |
| Avoid                                    | Col FS Global Property         | Very Low    | -23%               | 0.32               |                    |        | -10   | Buy   | Finsbury W/wide Pharm.                               | Low                   | +10%               | 0.14               | 155                | 99     | 52    |    |
| Avoid                                    | NZ Guardian Global             | Very Low    | -9%                | 0.55               | 45                 | 18     | 5     | Buy   | Fleming Overseas                                     | High                  | +3%                | 0.85               | 137                | 43     | 3     |    |
| Avoid                                    | NZFM Global Equity Gth         | Medium      | -6%                | 0.62               | 62                 | 23     | 1     | Buy   | Fleming Mercantile                                   | Medium                | +8%                | 0.54               | 124                | 78     | 17    |    |
| Avoid                                    | NZFM Global Small Coys         | Medium      | +1%                | 0.45               | 96                 | 68     | 29    | Buy   | Foreign & Colonial                                   | Medium                | +1%                | 0.75               | 114                | 30     | 4     |    |
|  | NZFM Global Prop & Infra       | Low         | -6%                | 0.36               | 72                 | 22     | 7     | Avoid   | Govett High Income IT                                | Very Low              | -11%               | 0.27               | 51                 | -4     | 1     |    |
| Avoid                                    | NZFM Global Blue Chip          | Very Low    | -11%               | 0.45               | 25                 | 8      | -3    | Buy   | Henderson Technology                                 | Very High             | +41%               | 0.46               | 611                | 200    | 21    |    |
| Avoid                                    | Nat Bank Int'l Equity          | Low         | -8%                | 0.75               | 55                 | 17     | 4     | Buy   | Henderson Strata Inv                                 | Very High             | +18%               | 0.40               | 215                | 127    | 26    |    |
|  | Royal & Sun Int'l S/Mkt        | Very Low    | -1%                | 0.55               |                    |        | 32    | Buy   | Henderson Smaller Coy                                | Very High             | +17%               | 0.55               |                    |        | 116   | 15 |
|  | Tower Global Equity            | Low         | -2%                | 0.52               | 79                 | 23     | 7     | Buy   | Herald Investment Trust                              | Very High             | +41%               | 0.36               | 481                | 194    | 23    |    |
| Avoid                                    | Tower Tortis Intern'l          | Very High   | -9%                | 0.76               |                    |        | 27    | Buy   | International Biotech                                | Very Low              | +36%               | 0.01               | 96                 | 334    | 98    |    |
|  | Westpac Emerging Opps.         | High        | -6%                | 0.59               | 48                 | 64     | 17    | Buy   | Inv Trt of Inv Trusts                                | Very Low              | +2%                | 0.32               | 109                | 46     | 24    |    |
| Avoid                                    | Westpac International          | Low         | -6%                | 0.74               | 58                 | 18     | 4     | Buy   | Jupiter Primadona                                    | Medium                | +17%               | 0.41               |                    |        | 65    | 16 |
| <b>NEW ZEALAND BASED INSURANCE BONDS</b> |                                |             |                    |                    |                    |        |       |   |  |                       |                    |                    |                    |        |       |    |
|  | CIGNA International            | Low         | -3%                | 0.36               | 87                 | 20     | 2     | Avoid   | Law Debenture Corp.                                  | Medium                | -13%               | 0.53               | 49                 | -8     | -11   |    |
| Avoid                                    | GRE International              | Very Low    | -5%                | 0.66               | 69                 | 17     | 3     | Buy   | Majedie Investment                                   | Very Low              | -3%                | 0.35               | 87                 | 7      | 1     |    |
| Avoid                                    | Royal Sun All Global Fd        | Low         | -6%                | 0.70               | 63                 | 27     | 8     | Buy   | Mid Wynd Invest Trust                                | Low                   | +7%                | 0.43               | 121                | 74     | 17    |    |
| Avoid                                    | Sov. Super Int'l Equity        | High        | -18%               | 0.57               | 13                 | 20     | 7     | Avoid   | Monks Investment                                     | Medium                | +2%                | 0.80               | 126                | 40     | 10    |    |
| <b>UNITED KINGDOM BASED UNIT TRUSTS</b>  |                                |             |                    |                    |                    |        |       |   |  |                       |                    |                    |                    |        |       |    |
| Buy                                      | ABN AMRO Global Growth         | Medium      | +1%                | 0.70               |                    |        | 55    | 24  | Buy  | Murray International  | High               | -11%               | 0.68               | 56     | 16    | 7  |
|  | Abbey Global Growth            | Very Low    | -3%                | 0.05               | 57                 | 7      | 2     |   | Oryx International                                   | Very Low              | -1%                | 0.03               |                    |        | 18    | 19 |
|  | Abbey International            | Medium      | -2%                | 0.80               | 92                 | 23     | 2     | Buy   | Pantheon International                               | Very Low              | +9%                | 0.02               | 102                | 56     | 26    |    |
| Avoid                                    | Abbey Nat'l International      | Medium      | -5%                | 0.69               |                    |        | 26    | 4   | Buy  | Personal Assets Trust | Very Low           | -0%                | 0.27               | 92     | 7     | -5 |
| Buy                                      | Aberdeen Technology            | Very High   | +41%               | 0.51               | 622                | 176    | 27    | Buy   | Ptmrigan International                               | Medium                | -0%                | 0.44               | 82                 | 51     | 11    |    |
|  | Aberdeen World                 | Medium      | -4%                | 0.92               | 93                 | 23     | 4     | Buy   | RIT Capital Partners                                 | Low                   | +5%                | 0.44               | 146                | 36     | 12    |    |
| Avoid                                    | BG International               | Low         | -7%                | 0.54               | 84                 | 9      | 3     | Buy   | Scottish Invest. Trust                               | Medium                | -2%                | 0.77               | 112                | 27     | 5     |    |
|  | Barclays Worldwide             | Medium      | -3%                | 0.92               | 100                | 25     | 4     | Buy   | Scottish Mortgage & Trt                              | Very High             | -1%                | 0.78               | 131                | 38     | 6     |    |
|  | Baring Global Growth           | Very High   | +6%                | 0.90               | 184                | 36     | 5     | Buy   | Scottish Value                                       | Medium                | +17%               | 0.36               | 173                | 126    | 26    |    |
|  | Britannia Intern'l Spec Sits   | Medium      | +3%                | 0.63               | 135                | 47     | 13    | Avoid   | Scottish American Inv.                               | Medium                | -1%                | 0.75               | 105                | 28     | 3     |    |
|  | Canada Life International Gth  | High        | -3%                | 0.79               | 111                | 40     | 18    | Avoid   | Second Alliance                                      | Medium                | -6%                | 0.66               | 89                 | 11     | -3    |    |
|  | Clerical Medical UK & Overseas | Medium      | -1%                | 0.87               | 117                | 32     | 9     | Avoid   | Secs Trust of Scotland                               | High                  | -10%               | 0.68               | 62                 | 11     | -4    |    |
|  | Dresdner Global Equity         | Medium      | -4%                | 0.86               | 101                | 19     | 2     | Buy   | Tribune Trust Managed                                | Very Low              | +12%               | 0.10               |                    |        | 33    | 16 |
|  | Equitable International        | Medium      | -1%                | 0.87               | 92                 | 43     | 8     | Buy   | Warrants & Value                                     | Low                   | +7%                | 0.35               | 132                | 56     | 19    |    |
| Buy                                      | Fidelity Managed Int'l         | High        | +9%                | 0.60               | 221                | 30     | 9     | Buy   | Witan Investment Coy                                 | High                  | +0%                | 0.89               | 131                | 32     | 6     |    |
|  | Fleming Private Global Opport. | Medium      | +4%                | 0.75               | 134                | 35     | 7     | <b>UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL</b> |  |                       |                    |                    |                    |        |       |    |
|  | Fleming Private W/wide Capital | Medium      | +5%                | 0.76               | 148                | 43     | 7     | Buy   | Asset Management                                     | Very Low              | +27%               | 0.02               |                    |        | 140   | 16 |
| Buy                                      | Framlington International      | High        | +7%                | 0.86               | 171                | 59     | 14    | Avoid   | British Assets Trust                                 | Medium                | -6%                | 0.49               | 74                 | 6      | -6    |    |
|  | Friends Prov. International    | High        | +1%                | 0.90               | 138                | 35     | 6     | Buy   | F & C Spec Utility -Cap                              | Low                   | +6%                | 0.34               | 168                | 21     | 14    |    |
|  | GA International Growth        | Medium      | -1%                | 0.94               |                    |        | 34    | 8   | Avoid  | Fleming W/wide Income | Very High          | -16%               | 0.30               | 42     | 0     | 1  |
|  | GRE International              | Medium      | -3%                | 0.90               | 107                | 25     | 8     | Buy   | Jupiter Int'l Green IT                               | Very High             | +4%                | 0.29               | 142                | 82     | 43    |    |
| Buy                                      | Gartmore Global Utilities      | Medium      | +16%               | 0.60               | 249                | 60     | 13    | <b>EMERGING MARKETS</b>                                       |  |                       |                    |                    |                    |        |       |    |
| Buy                                      | Henderson Global Technology    | Very High   | +45%               | 0.56               | 743                | 215    | 30    | <b>AUSTRALIAN BASED UNIT TRUSTS</b>                           |  |                       |                    |                    |                    |        |       |    |
|  | Henderson Independent Port.    | Medium      | +1%                | 0.92               | 118                | 33     | 7     |   | Macquarie S/M Emerging                               | Low                   | +0%                | 0.71               |                    |        | 56    | 3  |
|  | Henderson International        | Medium      | +2%                | 0.92               | 129                | 40     | 7     | <b>NEW ZEALAND BASED UNIT TRUSTS</b>                          |  |                       |                    |                    |                    |        |       |    |
|  | Hill Samuel Int'l              | Medium      | -2%                | 0.82               | 116                | 20     | 3     | Avoid   | ASB Emerging Markets                                 | Very Low              | -6%                | 0.87               |                    |        | 31    | 4  |
|  | Investec GF Global Privat'n    | High        | -1%                | 0.80               | 111                | 41     | 7     |   | NZFM Global Emerging Mkt                             | Low                   | +1%                | 0.83               | 33                 | 70     | 16    |    |
|  | Johnson Fry Global Growth      | Very High   | +2%                | 0.84               |                    |        | 36    | 9   | Nat Bank Emerging Mkts                               | Low                   | -5%                | 0.84               | 8                  | 58     | 14    |    |
|  | Legal & General Global Gth     | Medium      | -2%                | 0.93               | 108                | 33     | 7     | <b>NEW ZEALAND BASED INSURANCE BONDS</b>                      |  |                       |                    |                    |                    |        |       |    |
|  | Legal & General Worldwide      | Medium      | -2%                | 0.91               | 102                | 24     | 4     | Avoid   | Royal Sun All E/Markets                              | Very Low              | -7%                | 0.86               | 11                 | 40     | 6     |    |
|  | Lincoln Global                 | High        | -4%                | 0.92               | 90                 | 33     | 7     | <b>UNITED KINGDOM BASED UNIT TRUSTS</b>                       |  |                       |                    |                    |                    |        |       |    |
|  | Lloyds TSB Worldwide Growth    | Very Low    | +1%                | 0.40               | 112                | 15     | 3     |   | Aberdeen Emerging Markets                            | Medium                | +1%                | 0.94               | 30                 | 75     | 12    |    |
|  | M & G International Gth        | Medium      | -4%                | 0.81               | 99                 | 25     | 12    | Buy   | Aberdeen Frontier Markets                            | Low                   | +16%               | 0.73               | 138                | 76     | 13    |    |
|  | MGM International Equity       | Medium      | +6%                | 0.85               | 149                | 48     | 7     | Buy   | City of London Emerging Mkts                         | Low                   | -2%                | 0.90               | 34                 | 44     | 6     |    |
|  | Marlborough International      | Very Low    | +1%                | 0.36               | 82                 | 55     | 18    | Buy   | Framlington Emerging Markets                         | Medium                | +7%                | 0.86               | 53                 | 92     | 13    |    |
|  | Martin Currie International    | High        | +0%                | 0.92               | 114                | 50     | 12    | Buy   | Gartmore Emerging Markets                            | Medium                | +11%               | 0.90               | 84                 | 102    | 17    |    |
|  | Mercury International          | High        | +4%                | 0.83               | 133                | 50     | 7     | Buy   | Hill Samuel Global Emerg. Mkts                       | Medium                | +3%                | 0.95               | 54                 | 67     | 11    |    |
|  | Murray Worldwide Equity        | Very High   | -1%                | 0.91               | 126                | 35     | 7     | Avoid   | Invesco Global Emerging Mkts                         | Medium                | -1%                | 0.94               | 32                 | 56     | 7     |    |
|  | NPI Global Care                | Low         | +2%                | 0.58               | 123                | 40     | 13    | Avoid   | Lazard Emerging Markets                              | Medium                | -8%                | 0.84               |                    |        |       |    |

| Current Advice | Investment Fund                | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|----------------|--------------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|                |                                |             |                    |                    | 36 mth             | 12 mth | 3 mth |
|                | Schroder Gbl Emerging Mkts     | Medium      | +3%                | 0.96               | 45                 | 72     | 8     |
|                | Stewart Ivory Emerging Markets | Medium      | +1%                | 0.94               | 51                 | 67     | 13    |

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|       |                         |           |      |      |     |     |     |
|-------|-------------------------|-----------|------|------|-----|-----|-----|
|       | Aberdeen Emerging Econ. | Very High | -1%  | 0.91 | 17  | 65  | 1   |
|       | Advance Developing Mkts | Medium    | +1%  | 0.77 | 69  | 12  |     |
| Avoid | Beta Global Emerging    | High      | -9%  | 0.76 | -5  | 54  | 8   |
|       | Dresdner RCM Emerg Mkts | Medium    | -1%  | 0.85 | 40  | 51  | 16  |
| Avoid | F & C Emerging Markets  | Very High | -4%  | 0.86 | -6  | 55  | -3  |
| Buy   | Fleming Emerging Mkts   | Very High | +9%  | 0.94 | 67  | 85  | 9   |
|       | Govett Emerging Mkts    | Very High | +4%  | 0.91 | 33  | 90  | 9   |
|       | Murray Emerg. Economies | Very High | +0%  | 0.95 | 13  | 88  | 13  |
|       | Schroder Emer Countries | Medium    | +2%  | 0.87 | 31  | 71  | 9   |
| Avoid | Tea Plantations         | Very Low  | -31% | 0.16 | -47 | -23 | -19 |
|       | Templeton Emerging Mkts | High      | -2%  | 0.87 | 23  | 37  | -9  |

**LATIN AMERICA**

**NEW ZEALAND BASED UNIT TRUSTS**

|       |                          |          |     |      |    |    |   |
|-------|--------------------------|----------|-----|------|----|----|---|
|       | FCMI Toronto Latin Amer. | Very Low | -5% | 0.22 | 34 | 15 | 5 |
| Avoid | Tower Spot. Latin Amer.  | Very Low | -7% | 0.83 | 23 | 31 | 7 |

**UNITED KINGDOM BASED UNIT TRUSTS**

|  |                                |        |     |      |    |    |    |
|--|--------------------------------|--------|-----|------|----|----|----|
|  | Abbey Latin America            | Medium | +1% | 0.93 | 50 | 67 | 25 |
|  | Aberdeen Latin America         | Medium | +0% | 0.98 | 44 | 67 | 16 |
|  | BG Latin American              | Medium | +3% | 0.94 | 75 | 58 | 20 |
|  | Edinburgh Latin American       | High   | -3% | 0.95 | 29 | 58 | 20 |
|  | Fleming Select Latin America   | Medium | +2% | 0.97 | 59 | 62 | 16 |
|  | NPI Latin American             | Medium | +1% | 0.86 | 60 | 51 | 16 |
|  | Old Mutual Fund Latin American | Medium | +3% | 0.96 | 67 | 72 | 22 |
|  | Perpetual Latin America        | Medium | -2% | 0.95 | 37 | 70 | 18 |
|  | S & P Latin America            | Medium | +2% | 0.97 | 61 | 60 | 16 |
|  | Scot Widows Latin America      | Medium | +3% | 0.97 |    | 67 | 18 |

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|  |                         |           |     |      |    |    |    |
|--|-------------------------|-----------|-----|------|----|----|----|
|  | Aberdeen Latin American | Very High | -1% | 0.93 | 16 | 63 | 5  |
|  | Edinburgh Inca          | High      | +3% | 0.83 | 37 | 66 | 16 |
|  | Morgan G Latin American | High      | +1% | 0.92 | 34 | 62 | 12 |
|  | Scudder Latin American  | High      | +0% | 0.86 | 32 | 38 | -5 |
|  | Templeton Latin Amer.   | High      | -1% | 0.83 | 27 | 43 | 1  |

**UNITED STATES**

**AUSTRALIAN BASED UNIT TRUSTS**

|       |                          |          |      |      |     |    |    |
|-------|--------------------------|----------|------|------|-----|----|----|
| Avoid | BT Sel Mkts American Gth | High     | -14% | 0.76 | 72  | 30 | 19 |
| Avoid | Fidelity Perp. America   | Very Low | -5%  | 0.50 | 104 | 11 | 6  |

**NEW ZEALAND BASED INSURANCE BONDS**

|       |                        |          |      |      |    |    |    |
|-------|------------------------|----------|------|------|----|----|----|
|       | GRE North American     | Very Low | -2%  | 0.59 | 98 | 20 | 9  |
| Avoid | Royal Sun All Nth Amer | Very Low | -7%  | 0.56 | 71 | 22 | 8  |
| Avoid | Sov. Super Nth America | Medium   | -18% | 0.53 | 26 | 28 | 11 |

**UNITED KINGDOM BASED UNIT TRUSTS**

|       |                                |           |      |      |     |     |    |
|-------|--------------------------------|-----------|------|------|-----|-----|----|
| Buy   | Abbey American Growth          | Low       | +4%  | 0.87 | 192 | 41  | 19 |
| Buy   | Abbey US Emerging Companies    | Very High | +28% | 0.52 | 463 | 166 | 29 |
|       | Aberdeen American Opport.      | High      | -4%  | 0.83 | 135 | 47  | 17 |
| Avoid | Aberdeen North American        | Medium    | -11% | 0.90 | 93  | 11  | 5  |
| Avoid | BG American Smaller Coys       | Medium    | -7%  | 0.77 | 110 | 33  | 14 |
|       | Barclays America               | Medium    | -0%  | 0.88 | 168 | 23  | 9  |
|       | Baring American Gth            | Medium    | +3%  | 0.83 | 220 | 31  | 11 |
| Buy   | Baring American Small Coys     | Medium    | +4%  | 0.33 | 173 | 96  | 22 |
| Buy   | Britannia American             | Low       | +9%  | 0.81 | 226 | 48  | 15 |
| Avoid | Canada Life North American     | Medium    | -6%  | 0.79 | 146 | 19  | 13 |
|       | Capel-Cure North American      | Medium    | +0%  | 0.93 | 181 | 31  | 17 |
|       | Clerical Medical American      | Medium    | +1%  | 0.84 | 174 | 27  | 3  |
|       | Credit Suisse Transatlantic    | Medium    | +6%  | 0.74 | 218 | 40  | 14 |
| Buy   | Deutsche American Growth       | High      | +7%  | 0.89 | 243 | 54  | 19 |
|       | Deutsche US Index              | Medium    | -3%  | 0.74 | 153 | 18  | 8  |
|       | Dresdner North American        | Medium    | +6%  | 0.85 | 235 | 37  | 12 |
|       | Edinburgh North American       | Medium    | +5%  | 0.77 | 222 | 39  | 16 |
| Avoid | Equitable North American       | Low       | -5%  | 0.75 | 117 | 19  | 8  |
| Avoid | F & C US Smaller Coys          | Low       | -6%  | 0.71 | 100 | 23  | 6  |
| Buy   | Fidelity American              | Medium    | +13% | 0.39 | 365 | 20  | 14 |
| Buy   | Fidelity American Spec Sits    | Very High | +21% | 0.51 | 414 | 99  | 31 |
|       | Fleming Select America         | Medium    | -1%  | 0.87 | 154 | 28  | 13 |
| Buy   | Framlington American Gth       | Medium    | +19% | 0.82 | 377 | 74  | 20 |
| Buy   | Framlington Amer Small Coys    | Medium    | +2%  | 0.56 | 153 | 79  | 20 |
|       | Friends Prov. American         | Medium    | +1%  | 0.79 | 171 | 26  | 9  |
| Avoid | Friends Prov. Amer Small Coys  | Medium    | -12% | 0.68 | 74  | 24  | 11 |
|       | GA Nth American Growth         | Medium    | -3%  | 0.92 |     | 28  | 10 |
|       | GRE North American             | Medium    | -1%  | 0.88 | 163 | 29  | 11 |
|       | Gartmore American              | High      | +3%  | 0.93 | 200 | 50  | 19 |
| Buy   | Gartmore American Small Coys   | High      | +18% | 0.56 | 307 | 147 | 34 |
|       | Govett American General        | Low       | +0%  | 0.83 | 164 | 32  | 14 |
|       | HSBC American Growth           | Medium    | -3%  | 0.89 | 158 | 27  | 13 |
|       | HSBC American Index            | Medium    | +0%  | 0.86 | 169 | 24  | 8  |
| Buy   | Henderson Amer Small Coys      | Medium    | +9%  | 0.61 | 216 | 77  | 20 |
|       | Henderson North American       | Medium    | +0%  | 0.91 | 174 | 34  | 12 |
| Buy   | Hill Samuel US Small Coys'     | High      | +10% | 0.57 | 204 | 114 | 23 |
| Buy   | Invesco American Smaller Coys  | High      | +18% | 0.39 | 355 | 67  | 22 |
| Avoid | Lazard Nth American Gth        | Low       | -9%  | 0.75 | 103 | 8   | 8  |
|       | Legal & General Nth American   | Medium    | +0%  | 0.91 | 172 | 32  | 13 |
|       | Legal & General US Index       | Medium    | -0%  | 0.89 | 169 | 25  | 9  |
|       | Lincoln North American         | Medium    | -4%  | 0.91 | 143 | 24  | 9  |
| Buy   | Lloyds TSB American            | Medium    | +7%  | 0.87 | 236 | 41  | 19 |
|       | M & G American & General       | Medium    | -1%  | 0.91 | 146 | 34  | 14 |
| Buy   | M & G American Smaller Coys    | Medium    | +4%  | 0.62 | 179 | 88  | 26 |
|       | M & G American Recovery        | Medium    | +4%  | 0.59 | 152 | 76  | 17 |
|       | MGM North American Growth      | Low       | -2%  | 0.74 | 135 | 26  | 8  |
|       | Martin Currie North American   | Medium    | -1%  | 0.82 | 130 | 53  | 16 |
| Buy   | Mercury American Opportunities | High      | +20% | 0.44 | 337 | 150 | 36 |
|       | Mercury American Fund          | Medium    | +5%  | 0.77 | 205 | 30  | 9  |

| Current Advice | Investment Fund               | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|----------------|-------------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|                |                               |             |                    |                    | 36 mth             | 12 mth | 3 mth |
| Avoid          | Murray American               | Medium      | -8%                | 0.82               | 103                | 40     | 14    |
|                | NPI North America             | Low         | -2%                | 0.84               | 136                | 32     | 12    |
|                | Newton American               | Low         | +2%                | 0.80               | 159                | 39     | 14    |
|                | Old Mutual Fund Nth American  | High        | +1%                | 0.85               | 190                | 29     | 7     |
|                | Perpetual Amer Small Coys     | Medium      | -3%                | 0.73               | 119                | 36     | 5     |
|                | Perpetual American Growth     | Medium      | -3%                | 0.81               | 140                | 28     | 10    |
| Avoid          | Prudential North American     | Low         | -13%               | 0.57               | 69                 | -2     | -1    |
|                | Royal & Sun All. Nth American | Medium      | +6%                | 0.93               | 201                | 46     | 16    |
|                | Royal London American Gth     | Medium      | -2%                | 0.90               | 146                | 22     | 10    |
|                | S & P American Smaller Coys   | Medium      | -1%                | 0.71               | 137                | 43     | 9     |
|                | S & P US Growth               | Medium      | -2%                | 0.90               | 153                | 30     | 14    |
| Avoid          | Schroder American             | Medium      | -4%                | 0.78               | 130                | 18     | 5     |
|                | Schroder US Smaller Coys      | Medium      | -0%                | 0.69               | 152                | 58     | 26    |
| Avoid          | Scottish Amicable American    | Low         | -14%               | 0.59               | 68                 | -1     | -1    |
|                | Scottish Life America         | Low         | +0%                | 0.82               | 170                | 24     | 10    |
|                | Scottish Mutual Nth American  | Medium      | +5%                | 0.82               | 223                | 45     | 24    |
|                | Scottish Widows' Nth American | Medium      | +1%                | 0.85               | 161                | 31     | 12    |
|                | Smith & Williamson American   | Medium      | -0%                | 0.74               | 175                | 24     | 13    |
| Avoid          | Stewart Ivory American        | Medium      | -12%               | 0.90               | 107                | 16     | 11    |
|                | Sun Life of Canada Nth Amer.  | Low         | -0%                | 0.87               | 152                | 28     | 9     |
| Buy            | Un Friendly Nth American      | High        | +6%                | 0.92               | 224                | 68     | 26    |

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|       |                         |           |      |      |     |     |    |
|-------|-------------------------|-----------|------|------|-----|-----|----|
| Avoid | American Opportunity    | Medium    | -12% | 0.25 | 44  | 19  | 15 |
|       | Edinburgh US Tracker    | Medium    | +1%  | 0.71 |     | 27  | 4  |
|       | F & C US Smaller Coys   | Low       | -3%  | 0.47 | 116 | 33  | 9  |
| Avoid | Fleming US Discovery    | Very High | -12% | 0.55 |     | 65  | 25 |
|       | Fleming American        | Medium    | -2%  | 0.78 | 141 | 30  | 5  |
| Buy   | Nth Atlantic Smaller    | Very Low  | +5%  | 0.21 | 129 | 64  | 33 |
| Buy   | Renaissance U.S.        | Low       | +8%  | 0.16 | 177 | 103 | 84 |
| Avoid | Second London American  | Very High | -30% | 0.42 |     | 11  | 50 |
| Avoid | US Smaller Companies IT | High      | -8%  | 0.64 | 122 | 34  | 16 |

**UNITED KINGDOM**

**NEW ZEALAND BASED INSURANCE BONDS**

|       |               |          |     |      |    |    |   |
|-------|---------------|----------|-----|------|----|----|---|
| Avoid | GRE UK Equity | Very Low | -6% | 0.63 | 62 | 13 | 0 |
|-------|---------------|----------|-----|------|----|----|---|

**UNITED KINGDOM BASED UNIT TRUSTS**

|       |                                |          |      |      |     |     |    |
|-------|--------------------------------|----------|------|------|-----|-----|----|
| Buy   | ABN AMRO UK Growth             | Medium   | +33% | 0.38 |     | 123 | 31 |
| Avoid | Abbey Assets & Earnings        | Low      | -9%  | 0.84 | 65  | 6   | -0 |
| Avoid | Abbey Dividend & Growth        | Low      | -10% | 0.64 | 58  | -2  | -5 |
| Avoid | Abbey Nat'l N & P UK Growth    | Medium   | -8%  | 0.80 |     | 13  | 0  |
| Buy   | Abbey Nat'l Smaller Cos        | Low      | +22% | 0.31 |     | 90  | 20 |
| Avoid | Abbey Nat'l UK Growth          | Medium   | -8%  | 0.81 |     | 14  | -0 |
| Avoid | Aberdeen UK Blue Chip          | Medium   | -5%  | 0.81 | 98  | 8   | -1 |
| Buy   | Aberdeen UK Emerging           | Low      | +17% | 0.38 | 215 | 86  | 22 |
|       | Aberdeen UK Growth             | Medium   | -2%  | 0.79 | 109 | 13  | 1  |
|       | BG British 350                 | Medium   | -4%  | 0.69 | 107 | 7   | -1 |
| Avoid | BG UK Smaller Companies        | Low      | -8%  | 0.69 | 59  | 16  | 1  |
|       | BWD Equity Growth              | Medium   | -5%  | 0.80 | 98  | 14  | 1  |
| Avoid | BWD UK Equity                  | Low      | -7%  | 0.66 | 85  | 1   | -3 |
| Buy   | BWD UK Smaller Coys            | Medium   | +27% | 0.32 | 298 | 152 | 30 |
|       | Barclays Capital               | Medium   | -4%  | 0.83 | 105 | 12  | -1 |
|       | Barclays FTSE 100              | Medium   | -3%  | 0.75 | 107 | 10  | -1 |
|       | Barclays Smaller Companies     | Low      | +1%  | 0.62 | 89  | 46  | 8  |
|       | Baring UK Growth               | Medium   | -1%  | 0.83 | 129 | 23  | 2  |
| Buy   | Baring UK Small Coys           | Medium   | +23% | 0.36 | 275 | 123 | 31 |
| Buy   | Britannia Smaller Companies    | Medium   | +8%  | 0.57 | 144 | 65  | 14 |
| Avoid | Britannia UK General           | Medium   | -5%  | 0.82 | 88  | 8   | -3 |
| Buy   | Canada Life UK Smaller Coys    | Low      | +15% | 0.35 | 193 | 101 | 30 |
| Buy   | Canvish Opportunities          | Very Low | +8%  | 0.46 | 133 | 54  | 15 |
|       | Cazenove UK Equity             | Medium   | -6%  | 0.74 | 87  | 22  | 5  |
| Buy   | Cazenove UK Smaller Coys       | Medium   | +8%  | 0.44 | 143 | 96  | 31 |
|       | Clerical Medical Pedigree      | Medium   | +5%  | 0.80 | 152 | 37  | 2  |
| Buy   | Clerical Medical Ped Small Coy | Medium   | +20% | 0.42 | 219 | 125 | 22 |
|       | Credit Suisse Growth           | Medium   | +2%  | 0.83 | 136 | 42  | 12 |
| Buy   | Credit Suisse Smaller Coys     | Medium   | +12% | 0.41 | 156 | 98  | 22 |
|       | Deutsche UK Blue Chip          | Medium   | -1%  | 0.80 | 126 | 15  | -1 |
|       | Deutsche UK Equity             | Medium   | -5%  | 0.82 | 97  | 15  | 2  |
|       | Deutsche UK Growth             | Medium   | -1%  | 0.89 | 116 | 20  | 0  |
| Avoid | Deutsche UK Index              | Medium   | -7%  | 0.79 | 86  | 6   | -1 |
| Buy   | Dresdner UK Growth             | High     | +8%  | 0.69 | 182 | 45  | 9  |
|       | Dresdner UK Index              | Medium   | -4%  | 0.82 | 1   |     |    |

| Current Advice | Investment Fund                | Risk Rating | Superiority Rating | Market Correlation | Performance(NZ\$) |        |       | Current Advice  | Investment Fund          | Risk Rating | Superiority Rating | Market Correlation | Performance(NZ\$) |         |       |
|----------------|--------------------------------|-------------|--------------------|--------------------|-------------------|--------|-------|---|--------------------------|-------------|--------------------|--------------------|-------------------|---------|-------|
|                |                                |             |                    |                    | 36 mth            | 12 mth | 3 mth |   |                          |             |                    |                    | 36 mth            | 12 mth  | 3 mth |
| Buy            | Govett Geared UK Index         | Very High   | -11%               | 0.74               | 91                | 4      | -6    | Buy   | Dresdner RCM Smaller     | Very High   | +35%               | 0.29               | 158               | 11      |       |
| Buy            | Govett UK Smaller Companies    | Low         | +7%                | 0.55               | 141               | 47     | 12    | Buy   | Dresdner RCM 2nd Endow.  | Very Low    | +1%                | 0.08               | 70                | 12 -1   |       |
| Avoid          | HSBC Footsie Fund              | Medium      | -4%                | 0.76               | 103               | 9      | -2    |   | Dunedin Income Growth    | Low         | -3%                | 0.42               | 104               | 8 0     |       |
| Buy            | HSBC UK Growth                 | Medium      | +6%                | 0.70               | 163               | 47     | 10    |   | Dunedin Smaller Coys IT  | High        | +2%                | 0.45               | 90                | 74 16   |       |
|                | HSBC UK Index                  | Medium      | -4%                | 0.83               | 99                | 13     | -1    | Buy   | Eaglet Investment Trust  | Medium      | +26%               | 0.28               | 260               | 126 21  |       |
| Buy            | HSBC UK Smaller Coys           | Low         | +16%               | 0.62               | 223               | 76     | 19    |   | Edinburgh UK Tracker     | Medium      | -2%                | 0.64               | 15                | -3      |       |
|                | Hargreaves Lansdown Warrant    | Very High   | -6%                | 0.81               | 99                | 62     | 4     | Buy   | Edinburgh Smaller Coys   | Very High   | +16%               | 0.57               | 209               | 145 23  |       |
|                | Hargreaves Lansdown Investment | High        | +3%                | 0.82               | 142               | 54     | 13    |   | Exeter Preferred Cap.    | Low         | +0%                | 0.34               | 99                | -3 -11  |       |
| Buy            | Henderson UK Small Coys        | High        | +24%               | 0.34               | 273               | 122    | 20    | Avoid   | F & C Income Growth      | Medium      | -12%               | 0.65               | 55                | 3 -7    |       |
|                | Hill Samuel British            | Medium      | -4%                | 0.78               | 99                | 8      | -2    |   | Fidelity Special Values  | Low         | -1%                | 0.55               | 84                | 44 4    |       |
|                | Hill Samuel Capital            | Medium      | -4%                | 0.81               | 96                | 15     | 0     | Buy   | Finsbury Trust           | Low         | +11%               | 0.27               | 142               | 99 31   |       |
|                | Hill Samuel UK Smaller Coys    | Low         | +3%                | 0.36               | 93                | 63     | 14    | Avoid   | Finsbury Growth          | Medium      | -9%                | 0.52               | 63                | 6 4     |       |
|                | Invesco UK Growth              | Medium      | -0%                | 0.86               | 117               | 30     | 4     |   | Fleming Claverhouse      | Medium      | -0%                | 0.64               | 130               | 19 3    |       |
| Buy            | Invesco UK Smaller Companies   | Low         | +12%               | 0.33               | 134               | 112    | 21    |   | Fleming Mid Cap          | Very High   | -8%                | 0.75               | 36                | 10      |       |
| Avoid          | Investec GF UK Opportunities   | Medium      | -8%                | 0.86               | 80                | 15     | 4     | Buy   | Fleming Smaller Coys     | Very High   | +15%               | 0.56               | 176               | 103 13  |       |
|                | Investec GF UK Emerging Coys   | Very Low    | -2%                | 0.33               | 50                | 32     | -3    | Avoid   | Fleming Geared Growth    | Medium      | -9%                | 0.56               | 8                 | 8       |       |
| Avoid          | Johnson Fry UK Growth          | High        | -10%               | 0.81               | 9                 | 1      | -1    | Buy   | Framlington 100 Sm Coys  | Medium      | +6%                | 0.45               | 103               | 89 17   |       |
|                | Jupiter UK Growth              | Low         | -4%                | 0.83               | 93                | 11     | 4     | Avoid   | GT Income Growth         | Medium      | -9%                | 0.55               | 68                | 19 4    |       |
| Buy            | Jupiter UK Special Situations  | Medium      | +8%                | 0.55               | 171               | 62     | 21    | Buy   | Gartmore Fledgling Indx  | Medium      | +16%               | 0.37               | 139               | 123 13  |       |
|                | Lazard UK Small Coy            | Low         | +3%                | 0.52               | 108               | 49     | 14    | Buy   | Gartmore Small Coys      | Very High   | +3%                | 0.62               | 119               | 81 25   |       |
| Buy            | Legal & General UK Small Coys  | Very Low    | +6%                | 0.42               | 142               | 61     | 27    | Avoid   | Glasgow Income Trust     | Very Low    | -9%                | 0.33               | 70                | -8 -3   |       |
|                | Legal & General UK Recovery    | Low         | -3%                | 0.87               | 91                | 13     | -1    |   | Govett Strategic Inv.    | High        | -3%                | 0.80               | 105               | 39 11   |       |
| Avoid          | Legal & General UK Stockmarket | Medium      | -4%                | 0.73               | 105               | 8      | -2    |   | Group Trust              | Very Low    | -2%                | 0.06               | 56                | 46 35   |       |
|                | Legal & General UK Index       | Low         | -2%                | 0.53               | 100               | 13     | 1     | Avoid   | Henderson High Income    | Very Low    | -13%               | 0.27               | 13                | -13 -5  |       |
| Avoid          | Legal & General Equity         | Medium      | -7%                | 0.83               | 90                | 9      | 0     | Buy   | Hill Samuel UK Emerging  | Very High   | +13%               | 0.35               | 141               | 132 21  |       |
|                | Lincoln Growth                 | Medium      | -4%                | 0.85               | 101               | 14     | 0     | Buy   | I & S UK Discovery       | Low         | +14%               | 0.19               | 150               | 127 37  |       |
| Avoid          | Lloyds FT-SE 100               | Medium      | -4%                | 0.69               | 102               | 7      | -3    | Buy   | I & S UK Smaller Coys    | Medium      | +8%                | 0.44               | 128               | 81 19   |       |
| Buy            | Lloyds Small Coys Recovery     | Very Low    | +5%                | 0.29               | 103               | 67     | 15    | Buy   | Invesco England          | Very High   | +5%                | 0.52               | 95                | 119 9   |       |
| Buy            | Lloyds TSB Smaller Companies   | Medium      | +4%                | 0.47               | 103               | 74     | 15    | Avoid   | Invesco Convertible      | Low         | -8%                | 0.62               | 63                | 3 -2    |       |
|                | Lloyds TSB UK Growth           | Low         | -2%                | 0.46               | 97                | 8      | -2    |   | Knox D'Arcy Trust        | Very Low    | -5%                | 0.12               | 38                | 18 -3   |       |
| Avoid          | M & G Recovery                 | Medium      | -9%                | 0.81               | 71                | 9      | -2    |   | Legal & Gen'l Recovery   | Low         | -3%                | 0.76               | 95                | 15 1    |       |
| Buy            | M & G Smaller Companies        | Medium      | +14%               | 0.47               | 175               | 107    | 17    |   | Life Offices Opport.     | Very Low    | -0%                | 0.04               | 66                | 10 4    |       |
|                | MGM Special Situations         | Low         | -1%                | 0.78               | 106               | 21     | 3     | Avoid   | London & St Lawrence     | Very Low    | -5%                | 0.35               | 60                | -3 -1   |       |
|                | MGM UK Growth                  | Low         | -3%                | 0.73               | 98                | 12     | 0     | Avoid   | Lowland Investment Co    | Medium      | -9%                | 0.51               | 51                | 7 -6    |       |
| Buy            | Marlborough Special Situations | Medium      | +37%               | 0.22               | 319               | 216    | 28    | Avoid   | Merchants Trust          | Medium      | -14%               | 0.52               | 65                | -15 -11 |       |
| Buy            | Marlborough UK Growth          | Very Low    | +3%                | 0.61               | 129               | 42     | 14    | Avoid   | Mercury Keystone IT      | Medium      | -12%               | 0.45               | 71                | -7 -3   |       |
| Avoid          | Martin Currie UK Growth        | Medium      | -8%                | 0.84               | 69                | 20     | 5     |   | Montanaro UK Small Coys  | Low         | +3%                | 0.41               | 108               | 57 13   |       |
| Buy            | Martin Currie UK Smaller Coys  | Very Low    | +6%                | 0.42               | 109               | 71     | 21    | Avoid   | Murray Income Trust      | Medium      | -13%               | 0.49               | 57                | 2 -1    |       |
| Avoid          | Mercury Brit Blue Chip         | Medium      | -7%                | 0.69               | 86                | 6      | -1    |   | NatWest Smaller Coys     | High        | -0%                | 0.39               | 86                | 89 25   |       |
|                | Mercury Recovery               | Low         | -1%                | 0.57               | 80                | 28     | 0     |   | Perpetual UK Smaller Co  | Low         | +1%                | 0.40               | 91                | 45 8    |       |
| Buy            | Mercury UK Smaller Coys        | Low         | +13%               | 0.45               | 144               | 87     | 9     | Avoid   | Perpetual Income & Gth   | High        | -21%               | 0.59               | 31                | -16 -9  |       |
| Buy            | Murray Smaller Companies       | Medium      | +29%               | 0.21               | 307               | 217    | 65    | Avoid   | Prolific Income plc      | Medium      | -17%               | 0.52               | 39                | -9 -8   |       |
| Avoid          | Murray UK Growth               | Medium      | -9%                | 0.85               | 69                | 9      | 2     | Buy   | Radio Trust              | Very Low    | +39%               | 0.04               | 322               | 154 31  |       |
| Avoid          | NatWest UK Tracker             | Medium      | -4%                | 0.76               | 104               | 9      | -2    | Avoid   | Schroder Income & Grwth  | Very Low    | -15%               | 0.50               | 35                | -1 -1   |       |
| Avoid          | Old Mutual UK All Share Mirror | Medium      | -4%                | 0.82               | 96                | 11     | -3    | Avoid   | Schroder UK Growth       | High        | -11%               | 0.61               | 66                | 25 9    |       |
| Avoid          | Pearl Equity Trust             | Medium      | -6%                | 0.80               | 94                | 8      | -2    | Avoid   | Shires Investment Trust  | Medium      | -7%                | 0.43               | 83                | -6 -8   |       |
|                | Pearl Growth                   | Medium      | -3%                | 0.80               | 106               | 13     | -1    | Avoid   | Shires Smaller Coys      | Low         | -7%                | 0.42               | 57                | 21 10   |       |
| Buy            | Pearl UK Small Coys            | Very Low    | +10%               | 0.29               | 129               | 64     | 14    | Buy   | Smaller Companies IT     | Very High   | +12%               | 0.41               | 181               | 87 15   |       |
| Avoid          | Perpetual UK Growth            | Medium      | -13%               | 0.69               | 59                | 1      | -2    | Avoid   | Temple Bar Inv. Trust    | Medium      | -8%                | 0.59               | 86                | -7 -13  |       |
| Buy            | Perpetual UK Small Coys        | Low         | +9%                | 0.43               | 138               | 76     | 19    | Buy   | Themis FTSE Fledge       | Low         | +19%               | 0.31               | 89                | 7       |       |
|                | Prudential Smaller Companies   | Low         | +3%                | 0.56               | 98                | 44     | 4     | Buy   | Themis FTSE All Small    | Medium      | +10%               | 0.43               | 58                | 14      |       |
| Avoid          | Prudential UK Growth           | Medium      | -7%                | 0.83               | 83                | 8      | -2    |   | Throgmorton Trust        | Medium      | -5%                | 0.47               | 63                | 45 15   |       |
| Buy            | Royal & Sun All. UK Smaller    | Medium      | +16%               | 0.43               | 169               | 104    | 14    | Avoid   | Tribune Trust Indexed    | Medium      | -9%                | 0.80               | 11                | -3      |       |
|                | Royal & Sun All. Equity Trust  | Medium      | -2%                | 0.84               | 116               | 14     | 1     |   | Undervalued Assets       | Low         | -2%                | 0.52               | 77                | 51 20   |       |
| Avoid          | Royal London Spec. Sit.        | Very Low    | -12%               | 0.48               | 34                | 3      | 3     | Avoid   | Value & Income Trust     | Medium      | -15%               | 0.39               | 19                | 19 7    |       |
|                | Royal London UK Growth         | Medium      | -0%                | 0.84               | 122               | 26     | 6     | <b>UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL</b> |                          |             |                    |                    |                   |         |       |
| Buy            | S & P UK Small Coys Gth        | Low         | +16%               | 0.51               | 200               | 87     | 19    | Avoid   | Aberforth SL - Cap       | Medium      | -5%                | 0.35               | 42                | 28 -3   |       |
| Buy            | Sanwa UK Growth                | Low         | +8%                | 0.80               | 167               | 49     | 11    | Avoid   | BFS Income & Growth      | Low         | -30%               | 0.24               |                   | -26 -22 |       |
| Avoid          | Schroder UK Enterprise         | High        | -6%                | 0.76               | 81                | 26     | 1     | Avoid   | BFS Overseas             | Very Low    | -6%                | 0.04               | 3                 | -6      |       |
|                | Schroder UK Equity             | Medium      | -3%                | 0.79               | 97                | 22     | -1    |   | Danae - Capital          | High        | +5%                | 0.64               | 186               | 9 -5    |       |
| Buy            | Schroder UK Smaller Coys       | Medium      | +18%               | 0.42               | 192               | 103    | 13    | Avoid   | Dartmoor                 | Very Low    | -8%                | 0.25               | 57                | -18 -18 |       |
|                | Scottish Amicable Equity Trust | Medium      | -3%                | 0.75               | 104               | 12     | 1     |   | Derby Trust - Capital    | Low         | +1%                | 0.64               | 120               | 20 -2   |       |
|                | Scottish Amicable UK Small     | Low         | +2%                | 0.57               | 88                | 47     | 8     | Avoid   | Dresdner RCM Income Gth  | Medium      | -27%               | 0.20               |                   | -14 -7  |       |
|                | Scottish Life UK Equity        | Medium      | -2%                | 0.77               | 113               | 12     | 0     | Avoid   | Edinburgh Income Trust   | Medium      | -6%                | 0.42               | 91                | -2 3    |       |
| Buy            | Scottish Mutual UK Small Coys  | Medium      | +5%                | 0.40               | 98                | 92     | 21    | Avoid   | Exeter Enhanced Income   | Very Low    | -12%               | 0.14               |                   | -9 -11  |       |
|                | Scottish Mutual Selective Opps | Medium      | -1%                | 0.83               | 114               | 30     | 4     | Buy   | Finsbury Inc & Gth -Cap  | Very High   | +18%               | 0.65               | 84                | 25      |       |
|                | Scottish Mutual UK Equity      | Medium      | -1%                | 0.83               | 111               | 21     | 1     | Avoid   | Fleming Inc & Cap        | Medium      | -7%                | 0.33               | 77                | -4 -11  |       |
|                | Scottish Widows' UK Index      | Low         | -3%                | 0.71               | 108               | 12     | 1     |   | Fleming Inc & Gth - Cap  | Very High   | +2%                | 0.60               | 184               | 8 -2    |       |
|                | Scottish Widows' UK Spec Sits  | Medium      | -2%                | 0.80               | 100               | 24     | 4     | Avoid   | Framlington I & C - Cap  | Very High   | -3%                | 0.74               | 145               | 14 -20  |       |
| Avoid          | Scottish Widows' Equity        | Medium      | -5%                | 0.79               | 91                | 12     | 1     | Avoid   | Friends Prov Ethical     | Medium      | -14%               | 0.27               | 28                | 14 13   |       |
|                | Scottish Widows' UK Small Coys | Low         | -0%                | 0.62               | 86                | 46     | 16    | Avoid   | Gartmore SNT             | Very High   | -45%               | 0.32               |                   | -35 -33 |       |
| Buy            | Singer & Freidlander Small Cos | Low         | +9%                | 0.45               | 120               | 80     | 12    | Avoid   | Gartmore British         | Very High   | -3%                | 0.31               |                   | -4 -13  |       |
|                | Smith & Williamson Growth      | Medium      | +4%                | 0.79               | 150               | 39     | 5     | Avoid   | Gartmore Scotland - Cap  | Very High   | -4%                | 0.54               | 147               | -10 -22 |       |
|                | Smith & Williamson Capital     | Medium      | +5%                | 0.77               | 150               | 41     | 5     | Avoid   | Gartmore Shared Equity   | Medium      | -13%               | 0.29               | 48                | -25 -27 |       |
|                | Societe Generale UK Growth     | High        | -2%                | 0.80               | 25                | 4      |       | Avoid   | Guinness Flight Extra    | Very Low    | -5%                | 0.29               | 77                | -8 -10  |       |
| Avoid          | Sovereign FTSE 100             | Medium      | -5%                | 0.73               | 97                | 8      | -3    | Avoid   | Henderson Geared I & G   | Medium      | -9%                | 0.59               |                   | -2 -7   |       |
| Avoid          | Sovereign UK Growth            | Medium      | -5%                | 0.86               | 80                | 25     | -2    | Avoid   | I & S Optimum Income     | High        | -13%               | 0.44               | 33                | 2 -2    |       |
| Buy            | St. James's Place UK & Gen Prg | Low         | +10%               | 0.69               | 179               | 48     | 3     | Avoid   | Invesco Recovery 2005    | Very Low    | +1%                | 0.10               |                   | 5 -11   |       |
|                | Stewart Ivory British          | Medium      | +1%                | 0.82               | 129               | 34     | 6     | Avoid   | Invesco Geared Opps      | High        | -24%               | 0.33               |                   | 5 -15   |       |
|                | Sun Life of Canada Small Coys  | Medium      | +0%                | 0.63               | 94                | 52     | 11    | Avoid   | Investors Capital        | High        | -5%                | 0.57               | 97                | 9 -4    |       |
| Avoid          | Sun Life of Canada UK Growth   | Medium      | -7%                | 0.84               | 89                | 8      | -1    | Avoid   | Jersey Phoenix           | Low         | -9%                | 0.39               |                   | -3 0    |       |
| Avoid          | Tilney UK Equity               | High        | -10%               | 0.77               | 14                | 3      |       |   | John Fry Utilities       | Low         | -4%                | 0.11               | 125               | 6 26    |       |
| Buy            | Tilney UK Smaller Cos          | Medium      | +11%               | 0.58               | 57                | 10     |       | Buy   | Jos Holdings - Capital   | Very High   | +29%               | 0.54               | 442               | 103 18  |       |
| Avoid          | Un Friendly UK Equity Growth   | Medium      | -7%                | 0.71               | 11                | 0      |       | Buy   | Jove Investment - Cap    | Very High   | +16%               | 0.41               | 504               | 10 -9   |       |
|                |                                |             |                    |                    |                   |        |       | Buy   | Jupiter Split Trust Cap  | Very High   | +27%               | 0.54               | 550               | 102 33  |       |
|                |                                |             |                    |                    |                   |        |       |   | Jupiter Extra Income     | Very Low    | -3%                | 0.37               | 79                | 1 -10   |       |
| Buy            | 3i Group                       | Very High   | +21%               | 0.47               | 282               | 141    | 29    | Avoid   | Leveraged Income Fund    | Very Low    | -7%                | 0.19               |                   | 10 -6   |       |
|                | 3i Smaller Quoted Coys         | Very High   | +1%                | 0.71               | 110               | 55     | 8     |   | Lloyds Smaller Co - Cap  | Medium      | +0%                | 0.56               | 94                | 55 13   |       |
| Buy            | AIM Trust                      | High        | +62%               | 0.08               | 442               | 524    | 39    | Avoid   | M & G Equity Trust - Cap | Very High   | -16%               | 0.52               | 64                | -9 -11  |       |
| Avoid          | Aberdeen Convertible           | Very Low    | -8%                | 0.29               | 59                | 4      | 2     | Avoid   | M & G High Income - Cap  | Very High   | -36%               | 0.45               |                   | -24 -26 |       |
|                | Aberdeen High Income           | Very Low    | -2%                | 0.28               | 100               | 5      | -7    |   | M & G Income IT - Cap    | Very High   | -1%                | 0.41               | 133               | -8 -15  |       |



| Current Advice                      | Investment Fund           | Risk Rating | Superiority Rating | Market Correlation | Performance(NZ\$) |        |       |
|-------------------------------------|---------------------------|-------------|--------------------|--------------------|-------------------|--------|-------|
|                                     |                           |             |                    |                    | 36 mth            | 12 mth | 3 mth |
| <b>EUROPE</b>                       |                           |             |                    |                    |                   |        |       |
| <b>AUSTRALIAN BASED UNIT TRUSTS</b> |                           |             |                    |                    |                   |        |       |
| Avoid                               | BT Sel Mkts Europe Growth | Low         | -11%               | 0.61               | 64                | 29     | 13    |
| Avoid                               | Dresdner Europe Growth    | Very Low    | -13%               | 0.23               | 5                 | 46     | 25    |
|                                     | Fidelity Perp. Europe     | Very Low    | -2%                | 0.67               | 113               | 32     | 11    |
| Avoid                               | Invesco European          | High        | -16%               | 0.64               | 80                | 62     | 34    |

| <b>NEW ZEALAND BASED UNIT TRUSTS</b>     |                          |          |      |      |     |    |    |
|--|--------------------------|----------|------|------|-----|----|----|
| Avoid                                    | BTIS European Share      | Very Low | -6%  | 0.79 |     | 23 | 3  |
| Buy                                      | Tower Spot. Emerg. Euro. | Very Low | +6%  | 0.29 | 112 | 85 | 26 |
| Avoid                                    | Tower Spotlight Europe   | Very Low | -7%  | 0.85 | 74  | 37 | 14 |
| <b>NEW ZEALAND BASED INSURANCE BONDS</b> |                          |          |      |      |     |    |    |
|  | GRE European Equity      | Very Low | +0%  | 0.67 | 118 | 42 | 19 |
|  | Royal Sun All European   | Very Low | -4%  | 0.58 | 78  | 27 | 9  |
| Avoid                                    | Sov. Super European      | Medium   | -18% | 0.71 | 38  | 31 | 15 |

| <b>UNITED KINGDOM BASED UNIT TRUSTS</b> |                                |           |      |      |     |     |    |
|---|--------------------------------|-----------|------|------|-----|-----|----|
| Avoid                                   | Abbey European Capital         | Low       | -5%  | 0.86 | 126 | 24  | 4  |
|   | Aberdeen European Growth       | Medium    | -1%  | 0.91 | 157 | 43  | 8  |
|   | BG Euro Small Coys             | Very High | -5%  | 0.79 | 154 | 99  | 43 |
|   | BG Europe                      | High      | +0%  | 0.94 | 214 | 74  | 21 |
|   | Baring Euro Sel.               | Medium    | +1%  | 0.81 | 150 | 85  | 20 |
|   | Baring European Growth         | Medium    | +4%  | 0.93 | 198 | 46  | 7  |
|   | Britannia European             | Medium    | -2%  | 0.93 | 156 | 46  | 9  |
|   | Canada Life European           | Medium    | -2%  | 0.89 | 173 | 59  | 27 |
| Buy                                     | Cazenove European Portfolio    | Very High | +5%  | 0.90 | 260 | 100 | 30 |
|   | Clerical Medical European      | Medium    | -1%  | 0.92 | 180 | 45  | 15 |
| Avoid                                   | Credit Suisse European         | Medium    | -7%  | 0.88 | 126 | 25  | 4  |
| Buy                                     | Deutsche Europa                | Very High | +7%  | 0.66 | 226 | 155 | 52 |
| Avoid                                   | Deutsche European Growth       | Medium    | -6%  | 0.95 | 125 | 44  | 12 |
| Avoid                                   | Dresdner Euro Index            | Low       | -10% | 0.85 | 88  | 19  | 6  |
| Buy                                     | Dresdner European Spec Sits    | High      | +16% | 0.59 | 363 | 167 | 74 |
| Buy                                     | Dresdner European              | Medium    | +5%  | 0.94 | 231 | 75  | 31 |
|   | Edinburgh European             | Medium    | -5%  | 0.92 | 140 | 40  | 12 |
|   | Equitable European             | Low       | -2%  | 0.84 | 145 | 28  | 4  |
|   | F & C European Smaller Coys    | Medium    | +1%  | 0.89 | 198 | 61  | 17 |
|   | Fidelity European              | Medium    | -1%  | 0.94 | 167 | 56  | 16 |
|   | Fidelity European Opps         | Medium    | -1%  | 0.93 | 178 | 47  | 18 |
| Buy                                     | Fleming Select Cont Euro Sm Co | Very High | +10% | 0.71 | 303 | 162 | 50 |
| Avoid                                   | Fleming Select Cont Europe     | Medium    | -5%  | 0.87 | 140 | 33  | 8  |
| Buy                                     | Framlington Cnt'l Sm Coys      | High      | +7%  | 0.74 | 238 | 133 | 52 |
|   | Framlington European           | Medium    | -0%  | 0.92 | 180 | 49  | 7  |
|   | Friends Prov. European         | Medium    | -2%  | 0.95 | 181 | 45  | 11 |
|   | GA European Growth             | Medium    | +0%  | 0.96 |     | 54  | 17 |
| Avoid                                   | GRE European                   | Low       | -6%  | 0.89 | 127 | 29  | 9  |
|   | Gartmore European Sel Opps     | High      | +5%  | 0.95 | 246 | 65  | 14 |
|   | Gartmore European              | Medium    | -1%  | 0.94 | 181 | 47  | 9  |
|   | Govett European General        | Medium    | -3%  | 0.91 | 146 | 29  | 8  |
|   | Govett European Strategy       | High      | +7%  | 0.83 | 267 | 82  | 11 |
|   | HSBC European Growth           | Medium    | +5%  | 0.97 | 236 | 65  | 17 |
|   | HSBC Eurotrack 100             | Low       | -3%  | 0.87 | 141 | 29  | 5  |
|   | Henderson European             | Medium    | +3%  | 0.97 | 215 | 60  | 15 |
| Buy                                     | Henderson European Small Cos   | High      | +16% | 0.68 | 311 | 189 | 59 |
|   | Hill Samuel European           | Low       | +1%  | 0.90 | 166 | 38  | 11 |
| Buy                                     | Invesco European Smaller Coys  | Very High | +13% | 0.73 | 355 | 133 | 46 |
| Buy                                     | Invesco European Growth        | Very High | +9%  | 0.84 | 348 | 104 | 39 |
|   | Investec GF European Gth       | Medium    | -3%  | 0.93 | 149 | 41  | 7  |
| Avoid                                   | Johnson Fry European Gth       | Medium    | -4%  | 0.90 |     | 34  | 7  |
|   | Jupiter European               | Medium    | +1%  | 0.96 | 169 | 57  | 19 |
|   | Lazard European Growth         | Low       | -4%  | 0.85 | 141 | 31  | 10 |
| Avoid                                   | Legal & General European       | Low       | -6%  | 0.87 | 122 | 24  | 3  |
|   | Legal & General Euro Index     | Low       | -3%  | 0.89 | 141 | 30  | 5  |
|   | Lincoln European               | Medium    | -3%  | 0.90 | 139 | 36  | 8  |
|   | Lloyds TSB European            | Low       | -2%  | 0.82 | 127 | 24  | 6  |
| Buy                                     | M & G European Smaller Coys    | High      | +19% | 0.71 | 353 | 158 | 42 |
|   | M & G European                 | Medium    | -3%  | 0.95 | 146 | 41  | 11 |
|   | MGM European Growth            | Low       | -3%  | 0.83 | 137 | 28  | 9  |
|   | Martin Currie European         | Medium    | -1%  | 0.95 | 175 | 50  | 12 |
|   | Mercury European Growth        | Medium    | -1%  | 0.93 | 163 | 41  | 8  |
|   | Mercury New Europe             | Low       | -3%  | 0.92 | 131 | 36  | 10 |
|   | Old Mutual Fund European       | Medium    | -5%  | 0.91 | 122 | 47  | 12 |
| Avoid                                   | Old Mutual Fund Swiss Equities | Low       | -6%  | 0.67 | 118 | 14  | 4  |
|   | Pearl New Europe               | Medium    | -1%  | 0.96 | 180 | 50  | 15 |
|   | Perpetual European             | Low       | +1%  | 0.93 | 167 | 45  | 12 |
| Avoid                                   | Prudential European            | Low       | -5%  | 0.78 | 112 | 20  | 0  |
|   | Royal & Sun All. European      | Medium    | +0%  | 0.96 | 190 | 57  | 20 |
| Buy                                     | Royal London European Gth      | Medium    | +6%  | 0.87 | 238 | 60  | 21 |
| Buy                                     | S & P Euro Small Coys          | Very High | +11% | 0.72 | 307 | 162 | 49 |
|   | S & P European Growth          | Medium    | -5%  | 0.95 | 142 | 41  | 14 |
| Buy                                     | Sanwa European Gth             | Low       | +7%  | 0.84 | 196 | 60  | 14 |
| Buy                                     | Schroder Euro Small Coys       | High      | +5%  | 0.81 | 207 | 129 | 36 |
|   | Schroder European              | Medium    | -1%  | 0.92 | 164 | 49  | 12 |
| Avoid                                   | Scottish Amicable European     | Low       | -4%  | 0.79 | 115 | 24  | 3  |
|   | Scottish Life European         | Low       | -3%  | 0.93 | 130 | 35  | 9  |
|   | Scottish Mutual European       | Low       | -1%  | 0.92 | 147 | 38  | 7  |
|   | Scottish Widows' Europe        | Medium    | +4%  | 0.95 | 200 | 56  | 12 |
|   | Singer & Freidlander Cont'l    | Low       | +3%  | 0.95 | 182 | 44  | 13 |
|   | Smith & Williamson European    | Low       | +2%  | 0.93 | 183 | 58  | 18 |
|   | Societe Generale European      | Medium    | +2%  | 0.93 |     | 57  | 18 |
|   | Sovereign European Gth         | Medium    | +1%  | 0.92 | 172 | 46  | 8  |
| Buy                                     | Stewart Ivory European Small   | Medium    | +7%  | 0.77 | 204 | 111 | 43 |
|   | Stewart Ivory European         | Medium    | -2%  | 0.91 | 171 | 54  | 14 |
| Avoid                                   | Sun Life of Canada European    | Medium    | -5%  | 0.91 | 139 | 28  | 8  |
| Avoid                                   | Tilney European Growth         | Medium    | -10% | 0.89 |     | 32  | 9  |
| Avoid                                   | Un Friendly European           | Medium    | -6%  | 0.93 |     | 31  | 7  |

| <b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b> |                        |      |      |      |    |     |    |
|--|------------------------|------|------|------|----|-----|----|
| Buy  | Central & Eastern Euro | Low  | +32% | 0.16 |    | 53  | 39 |
| Avoid  | Central European Gth   | High | -19% | 0.56 | 30 | 104 | 44 |
|  | Charter European Trust | High | +5%  | 0.87 |    | 63  | 13 |

| Current Advice | Investment Fund         | Risk Rating | Superiority Rating | Market Correlation | Performance(NZ\$) |        |       |
|----------------|-------------------------|-------------|--------------------|--------------------|-------------------|--------|-------|
|                |                         |             |                    |                    | 36 mth            | 12 mth | 3 mth |
|                | Euroland Plus           | Very Low    | -1%                | 0.35               |                   | 21     | 3     |
|                | F & C European          | High        | -1%                | 0.83               | 178               | 51     | 4     |
|                | Fidelity Euro V.        | High        | -3%                | 0.83               | 172               | 80     | 16    |
| Avoid          | First Ireland IT        | Low         | -21%               | 0.48               | 49                | -20    | -8    |
| Avoid          | First Russian Frontiers | Very High   | -13%               | 0.34               | -23               | 233    | 59    |
| Buy            | Fleming Euro Fledgeling | Very High   | +20%               | 0.70               | 421               | 268    | 50    |
| Avoid          | Fleming Cont'l Europe   | High        | -7%                | 0.83               | 144               | 46     | 9     |
|                | Gartmore European       | High        | +3%                | 0.87               | 228               | 60     | 12    |
|                | Gartmore Irish Small    | Low         | -2%                | 0.57               | 127               | 50     | 36    |
| Buy            | Invesco Continental Sm  | Very High   | +21%               | 0.72               |                   | 185    | 35    |
|                | Martin Currie European  | High        | -3%                | 0.80               | 156               | 54     | 5     |
|                | Mercury Euro Priv.      | Low         | +0%                | 0.74               | 145               | 45     | 5     |
|                | Perpetual European      | High        | +0%                | 0.76               |                   | 55     | 7     |
| Buy            | TR European             | High        | +11%               | 0.81               | 262               | 148    | 35    |

| <b>UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL</b> |                         |           |      |      |     |     |    |
|---|-------------------------|-----------|------|------|-----|-----|----|
| Buy   | Henderson Eurotrust     | Very High | +9%  | 0.63 | 313 | 93  | 14 |
|   | John Fry Euro Utilities | High      | +4%  | 0.62 | 308 | 30  | 22 |
| Buy   | Jupiter European IT     | High      | +8%  | 0.73 | 235 | 107 | 31 |
| Buy   | SR Pan-European         | Low       | +29% | 0.22 | 318 | 169 | 73 |

**GERMANY**

| <b>UNITED KINGDOM BASED UNIT TRUSTS</b>              |                       |           |      |      |     |     |    |
|--|-----------------------|-----------|------|------|-----|-----|----|
| Buy  | Baring German Growth  | Very Low  | +37% | 0.37 | 380 | 96  | 34 |
| <b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b> |                       |           |      |      |     |     |    |
| Avoid  | East German Inv Trust | Very High | -37% | 0.87 | -30 | -32 | -0 |

**FAR EASTERN / PACIFIC (EXCL JAPAN)**

| <b>AUSTRALIAN BASED UNIT TRUSTS</b> |                           |        |      |      |    |     |    |
|-------------------------------------|---------------------------|--------|------|------|----|-----|----|
| Buy                                 | Dresdner Taipan Trust     | High   | +10% | 0.90 | 64 | 115 | 11 |
|                                     | Dresdner Tiger Opport.    | Medium | +1%  | 0.86 |    | 91  | 22 |
|                                     | Fidelity Perp. S.E. Asia  | Medium | +1%  | 0.92 | 37 | 68  | 4  |
|                                     | HSBC Flexi-Trt Dragon Trt | Medium | -1%  | 0.88 | 36 | 79  | 16 |
|                                     | Norwich Asia              | High   | +1%  | 0.85 |    | 69  | -3 |

| <b>NEW ZEALAND BASED UNIT TRUSTS</b> |                         |          |     |      |    |    |   |
|--------------------------------------|-------------------------|----------|-----|------|----|----|---|
| Avoid                                | AJ Asia Pacific Share   | Low      | -8% | 0.69 |    | 43 | 6 |
|                                      | AMP Asian Shares        | Very Low | -3% | 0.69 | 38 | 53 | 7 |
|                                      | BT LP Pacific Basin     | Very Low | -2% | 0.82 |    | 59 | 9 |
|                                      | Royal & Sun Asian S/Mkt | Very Low | -6% | 0.72 |    | 38 | 9 |
| Avoid                                | Tower Spotlight Asia    | Medium   | -8% | 0.80 | 3  | 57 | 5 |

| <b>NEW ZEALAND BASED INSURANCE BONDS</b> |                        |          |      |      |    |    |    |
|--|------------------------|----------|------|------|----|----|----|
| Avoid                                    | GRE Pacific Equity     | Very Low | -15% | 0.78 |    | 5  | 27 |
| Avoid                                    | Royal Sun All Far East | Very Low | -6%  | 0.78 | 28 | 47 | 5  |
|  | Sovereign Far East     | Very Low | -1%  | 0.32 | 17 | 75 | 3  |

| <b>UNITED KINGDOM BASED UNIT TRUSTS</b> |                               |        |      |      |     |     |    |
|---|-------------------------------|--------|------|------|-----|-----|----|
|   | Abbey Asian Pacific           | Medium | +3%  | 0.94 | 47  | 84  | 11 |
|   | Aberdeen Far East Emerging    | Low    | -4%  | 0.84 | 24  | 57  | 5  |
| Buy                                     | BG Pacific                    | High   | +6%  | 0.92 | 59  | 111 | 21 |
|   | Baring East                   | Medium | -1%  | 0.95 | 26  | 89  | 10 |
| Buy                                     | Britannia Pacific Growth      | Medium | +8%  | 0.87 | 79  | 101 | 18 |
|   | Canada Life Far East          | High   | -5%  | 0.91 | 14  | 56  | 4  |
| Avoid                                   | Cazenove Pacific Portfolio    | Low    | -5%  | 0.94 | 29  | 45  | 1  |
|   | City of London Emerging Asian | Low    | -1%  | 0.75 | 37  | 60  | 8  |
|   | Clerical Medical Dragon       | Low    | -6%  | 0.91 | 27  | 52  | 6  |
| Buy                                     | Credit Suisse Orient          | Medium | +8%  | 0.93 | 71  | 86  | 6  |
|   | Deutsche Asian Trader         | Medium | +0%  | 0.95 | 35  | 80  | 9  |
|   | Dresdner Tiger                | Medium | +2%  | 0.93 | 41  | 90  | 14 |
|   | Edinburgh Asian Small Coys    | Medium | -4%  | 0.88 | 19  | 78  | 14 |
|   | Edinburgh Pacific             | Medium | +3%  | 0.89 | 60  | 78  | 16 |
| Buy                                     | Exeter Pacific Growth         | Medium | +8%  | 0.91 | 73  | 80  | 8  |
|   | Fidelity South East Asian     | Low    | -0%  | 0.79 | 64  | 44  | 6  |
| Avoid                                   | Fleming Select Pacific        | Low    | -6%  | 0.96 | 28  | 46  | 5  |
|   | Friends Prov. Asian Growth    | Medium | -5%  | 0.92 | 14  | 66  | 7  |
| Avoid                                   | GRE Pacific                   | Medium | -7%  | 0.95 | 17  | 50  | 8  |
|   | Gartmore Pacific              | Medium | +4%  | 0.87 | 47  | 77  | 4  |
| Avoid                                   | Govett Asia Pacific           | Low    | -6%  | 0.95 | 24  | 48  | 4  |
|   | HSBC Asian                    | High   | +3%  | 0.96 | 34  | 84  | 3  |
| Avoid                                   | HSBC Pacific Index            | Medium | -19% | 0.70 | -31 | 27  | -2 |
| Buy                                     | Henderson Asian Enterprise    | Low    | +12% | 0.91 | 122 | 106 | 23 |
|   | Hill Samuel Far East          | Medium | +1%  | 0.94 | 40  | 87  | 9  |
|   | Lazard Pacific Growth         | High   | -2%  | 0.85 | 10  | 81  | 7  |
| Avoid                                   | Legal & General Pacific Index | Low    | -10% | 0.95 |     | 9   | -2 |
|   | Legal & General Pacific Gth   | Medium | -0%  | 0.97 | 41  | 75  | 13 |
|   | M & G                         |        |      |      |     |     |    |

| Current Advice | Investment Fund         | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|----------------|-------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|                |                         |             |                    |                    | 36 mth             | 12 mth | 3 mth |
|                | Fidelity Asian Vent     | High        | +5%                | 0.76               | 41                 | 57     | -5    |
| Buy            | Fleming Asia            | Very High   | +25%               | 0.82               | 169                | 17     |       |
| Avoid          | Govett Asian Smaller    | Very High   | -7%                | 0.75               | -28                | 82     | 9     |
| Buy            | Henderson TR Pacific    | Very High   | +14%               | 0.79               | 45                 | 128    | 5     |
|                | Invesco Asia            | Very High   | -1%                | 0.88               | 3                  | 62     | -5    |
|                | Pacific Assets          | Very High   | +3%                | 0.82               | 0                  | 76     | -10   |
| Buy            | Pacific Horizons        | Very High   | +9%                | 0.82               | 49                 | 118    | 22    |
| Buy            | Schroder Asia Pacific   | Very High   | +10%               | 0.82               | 35                 | 100    | -3    |
|                | Scottish Oriental Sm Co | Medium      | +1%                | 0.71               | 16                 | 86     | 1     |

### **FAR EASTERN / PACIFIC (INCL JAPAN)**

#### **AUSTRALIAN BASED UNIT TRUSTS**

|  |                           |        |     |      |    |    |    |
|--|---------------------------|--------|-----|------|----|----|----|
|  | BT Sel Mkts Pacific Basin | High   | -3% | 0.86 | 40 | 97 | 16 |
|  | Dresdner Pacific Growth   | Medium | -4% | 0.77 | 38 | 73 | 3  |
|  | Invesco Asian Growth      | High   | +1% | 0.77 | 55 | 95 | 8  |

#### **NEW ZEALAND BASED UNIT TRUSTS**

|       |                    |        |      |      |    |   |  |
|-------|--------------------|--------|------|------|----|---|--|
| Avoid | BTIS Pacific Basin | Medium | -11% | 0.85 | 48 | 3 |  |
|-------|--------------------|--------|------|------|----|---|--|

#### **UNITED KINGDOM BASED UNIT TRUSTS**

|       |                             |           |      |      |     |     |    |
|-------|-----------------------------|-----------|------|------|-----|-----|----|
| Avoid | Aberdeen Asia Pacific       | Low       | -5%  | 0.90 | 48  | 51  | -2 |
| Buy   | Dresdner Orient Assets      | Medium    | +14% | 0.81 | 147 | 135 | 18 |
|       | Equitable Far East          | Low       | -0%  | 0.95 | 78  | 65  | 5  |
|       | Friends Prov. Pacific Basin | Low       | +3%  | 0.94 | 94  | 72  | 3  |
| Buy   | Henderson Pacific Sm Coys   | Medium    | +10% | 0.79 | 122 | 130 | 26 |
| Avoid | Investec GF Asian Smaller   | Very High | -19% | 0.76 | -10 | 68  | 12 |
| Buy   | Jupiter Far Eastern         | Medium    | +21% | 0.87 | 216 | 121 | 5  |
|       | Legal & General Far East    | Medium    | +3%  | 0.92 | 94  | 80  | 11 |
| Avoid | Lincoln Far East            | Medium    | -19% | 0.92 | 2   | 21  | -6 |
| Avoid | Lloyds TSB Pacific          | Low       | -10% | 0.75 | 26  | 47  | 3  |
|       | Martin Currie Far East      | Medium    | +3%  | 0.93 | 82  | 86  | 5  |
|       | Royal & Sun All. Far East   | Low       | +1%  | 0.88 | 97  | 72  | 15 |
|       | Schroder Far Eastern        | Medium    | +5%  | 0.95 | 101 | 85  | 4  |
|       | Scottish Life Pacific       | Low       | +2%  | 0.94 | 93  | 68  | 5  |
| Buy   | Smith & Williamson Far East | Medium    | +9%  | 0.82 | 126 | 88  | 7  |
|       | St. James's Place Far East  | Medium    | +1%  | 0.92 | 67  | 86  | 6  |
|       | Un Friendly Far Eastern     | Medium    | +5%  | 0.90 | 99  | 82  | 7  |

#### **UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|       |                         |           |      |      |    |     |    |
|-------|-------------------------|-----------|------|------|----|-----|----|
|       | F & C Pacific           | Medium    | +1%  | 0.69 | 69 | 57  | -5 |
|       | Govett Asian Recovery   | Very High | +0%  | 0.80 | 95 | -7  |    |
| Avoid | Henderson Far East Inc. | Low       | -22% | 0.55 | 5  | -16 |    |
|       | Martin Currie Pacific   | High      | +2%  | 0.82 | 63 | 77  | 4  |

### **HONG KONG / CHINA REGION**

#### **UNITED KINGDOM BASED UNIT TRUSTS**

|       |                              |        |     |      |    |     |    |
|-------|------------------------------|--------|-----|------|----|-----|----|
| Avoid | Gartmore Hong Kong and China | Medium | -0% | 0.94 | 67 | 88  | 19 |
|       | Govett Greater China Fund    | Medium | -5% | 0.88 | 42 | 53  | 2  |
|       | HSBC Hong Kong               | Medium | +2% | 0.95 | 85 | 86  | 12 |
|       | Invesco HK and China         | Medium | +1% | 0.95 | 67 | 91  | 13 |
|       | Investec GF HK & China       | Medium | +7% | 0.94 | 76 | 9   |    |
|       | Old Mutual Fund Hong Kong    | Medium | -2% | 0.95 | 65 | 73  | 13 |
|       | S & P China Dragon           | Medium | -1% | 0.94 | 54 | 108 | 20 |

#### **UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|  |                 |           |     |      |    |     |    |
|--|-----------------|-----------|-----|------|----|-----|----|
|  | Fleming Chinese | Very High | -1% | 0.90 | 43 | 140 | 19 |
|--|-----------------|-----------|-----|------|----|-----|----|

### **KOREA**

#### **UNITED KINGDOM BASED UNIT TRUSTS**

|  |                  |        |     |      |     |    |    |
|--|------------------|--------|-----|------|-----|----|----|
|  | Baring Korean    | Low    | +1% | 0.97 | 129 | 77 | -5 |
|  | S & P Korea Fund | Medium | +2% | 0.97 | 119 | 88 | -8 |
|  | Schroder Seoul   | Medium | -3% | 0.98 | 92  | 77 | -8 |

### **THAILAND**

#### **UNITED KINGDOM BASED UNIT TRUSTS**

|     |                          |           |      |      |     |    |     |
|-----|--------------------------|-----------|------|------|-----|----|-----|
| Buy | Old Mutual Fund Thailand | Very High | +15% | 0.91 | -17 | 26 | -16 |
|-----|--------------------------|-----------|------|------|-----|----|-----|

#### **UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|       |                        |     |      |      |     |    |     |
|-------|------------------------|-----|------|------|-----|----|-----|
| Avoid | Aberdeen New Thai IT   | Low | -11% | 0.89 | -40 | 11 | -13 |
|       | Siam Selective Gth Trt | Low | -4%  | 0.82 | -28 | 16 | -14 |

### **INDIA**

#### **UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|  |                |        |     |      |     |     |    |
|--|----------------|--------|-----|------|-----|-----|----|
|  | Fleming Indian | Medium | +1% | 0.95 | 230 | 144 | 32 |
|--|----------------|--------|-----|------|-----|-----|----|

### **JAPAN**

#### **AUSTRALIAN BASED UNIT TRUSTS**

|  |                       |     |     |      |     |    |    |
|--|-----------------------|-----|-----|------|-----|----|----|
|  | Dresdner Japan Growth | Low | -3% | 0.75 | 121 | 78 | -3 |
|--|-----------------------|-----|-----|------|-----|----|----|

#### **NEW ZEALAND BASED INSURANCE BONDS**

|       |                     |          |      |      |    |   |    |
|-------|---------------------|----------|------|------|----|---|----|
| Avoid | GRE Japanese Equity | Very Low | -20% | 0.30 | 24 | 8 | -1 |
|-------|---------------------|----------|------|------|----|---|----|

#### **UNITED KINGDOM BASED UNIT TRUSTS**

|       |                     |          |      |      |     |     |    |
|-------|---------------------|----------|------|------|-----|-----|----|
|       | Abbey Japan Trust   | Low      | -3%  | 0.90 | 140 | 71  | 4  |
|       | Aberdeen Japan      | Very Low | -3%  | 0.79 | 129 | 58  | -1 |
| Buy   | BG Japan            | Medium   | +12% | 0.78 | 272 | 109 | 2  |
| Avoid | Barclays Japan      | Very Low | -7%  | 0.82 | 100 | 63  | 3  |
| Avoid | Baring Japan Growth | Very Low | -18% | 0.67 | 46  | 34  | 0  |

| Current Advice | Investment Fund                | Risk Rating | Superiority Rating | Market Correlation | Performance (NZ\$) |        |       |
|----------------|--------------------------------|-------------|--------------------|--------------------|--------------------|--------|-------|
|                |                                |             |                    |                    | 36 mth             | 12 mth | 3 mth |
|                | Baring Japan Sunrise           | Medium      | -3%                | 0.73               | 141                | 68     | 0     |
|                | Britannia Japan                | Low         | -3%                | 0.82               | 139                | 80     | 11    |
|                | Canada Life Japanese           | Low         | -4%                | 0.71               | 124                | 87     | 9     |
|                | Caple-Cure Japan               | Medium      | +4%                | 0.90               | 192                | 100    | 3     |
|                | Cazenove Japan Portfolio       | Low         | -5%                | 0.88               | 122                | 66     | 1     |
|                | Clerical Med Japan Growth      | Medium      | -1%                | 0.92               | 140                | 85     | -1    |
| Avoid          | Deutsche Japan Tracker         | Very Low    | -11%               | 0.79               | 81                 | 50     | 4     |
|                | Deutsche Japan Growth          | Low         | +3%                | 0.76               | 182                | 99     | 11    |
|                | Dresdner Japan                 | Medium      | -5%                | 0.93               | 128                | 74     | -1    |
| Buy            | Dresdner Japan Spec Sits       | Very High   | +18%               | 0.75               | 315                | 175    | 8     |
|                | Edinburgh Japan Small Coys     | Very High   | -3%                | 0.79               | 171                | 89     | 8     |
| Avoid          | Edinburgh Tokyo                | Medium      | -11%               | 0.86               | 86                 | 66     | 5     |
| Buy            | F & C Japanese Smaller Coys    | High        | +10%               | 0.79               | 247                | 145    | 10    |
| Buy            | Fidelity Japan Sp Sits         | Very High   | +18%               | 0.83               | 368                | 154    | 3     |
|                | Fidelity Japan                 | Medium      | +7%                | 0.84               | 210                | 104    | -3    |
|                | Fleming Select Japanese        | Low         | +1%                | 0.91               | 162                | 84     | 0     |
|                | Framlington Japan & General    | Medium      | +3%                | 0.91               | 180                | 101    | 5     |
|                | Friends Prov. Japan Small Coys | Medium      | +3%                | 0.80               | 156                | 101    | -4    |
| Buy            | Friends Prov. Tokyo            | Low         | +8%                | 0.85               | 203                | 104    | 2     |
|                | GA Japan Growth                | Very Low    | -6%                | 0.84               | 57                 | -0     |       |
| Avoid          | GRE Japan                      | Very Low    | -8%                | 0.82               | 106                | 55     | 4     |
|                | Gartmore Japan                 | Medium      | -3%                | 0.91               | 134                | 81     | 5     |
| Avoid          | Govett Japan General           | Low         | -9%                | 0.82               | 94                 | 65     | 0     |
|                | HSBC Japan Growth              | Medium      | +0%                | 0.87               | 170                | 81     | -0    |
|                | HSBC Japan Index               | Very Low    | -7%                | 0.82               | 104                | 61     | 3     |
| Buy            | HSBC Japan Small Coys          | Very High   | +8%                | 0.75               | 252                | 136    | 10    |
| Avoid          | Henderson Japan                | Medium      | -9%                | 0.85               | 87                 | 73     | -3    |
|                | Henderson Japan Smaller Coys   | Medium      | -6%                | 0.72               | 108                | 71     | -3    |
|                | Hill Samuel Japanese           | Low         | -2%                | 0.85               | 136                | 73     | 2     |
| Buy            | Invesco Japanese Small Coys    | Very High   | +34%               | 0.75               | 494                | 236    | -10   |
| Buy            | Johnson Fry New Japan          | High        | +33%               | 0.73               | 148                | 3      |       |
|                | Lazard Japanese                | Very Low    | -1%                | 0.78               | 134                | 61     | -1    |
|                | Legal & General Japan Index    | Very Low    | -7%                | 0.84               | 104                | 61     | 3     |
| Avoid          | Lincoln Japan                  | Very Low    | -11%               | 0.74               | 84                 | 46     | 4     |
|                | Lloyds Japan Growth            | Low         | -1%                | 0.82               | 138                | 78     | 4     |
|                | M & G Jap Small Cos            | Low         | -6%                | 0.70               | 124                | 59     | 6     |
|                | M & G Japan & General          | Low         | -7%                | 0.86               | 102                | 68     | 2     |
|                | Martin Currie Japan            | Very Low    | +0%                | 0.90               | 160                | 69     | 3     |
|                | Mercury Japan                  | Low         | -2%                | 0.88               | 151                | 80     | 7     |
|                | Murray Japan                   | Very Low    | +3%                | 0.79               | 186                | 65     | 1     |
|                | Newton Japan Growth            | Very Low    | -7%                | 0.68               | 128                | 45     | 8     |
| Avoid          | Old Mutual Fund Japan          | Low         | -10%               | 0.76               | 87                 | 53     | 0     |
| Avoid          | Perpetual Japan Growth         | Low         | -6%                | 0.80               | 126                | 46     | -4    |
| Avoid          | Prudential Japanese            | Low         | -12%               | 0.73               | 89                 | 54     | 9     |
|                | Royal London Japan Growth      | Low         | +2%                | 0.87               | 167                | 96     | 5     |
| Buy            | S & P Japan Growth             | Very High   | +25%               | 0.75               | 365                | 210    | -12   |
| Buy            | Schroder Japan Enterprise      | High        | +16%               | 0.63               | 240                | 162    | -8    |
| Avoid          | Schroder Japan Small Coys      | Very Low    | -13%               | 0.40               | 63                 | 46     | 6     |
|                | Schroder Tokyo                 | Very Low    | -5%                | 0.70               | 119                | 64     | 7     |
| Avoid          | Scottish Amicable Japanese     | Low         | -11%               | 0.79               | 97                 | 57     | 9     |
|                | Scottish Mutual Japanese       | Low         | -3%                | 0.91               | 134                | 67     | 3     |
|                | Scottish Widows' Japanese      | Very Low    | -3%                | 0.78               | 130                | 63     | 5     |
|                | Stewart Ivory Japan            | Low         | +6%                | 0.91               | 190                | 97     | 2     |
|                | Sun Life of Canada Japan       | Medium      | +7%                | 0.89               | 214                | 105    | -0    |

#### **UNITED KINGDOM BASED INVESTMENT COMPANIES**

|     |                    |           |      |      |     |     |    |
|-----|--------------------|-----------|------|------|-----|-----|----|
| Buy | JF Fledgling Japan | Very High | +34% | 0.78 | 488 | 322 | -8 |
|-----|--------------------|-----------|------|------|-----|-----|----|

#### **UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

|       |                       |           |      |      |     |     |     |
|-------|-----------------------|-----------|------|------|-----|-----|-----|
| Buy   | B Gifford Shin Nippon | Very High | +10% | 0.83 | 272 | 149 | -22 |
| Buy   | Baillie Gifford Japan | Very High | +10% | 0.87 | 268 | 130 | -3  |
| Buy   | Fidelity Japan Ven.   | Very High | +20% | 0.86 | 399 | 189 | -10 |
|       | Fleming Japan         | Very High | +5%  | 0.85 | 198 | 120 | -8  |
|       | GT Japan              | High      | +1%  | 0.79 | 161 | 108 | -3  |
| Avoid | Gartmore Select Japan | Very High | -10% | 0.84 | 96  | 68  | -5  |
| Avoid | Henderson Japan Small | Very High | -19% | 0.81 | 49  | -15 |     |
| Avoid | Invesco Tokyo         | Very High | -5%  | 0.81 | 124 | 103 | -7  |
| Buy   | Invesco Japan         | Very High | +27% | 0.77 | 481 | 261 | -9  |
| Avoid | Martin Currie Japan   | High      | -7%  | 0.65 | 106 | 45  | -16 |
| Avoid | Perpetual Japan       | Very High | -18% | 0.63 | 70  | 36  | -16 |
| Avoid | Schroder Japan Growth | High      | -10% | 0.73 | 114 | 32  | -14 |

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## **Next Issue**

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