Information and Advice on World Stockmarkets from Securities Research Company's . . .

International Investor

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Inside International Investor

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World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical Performance (in US$) 3 mths	6 mths	12 mths	Share Index
Australia	38%	Neutral	Bearish	Neutral	Bearish	-7.7%	-1.7%	-8.7%	3,075.60
Austria	34%	Bullish	Bearish	Bearish	Bearish	-3.2%	-15.2%	-27.0%	1,128.21
Belgium	25%	Bearish	Bearish	Bearish	Bearish	-11.9%	-25.2%	-26.0%	2,822.48
Canada	42%	Bearish	Bullish	Neutral	Bearish	+0.7%	+29.6%	+34.9%	9,597.32
Denmark	44%	Bearish	Bullish	Bearish	Neutral	-1.6%	+5.0%	+11.8%	866.14
Finland	49%	Bearish	Bullish	Bearish	Bullish	-0.1%	+62.5%	+117.0%	17,598.19
France	45%	Bearish	Bullish	Bearish	Bearish	-5.4%	+12.0%	+25.7%	4,138.73
Germany	41%	Neutral	Bullish	Bearish	Neutral	-7.6%	+14.6%	+18.6%	7,530.82
Ireland	44%	Bearish	Neutral	Bearish	Bullish	+1.8%	+2.7%	-11.5%	5,497.09
Italy	43%	Bearish	Bullish	Bearish	Bearish	-3.5%	+18.5%	+7.5%	32,032.00
Japan	41%	Bearish	Neutral	Neutral	Neutral	-7.8%	-1.8%	+21.2%	18,439.36
Netherlands	32%	Bearish	Neutral	Bearish	Bearish	-5.9%	+1.7%	+0.5%	948.60
New Zealand	29%	Bullish	Bearish	Bearish	Bearish	-12.2%	-8.4%	-7.7%	2,196.63
Norway	52%	Neutral	Neutral	Neutral	Neutral	-7.2%	+1.4%	+1.7%	714.78
Spain	33%	Bearish	Neutral	Bearish	Bearish	-6.9%	+0.1%	-2.1%	1,055.17
Sweden	46%	Bearish	Bullish	Neutral	Bearish	-1.0%	+33.7%	+60.2%	6,375.33
Switzerland	31%	Bearish	Neutral	Bearish	Bearish	-0.9%	-8.6%	-10.2%	7,499.40
Un. Kingdom	32%	Bearish	Bearish	Neutral	Bearish	-2.9%	-7.3%	-7.8%	6,238.80
USA	32%	Bearish	Bullish	Bearish	Bearish	+0.6%	+4.6%	+6.5%	1,432.63
Argentina	43%	Neutral	Bearish	Neutral	Neutral	-8.6%	-7.6%	-16.8%	19,189.11
Brazil	47%	Bullish	Neutral	Neutral	Bearish	-17.6%	+26.8%	+12.3%	15,217.86
Czech Rep.	49%	Bearish	Neutral	Neutral	Neutral	-9.4%	+4.7%	+17.0%	1,850.00
Chile	44%	Bullish	Bearish	Neutral	Bearish	-12.9%	+10.7%	-0.4%	4,913.85
China	51%	Bearish	Neutral	Bullish	Neutral	-2.4%	+11.1%	+17.4%	745.24
Greece	34%	Bearish	Bearish	Neutral	Neutral	-25.8%	-33.9%	-11.4%	4,416.60
Hong Kong	30%	Bearish	Neutral	Bearish	Bearish	-4.5%	+11.9%	+16.9%	15,268.64
Hungary	34%	Bearish	Neutral	Neutral	Bearish	-15.0%	+5.3%	+11.7%	9,026.99
India	38%	Bearish	Bearish	Neutral	Neutral	-11.7%	+1.6%	+24.1%	4,693.88
Indonesia	43%	Neutral	Bearish	Bullish	Bearish	-18.5%	-24.4%	-7.6%	545.61
Israel	49%	Neutral	Bullish	Neutral	Neutral	-2.5%	+22.5%	+10.2%	449.25
Korea	28%	Bearish	Bearish	Bullish	Bearish	-19.7%	-12.2%	-1.2%	751.29
Malaysia	48%	Bearish	Bullish	Bullish	Bearish	-3.4%	+28.3%	+33.8%	925.45
Mexico	41%	Bearish	Neutral	Bullish	Bearish	-10.3%	+10.0%	+7.2%	6,504.42
Philippines	35%	Bearish	Bearish	Bullish	Bearish	-24.1%	-25.4%	-43.7%	1,551.90
Poland	35%	Bearish	Neutral	Bearish	Neutral	-17.7%	+23.4%	+4.9%	19,357.00
Portugal	44%	Neutral	Neutral	Bearish	Neutral	-11.3%	+8.4%	+9.4%	2,909.12
Russia	51%	Bearish	Bullish	Bullish	Bearish	+24.6%	+120.8%	+124.1%	2,184.43
Singapore	45%	Bearish	Bearish	Bullish	Neutral	-7.7%	-2.6%	+10.0%	2,118.36
Sth Africa	29%	Neutral	Bearish	Bearish	Neutral	-22.8%	-9.4%	-4.9%	7,431.39
Taiwan	37%	Bearish	Neutral	Neutral	Bearish	-11.9%	+19.6%	+24.4%	8,698.53
Thailand	21%	Bearish	Bearish	Bearish	Bearish	-21.2%	-9.1%	-25.5%	379.97
Turkey	69%	Bearish	Bullish	Bullish	Bullish	-2.4%	+102.4%	+100.6%	18,086.00
Venezuela	65%	Bullish	Neutral	Bullish	Neutral	+4.7%	-6.4%	-13.0%	5,837.26

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

Successful investment is about *anticipating* stockmarket developments - not *reacting* to them.

Over recent months we have been avoiding *blue sky* Internet companies in our NZ and Australian investments in *Market Analysis*, while *International Investor* has avoided the United States stockmarket and in particular the US Internet sector. <u>We also built up a cash reserve during the first quarter of this year, owing to the unfavourable outlook for major stockmarkets</u>.

Deflation of the US Internet Bubble . . .

Does the recent decline in US Internet shares make these shares attractive for investment? We believe the answer is "No". In fact, the recent decline in Internet stock prices actually makes these shares *less attractive*. Why? Let's review the new theory of so-called "Internet Economics":

(1) Investors are no longer interested in *profits* - or even *revenues*. The Internet offers such huge potential that *growth* is the only important criteria.
(2) Growth potential is so huge that investors will pay high prices for Internet company shares, and
(3) Companies can therefore easily raise large amounts of cash from investors to fund their expansion and growth.

This situation is, of course, unsustainable - much like a pyramid game which requires ever increasing numbers of people to keep joining.

<u>Falling technology share prices will make it more difficult for Internet companies to raise new capital</u> in Initial Public Offerings, in Share Placements or by sponsoring start-ups and harvesting their IPO money via on-line advertising. <u>As Internet companies begin to exhaust their cash reserves they will be forced to merge (on less than favourable terms) or go bust</u>. That will make Internet shares less attractive and further depress the technology sector.

What has happened to technology shares over the last month is just the first stage in the deflation of high Internet share valuations. The process will continue with 80-90% of this sector disappearing over the next decade - and the surviving companies probably yielding far below average returns.

Investors should therefore seek to avoid US Internet stocks.

. . . and its Impact on Stockmarkets

Changes in technology share valuations *may* have some impact upon the *economy* or other sectors of the *stockmarket*. However, *old economy* stocks have been declining on many stockmarkets for the last 12-18 months, so the impact of an Internet decline *may* not have a huge impact on the rest of the stockmarket. Most of our Forecasts, however, are Neutral to Bearish. World stockmarket valuations are high, Interest Rates are rising and most Economies have been growing strongly for many years. This is certainly not a favourable environment for stocks.

Developments in Asia

The US Internet Bubble spread in Asia last year and has been one of the factors responsible for the strong performance of *smaller* company shares in Japan and Hong Kong.

In recent months, Internet *concept* shares (i.e. companies with big ideas, but no actual businesses) have listed in Hong Kong at huge premiums and risen strongly. While the US Internet Bubble has only deflated slightly (and must therefore continue to deflate much further) in Asia the bubble appears to have *burst*. Most of those Hong Kong listed Internet concept shares are already down 90% in value!

Smaller companies, however, should continue to be the engine of economic change in Asia. The stockmarket has become the major source of future corporate finance. In fact, huge amounts of new capital were raised last year in Korea, Taiwan and China. In Korea, new capital equal to 8.5% of Gross Domestic Product was raised on the stockmarket last year - equal to all of the new equity capital raised over the last decade. Chinese companies used the stockmarket to raise new equity capital equal to 2.0% of GDP - again equal to *all* of the new equity capital raised since the stockmarket was opened ten years ago. Taiwanese companies also raised significant amounts of new equity on the stockmarket - equal to a very high 4.5% of GDP. In general it is the *smaller* companies that can focus on *profitability* and *growth potential* that are attractive to equity investors, and able to access this new equity capital. <u>With access to business capital for the first time, smaller Asian companies are able to pursue growth opportunities and will create most of the new businesses and new wealth over the years ahead</u>.

Larger companies offer good security to lenders, so were able to borrow from banks in the past. But banks have too many bad debts and are not making a significant volume of new loans. Larger companies will find it difficult to raise new equity from investors at favourable prices. <u>Cut off from new capital, large companies cannot expand and are being forced to reduce their debt levels (through asset sales), to restructure and/or break up into smaller, more focused businesses</u>.

Recommended International Investment Funds

Dividend and Proposed Buy Back

Ivory & Simes UK Smaller Companies Trust plc is to pay a final dividend of 2.75 pence (plus Tax Credit) on July 5th, with the share trading ex-dividend from May 15th. The trust has been re-purchasing its own warrants but will also seek shareholder approval to re-purchase its shares. With the shares trading at a large discount to net assets, these re-purchases increase the trust's net asset value and should also help to narrow the discount - that is, increase the share price closer to the trust's net asset value.

Current Position

We are currently holding substantial cash reserves equal to 22½-25% of our International Portfolio.

While stockmarkets will likely recover over the next month, most stockmarkets will probably heading into a period of weakness. Whether that is a short term, moderate decline, or a longer, more substantial decline, is difficult to assess.

Over the next few months we *may* decide to reduce our exposure to the major stockmarkets further by selling our remaining UK and European funds. Valuations are high in these countries and the outlook for these stockmarkets is only Neutral.

On the other hand, we expect to maintain our investments in Asia. Economies and stockmarkets usually perform very strongly after a major crisis, so - despite the potential for a global correction in share prices - Asian stockmarkets should be excellent long term investments. Our three Asian warrants have all dropped to very large discounts to their fair valuations - effectively discounting future weakness in the value of these funds. We *may* therefore use a little of our cash to add to these positions at their current low prices.

Current Advice	Investment Fund	EPIC Code	Initial Recommendation --- Date ---	Initial Recommendation Offer Price Foreign	Initial Recommendation Offer Price NZ Cents	Prem/ Disc to Net Assets	Recent Price Bid-Offer or Last Sale	Recent Price NZ Cents	Gain or Loss %
	Europe								
HOLD	TR European Growth Trust plc	TRG	11/02/97	157.5p	374.7	-6%	427.0p	1343.0	+258
	Asia								
HOLD	AIB Govett Greater China Fund	*	13/08/96	212.9p	480.4		213.42-227.66p	693.6	+44
BUY	Fleming Asia WARRANTS	FAIW	07/03/00	43.8p	141.7		35.5p	111.7	-21
BUY	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p	49.7		26.25p	82.6	+66
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		211.92-226.29p	689.1	+554
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		53.75-57.06p	174.3	+64
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		194.40-207.40p	631.9	+31
BUY	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		20.75p	65.3	-14
	Japan								
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-29%	188.0p	591.3	+34
BUY	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	+1%	187.0p	588.1	+107
	Korea								
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		69.56-74.69p	226.8	+8
	Thailand								
HOLD	Old Mutual Thailand Trust	*	08/12/98	49.0p	155.9		55.51-59.92p	181.5	+16
	International								
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p	116.1		70.33-74.41p	227.6	+96
BUY	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		23.0p	72.3	-40
	United Kingdom								
HOLD	I & S UK Smaller Coys IT plc	ISU	11/02/97	160.0p	380.6	-27%	226.0p	710.8	+87

* 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 92¼ pence (-12%, i.e. 12% *below* net asset value), **Fleming Asian** shares at 108½ pence (-10%), **Schroder Asia Pacific** shares at 88¼ pence (-11%), **Templeton Emerging Markets** shares at 116½ pence (-20%), **Baillie Gifford Shin Nippon** warrants at 50¾ pence, **Invesco Japan Discovery** warrants trade at 136 pence, **I & S UK Smaller Companies** warrants at 136 pence and **TR European Growth** warrants at 257 pence.

Asian Stockmarkets

While stock prices on several Asian stockmarkets have fallen sharply in the recent correction, we believe the region is on course for the long term recovery that we have been predicting.

In December 1999, we wrote an article suggesting that Asian stockmarkets were moving from the *recovery* phase to a *growth* phase. Five major developments in this new growth phase will be:

1. The establishment of a "Rule of Law" based business environment.
2. *Equity* replacing *debt* as the major source of new corporate financing.
3. *Asset* based property and commodity businesses being replaced by companies seeking *profit* and *growth*, and mainly in the service sector.
4. The break up (or failure) of *conglomerates*.
5. Old, inefficient, large state owned companies being replaced by new, smaller businesses.

None of the developments will be completed immediately, and in most cases these changes and restructuring will be a continuing process of change over the next decade. It is, however, reassuring to note several major developments in line with these expected changes.

China's move to join the World Trade Organisation is a good example of governments moving towards a competitive, rule based system of economic management.

As previously mentioned in our *Investment Outlook*, companies in China, Korea and Taiwan all raised extremely large amounts of new equity capital through the stockmarket last year. Historically, savings were channelled through the banking system, which favoured large, property based businesses. With banks suffering with bad debts, they are no longer able to recycle personal savings back to the corporate sector. This function has moved to the stockmarket - but favours smaller, focused companies able to generate profits and growth. Stockmarket financing will fund the formation of new businesses to exploit the development of the services sector in Asian economies.

Korea's **Samsung Motors** has been sold to french based **Renault** for US$570 million - which is an example of the necessary restructuring and break up of conglomerates into smaller, more focused businesses.

Country Analysis: China

Our Forecast for the stockmarket of China is a Neutral 51% - but that is one of the most favourable Forecasts at the present time.

While the Chinese economy holds excellent potential for long term development and growth, the major risk over recent years has been deflation (i.e. a negative inflation rate). Investment booms in the past have increased manufacturing capacity, which has not been matched by an increase in consumer demand. This surplus manufacturing capacity has led to falling prices and a lack of profitability.

Consumer demand is low for very good reasons. Chinese realise that state owned enterprises are inefficient and unprofitable, and that restructuring will eventually lead to unemployment. So rather than spending current income, Chinese have saved heavily ahead of the expected drop in employment and incomes.

With domestic demand low, the only way to utilise the excess manufacturing capacity is through exports. The easiest way to achieve that - and remove deflationary pressures from the economy - is to devalue, but a devaluation during 1998 or 1999 could have destablised Asian currencies and even the world economy.

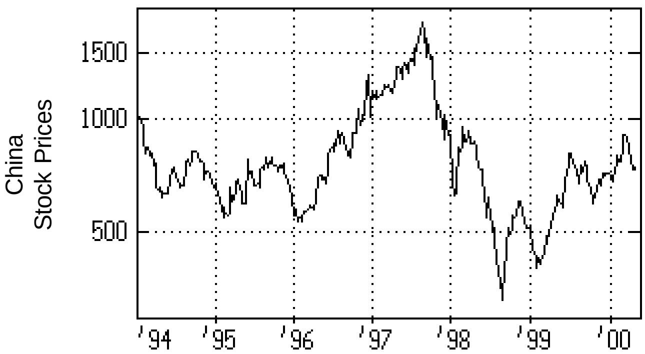
Strong Export Led Recovery in China

Fortunately, Chinese exports are booming this year - up an amazing 39% in the March 2000 quarter! This has had several favourable impacts on the economy. Firstly, the need to devalue to remove deflationary pressures is removed. Secondly, higher capacity utilisation will stop the downward pressure on prices - and lead to a return of profitability in manufacturing. Thirdly, strong export growth has boosted Gross Domestic Product growth to 8.1%. Exports are an important source of economic growth given that domestic demand remains flat. Fourthly, booming exports have further boosted China's current account surplus.

The recent rate of growth in exports is clearly unsustainable, but exports are expected to continue growing at a rate in excess of 15% per annum.

Current Situation

Since the *Asian crisis* decline in 1997-98, the Chinese stockmarket has been recovering in value . . .

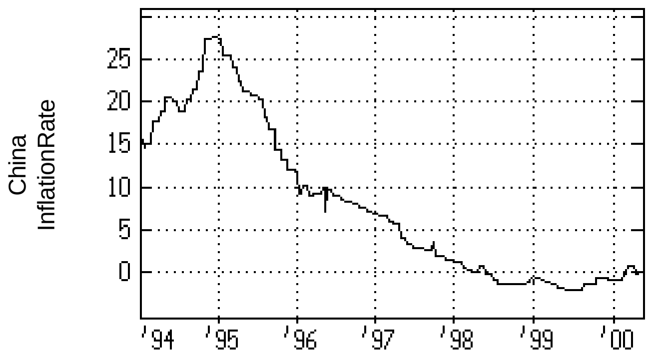


Fundamentally, Chinese shares appear expensive, with the average Price/Earnings ratio around 36 . . .

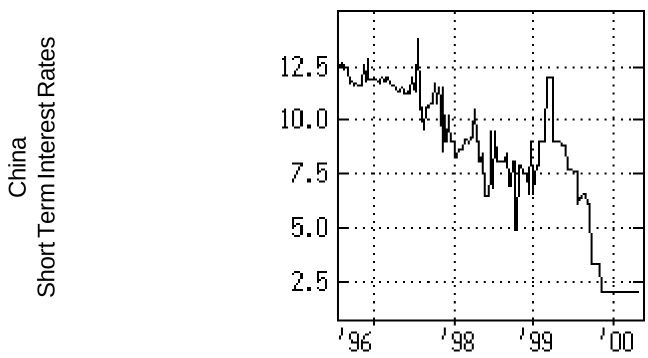
. . . and the average Dividend Yield around 1.2% . . .

. . . but these figures are close to historical levels, and probably reflect the lack of profitability in many Chinese businesses. An upturn in the economy and an end to deflationary price falls would lead to strong growth in corporate profits. So the current high P/E and low Yields reflect the depressed state of corporate profits, not inflated share prices.

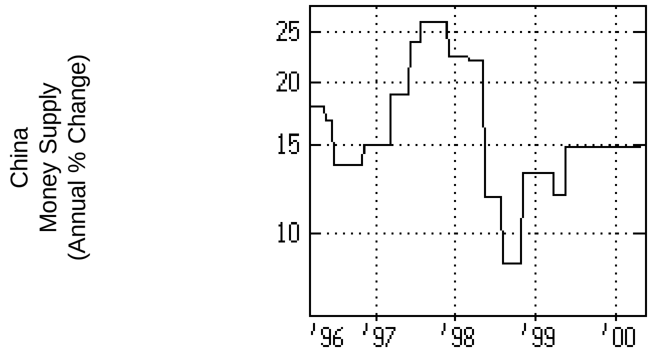
Deflation appears to have bottomed out in 1999 and could be followed by a period of price stability or moderate price increases . . .



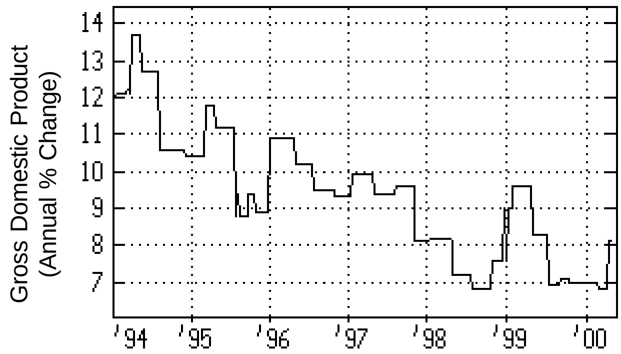
Interest rates remain low and stable . . .



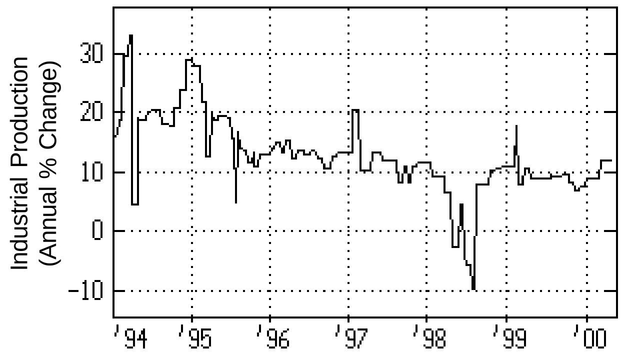
. . . while Money Supply is growing at a favourable 14.9% per year . . .



The Economy has been in a slow decline over recent years, with recent export growth resulting in the first signs of an upturn . . .



Industrial Production growth has also slowed since the mid-1990's, experienced a short decline with the *Asian crisis* before stabilising around 7-10%, but also shows some improvement over recent months . . .



Summary and Recommendation

China is such a large country that its success or failure at development and growth will have a major impact upon the rest of Asia and the world. Being such a large country it also holds excellent growth potential for companies that can enter this market and expand with the economy.

China still has a long way to go. The process of restructuring and growth will take many decades. There are, however, several important developments as discussed in this article. The favourable developments are booming exports which are utilising excess manufacturing capacity built up several years ago and which has been unprofitable. Removal of the excess capacity will remove deflationary forces. Deflation is what resulted in the 1930's downward spiral during the Great Depression. China is also utilising its stock exchange to recycle private sector savings back into the privately owned corporate sector.

Listed Investment Trust Warrant Analysis

When the stockmarket goes up, investors want to buy into warrants to leverage their gain. When the market declines, they lose heavily on the warrants and swear to avoid these *risky* securities.

This, however, is the wrong way to go about investing in warrants. Warrants need to be considered as (1) an alternative entry into a fund and (2) a low cost way to obtain a degree of leverage - *appropriate to one's financial circumstances and which one is happy to be exposed over the longer term*.

For example, three months ago investors could have purchased **Templeton Emerging Markets** shares at 140¼ pence or warrants at 41 pence. The shares have since fallen 25 pence (17.8%) to 115¼ pence while the warrants are down 18½ pence (45.1%) to 22½ pence. Obviously stockmarkets have declined over the last three months so investors who bought in February are now sitting on a short term, unrealised loss. Let's examine the returns of four hypothetical investors, each with £1000 to invest and who could have bought up to 713 shares or 2439 warrants:

Investor A, being an aggressive investor, purchased the warrants which have fallen £451 (45.1%) in value!

Investor B is also an aggressive investor and also bought warrants. Following our recommendation that an aggressive investor should limit their investment in any particular warrant to 50-75% of the dollar value that would normally be invested in a single fund, spent £500 and purchased 1219 warrants. That investment has fallen £226 (22.6%) in value - and £500 is still sitting safely in the bank

Investor C, being a conservative investor, bought 713 shares - which have fallen £178 (17.8%) in value.

Investor D is also a conservative investor but chose to invest in the warrants. However, he purchased only 713 warrants - the *number* of shares he could afford to buy - for £292 and put £708 in a bank deposit. That warrant investment is down just £132 (13.2%) - and over 70% of his initial £1000 is safely in the bank.

Investor A strategy's of putting all his money in Templeton Emerging Markets warrants is *too risky*. While this may ultimately prove to be a very profitable investment - the most likely outcome is that he will eventually abandon this risky strategy, selling the warrants to "cut his losses" but realising a substantial loss. The main reason why very risky strategies fail is that few investors will stick with them when things go badly. Even worse, Investor A may "give up" on stockmarket investment and fail to build up a reasonable nest egg for retirement. On the other hand, *Investors B, C* and *D* have adopted strategies that should all be successful over the medium to long term.

Investor B probably has the best strategy. Being an aggressive, long term investor he is prepared to hold through fluctuations in value - knowing that what ever happens on the stockmarket 50% of his capital is in a riskless bank deposit earning interest. His 1219 warrants also give him a greater exposure to the fund than he would get from 713 shares - so if the fund performs well over the long term he should enjoy a slightly leveraged capital gain.

Investor C has an unleveraged investment in the fund. It is possible that investment could continue to decline significantly in value, but whatever happens he will still own 713 shares. Sooner or later emerging stockmarkets will recover (and over the long term we could expect average returns of 10-20% per annum from these markets).

Investor D has minimised his losses through the use of warrants - by purchasing only the *number* of warrants equal to the number of shares that he could have bought with his £1000. Not only has he experienced the smallest loss of value over the last three months, but over 70% of his capital is in a riskless bank deposit earning interest. If Templeton Emerging Markets performs well, then *Investor D* will earn returns very similar to *Investor C* (but with less risk exposure).

Summary and Recommendation

Investing solely in warrants is far too risky! Don't invest like our hypothetical *Investor A*. However, warrants can be successfully used by aggressive investors to achieve a slightly leveraged portfolio (i.e. *Investor B*) or for conservative investors to *lower the risks* (e.g. our *Investor D* who has a lower risk exposure than *Investor C*).

Warrants that have (1) several years to expiry, (2) trade at a discount to their Black-Scholes valuation and (3) which have a low Break-Even Rate *will usually offer a better entry into a fund than buying its shares directly*. Investors, however, need to *manage their risk exposure* by including an appropriate level of riskless fixed interest investments.

A person following *all* of our formal recommendations should invest about 5-7½% of their International Portfolio in each fund and 2½-4% in each warrant. With five warrants, that is 10-20% of our International Portfolio - or (assuming that International investment makes up about 40% of total investments) only 4-8% of an investor's total Investment Portfolio - in warrants. That is the degree of leverage we recommend for aggressive investors. Conservative investors can put an equal dollar value in fixed income investments to reduce risks.

Warrant	Current Share Price	Warrant Exercise Price	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued (%)	Share Vola-tility	Warrant Leverage	Warrant Return (%p.a.) from Share Price appreciation of: 5%pa	10%pa	20%pa	Break-Even Rate
INTERNATIONAL												
Asset Management	137.0p	99.2p	1-8	45.50p	50.97p	-11	0.348	2.4	+5.1	+19.7	+47.0	+3%
F & C Special Utilities S	157.5p	100.0p	7-8	64.50p	93.34p	-31	0.232	1.6	+9.5	+17.8	+31.9	+1%
Henderson Technology	436.5p	100.0p	5-4	335.00p	361.92p	-7	0.367	1.2	+6.4	+12.4	+24.0	-0%
Herald Investment Trust	555.5p	100.0p	2-11	454.50p	469.72p	-3	0.340	1.2	+6.1	+12.1	+23.7	-0%
Oryx International	145.0p	100.0p	4-7	48.50p	145.00p	-67	9.990	1.0	+11.9	+22.8	+41.0	+1%
Pantheon International	443.5p	250.0p	1-5	202.00p	211.45p	-4	0.182	2.1	+8.0	+18.7	+39.6	+1%
EMERGING MARKETS												
Abtrust Emerging Econ.	64.0p	100.0p	7-8	15.75p	25.37p	-38	0.389	1.8	-100.0	+10.1	+35.2	+8%
Dresdner RCM Emerg Mkts	98.0p	100.0p	4-2	30.25p	32.69p	-7	0.320	2.3	-9.4	+10.5	+36.2	+7%
F & C Emerging Markets	65.0p	102.0p	2-10	7.75p	13.54p	-43	0.467	2.5	-100.0	-100.0	-3.7	+20%
Murray Emerg. Economies	57.0p	100.0p	3-9	8.25p	12.20p	-32	0.437	2.4	-100.0	-100.0	+12.7	+19%
Schroder Emer Countries	74.8p	100.0p	6-4	18.75p	30.33p	-38	0.408	1.8	-30.4	+11.2	+36.9	+8%
Tea Plantations	42.5p	100.0p	1-8	6.50p	0.19p	+3402	0.294	10.2	-100.0	-100.0	-100.0	+74%
Templeton Emerging Mkts	115.3p	133.0p	4-4	22.50p	37.38p	-40	0.362	2.2	-18.2	+15.0	+47.5	+7%
LATIN AMERICA												
Aberdeen Latin American	60.0p	100.0p	9-5	21.00p	34.60p	-39	0.526	1.4	-100.0	+9.0	+29.2	+8%
Edinburgh Inca	24.5p	50.0p	8-9	6.25p	13.27p	-53	0.562	1.4	-100.0	+0.3	+32.0	+10%
Morgan G Latin America	71.3p	100.0p	10-1	22.50p	39.86p	-44	0.438	1.4	-3.0	+14.3	+31.2	+6%
Scudder Latin America	82.0p	100.0p	4-3	20.00p	32.51p	-38	0.493	1.8	-51.9	+3.3	+37.7	+9%
UNITED STATES												
F & C US Smaller Coys	192.0p	100.0p	2-6	91.00p	104.41p	-13	0.205	1.8	+10.5	+20.0	+37.8	-0%
US Smaller Companies	283.0p	100.0p	2-4	182.50p	194.56p	-6	0.258	1.5	+7.7	+15.1	+29.4	-0%
UNITED KINGDOM												
Aberforth Smaller Coys	241.5p	100.0p	2-10	141.50p	155.38p	-9	0.226	1.6	+8.3	+16.2	+31.1	+0%
British Assets Trust	134.0p	101.0p	1-4	49.50p	40.28p	+23	0.182	3.3	-11.6	+2.5	+29.5	+9%
Broadgate	164.0p	100.0p	3-0	89.00p	78.96p	+13	0.194	2.1	+0.3	+9.9	+27.3	+5%
Dartmoor	139.5p	118.0p	2-2	35.50p	36.82p	-4	0.186	3.4	+2.0	+20.8	+52.9	+5%
Eaglet Investment Trust	281.5p	100.0p	2-5	199.00p	193.45p	+3	0.259	1.5	+3.6	+10.7	+24.4	+3%
Edinburgh Smaller Coys	188.5p	100.0p	8-4	96.50p	126.42p	-24	0.254	1.4	+8.0	+15.3	+28.1	+1%
F & C Income Growth	113.5p	100.0p	3-2	24.50p	31.92p	-23	0.181	3.2	+9.3	+28.0	+57.0	+3%
Fidelity Special Values	170.0p	100.0p	3-8	73.00p	88.06p	-17	0.203	1.9	+9.9	+19.7	+37.0	+0%
Gartmore Fledgling Indx	146.5p	100.0p	1-7	50.50p	55.27p	-9	0.232	2.6	+9.5	+23.3	+49.6	+2%
Gartmore Irish Smaller	199.0p	100.0p	1-2	100.00p	104.98p	-5	0.257	1.9	+9.1	+18.9	+38.5	+0%
Guinness Flight Extra	125.0p	100.0p	2-1	24.00p	37.10p	-35	0.196	3.1	+25.3	+45.5	+81.2	-0%
Hill Samuel UK Emerging	140.0p	100.0p	1-10	42.50p	52.75p	-19	0.307	2.4	+12.9	+27.9	+55.6	+1%
I & S ISIS	214.0p	107.5p	0-5	109.00p	213.81p	-49	9.990	1.0	+4.2	+14.1	+34.7	+3%
I & S UK Smaller Coys	223.5p	93.0p	0-2	136.00p	131.31p	+4	0.244	1.7	-15.1	-8.2	+6.3	+16%
Investors Capital	188.0p	137.0p	1-4	60.00p	62.15p	-3	0.251	2.9	+4.5	+20.0	+49.7	+4%
Jupiter Extra Income	135.0p	100.0p	0-4	31.50p	37.14p	-15	0.173	3.7	+85.8	+118.7	+192.2	-11%
Legal & Gen'l Recovery	153.5p	100.0p	4-5	79.00p	74.58p	+6	0.163	2.0	+3.1	+12.7	+29.0	+4%
Montanaro UK Small Coys	159.5p	100.0p	5-2	59.50p	84.98p	-30	0.222	1.8	+11.7	+21.2	+37.6	+0%
Perpetual Income & Gth	105.8p	100.0p	6-3	26.25p	42.05p	-38	0.243	2.1	+8.4	+22.2	+41.6	+3%
Prolific Income plc	124.8p	100.0p	3-6	37.50p	44.93p	-17	0.216	2.5	+7.3	+21.5	+44.6	+3%
Schroder Income & Grwth	122.5p	100.0p	3-7	29.00p	41.10p	-29	0.161	2.8	+13.7	+29.1	+53.7	+1%
Schroder UK Growth	141.0p	100.0p	2-3	48.50p	53.44p	-9	0.218	2.5	+7.7	+21.2	+45.4	+2%
Shires Smaller Companies	160.0p	100.0p	0-1	60.00p	60.44p	-1	0.202	2.6	+13.8	+28.7	+61.6	+0%
Taverners Trust	83.0p	100.0p	10-3	32.00p	83.00p	-61	9.990	1.0	+1.4	+13.8	+29.1	+5%
EUROPEAN												
Fidelity Euro Values	465.5p	100.0p	0-11	363.00p	370.20p	-2	0.279	1.3	+7.2	+13.6	+26.5	-1%
First Russian Front. I	589.0p	US$10.00	1-1	157.50p	157.52p	-0	0.699	2.4	-100.0	-100.0	-56.3	+34%
First Russian Front. II	589.0p	US$13.20	1-1	92.50p	104.92p	-12	0.699	2.8	-100.0	-100.0	-100.0	+56%

Warrant	Current Share Price	Warrant Exercise Price	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued (%)	Share Volatility	Warrant Leverage	Warrant Return (%p.a.) from Share Price appreciation of: 5%pa	10%pa	20%pa	Break-Even Rate
Gartmore European	486.5p	220.0p	3-8	267.00p	305.93p	-13	0.246	1.6	+8.6	+16.7	+31.5	+0%
Gartmore Irish Small	199.0p	100.0p	1-2	100.00p	104.98p	-5	0.257	1.9	+9.1	+18.9	+38.5	+0%
Mercury Euro Priv.	195.3p	100.0p	4-2	95.50p	115.29p	-17	0.208	1.7	+9.5	+18.0	+33.4	+0%
SR Pan-European	137.5p	39.0p	1-0	104.50p	100.50p	+4	0.362	1.4	+0.8	+7.4	+20.6	+4%
TR European	416.5p	166.0p	3-5	251.00p	278.33p	-10	0.270	1.5	+8.0	+15.5	+29.7	+0%
FAR EASTERN / PACIFIC												
Aberdeen New Dawn "A"	165.5p	95.9p	0-2	102.50p	70.46p	+45	0.348	2.3	-89.0	-87.7	-85.0	+196%
Aberdeen New Dawn "B"	165.5p	135.0p	0-2	62.50p	32.30p	+93	0.348	5.0	-98.2	-97.8	-96.6	+189%
Aberdeen New Dawn "C"	165.5p	270.0p	0-2	1.25p	0.00p	+45973	0.348	106.7	-100.0	-100.0	-100.0	+1836%
Abtrust Asian Smaller	96.3p	100.0p	10-6	40.25p	55.49p	-27	0.353	1.5	+4.0	+14.2	+28.3	+4%
Edinburgh Dragon Trust	84.5p	60.0p	4-8	36.50p	43.04p	-15	0.344	1.7	+5.1	+15.6	+32.9	+3%
Edinburgh New Tiger	14.8p	50.0p	8-10	4.25p	1.99p	+113	0.299	2.7	-100.0	-100.0	+21.7	+16%
Fidelity Asian Values	91.5p	100.0p	6-3	26.25p	45.07p	-42	0.447	1.6	-1.3	+15.9	+36.8	+5%
Fleming Asia	108.8p	100.0p	4-9	35.50p	53.95p	-34	0.473	1.6	+1.0	+15.7	+37.1	+5%
Hambros Smaller Asian	38.0p	US$ 1.00	1-7	4.50p	38.00p	-88	9.990	1.0	-100.0	-100.0	-100.0	+47%
Invesco Asia	66.5p	100.0p	4-2	11.25p	16.41p	-31	0.390	2.4	-100.0	-100.0	+37.3	+13%
Martin Currie Pacific	159.0p	130.0p	0-1	28.75p	29.61p	-3	0.306	5.4	+44.6	+85.4	+191.8	-2%
Pacific Assets	76.5p	130.0p	2-0	4.50p	8.19p	-45	0.434	3.5	-100.0	-100.0	-100.0	+33%
Pacific Horizons	47.0p	56.0p	2-1	9.75p	10.91p	-11	0.453	2.7	-100.0	-61.7	+13.6	+17%
Schroder Asia Pacific	88.0p	100.0p	5-8	21.00p	39.10p	-46	0.432	1.7	-4.7	+17.0	+41.0	+6%
Scottish Oriental Sm Co	76.0p	100.0p	6-8	21.75p	32.15p	-32	0.407	1.7	-19.3	+10.9	+34.4	+7%
JAPAN												
B Gifford Shin Nippon	183.5p	200.0p	4-11	47.50p	72.35p	-34	0.392	1.9	-7.0	+14.7	+40.2	+6%
Fidelity Japan Values	124.5p	100.0p	3-11	42.75p	58.10p	-26	0.411	1.8	+4.5	+17.7	+38.8	+4%
Gartmore Select Japan	78.5p	100.0p	3-0	14.50p	17.72p	-18	0.378	2.7	-100.0	-32.4	+35.0	+13%
Invesco Japan	183.5p	100.0p	4-5	101.00p	116.91p	-14	0.478	1.4	+5.4	+13.9	+29.0	+2%
Invesco Tokyo	55.0p	55.0p	4-1	18.50p	18.99p	-3	0.332	2.2	-9.8	+8.9	+33.8	+7%
Martin Currie Japan	124.3p	100.0p	2-4	36.25p	43.25p	-16	0.323	2.4	+3.5	+19.8	+47.8	+4%
Perpetual Japan	60.3p	100.0p	0-6	2.25p	0.30p	+638	0.381	14.3	-100.0	-100.0	-100.0	+188%
Schroder Japan Growth	97.8p	100.0p	4-6	23.25p	34.12p	-32	0.322	2.2	-1.4	+18.6	+44.6	+5%
INDIA												
Fleming Indian	86.0p	100.0p	3-9	26.75p	24.98p	+7	0.361	2.4	-42.9	-4.0	+29.4	+11%
SOUTH AFRICA												
Old Mutual South Africa	81.3p	100.0p	1-7	7.00p	11.77p	-41	0.386	3.7	-100.0	-100.0	+13.1	+19%

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