

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\$)			Share Index
						3 mths	6 mths	12 mths	
Australia	55%	Neutral	Bearish	Bullish	Bullish	-6.6%	-1.0%	-9.5%	3,178.70
Austria	65%	Bullish	Neutral	Bullish	Neutral	+2.2%	-4.4%	+4.8%	1,186.32
Belgium	57%	Bullish	Bearish	Bullish	Bullish	+2.9%	-9.0%	-4.7%	2,777.55
Canada	50%	Neutral	Bearish	Bullish	Bullish	-12.1%	-10.5%	-35.7%	7,368.77
Denmark	40%	Neutral	Bearish	Neutral	Bullish	-3.6%	-14.1%	-14.5%	279.79
Finland	58%	Bullish	Bearish	Bullish	Bullish	-41.6%	-34.1%	-57.9%	5,698.68
France	41%	Neutral	Bearish	Bullish	Neutral	-13.0%	-20.0%	-29.9%	2,857.67
Germany	45%	Neutral	Bearish	Bullish	Bullish	-18.4%	-25.8%	-31.9%	4,730.67
Ireland	46%	Bearish	Bearish	Bullish	Bearish	-4.7%	-2.8%	+9.0%	5,678.79
Italy	49%	Bullish	Bearish	Bullish	Neutral	-11.5%	-20.1%	-28.1%	22,722.00
Japan	42%	Bearish	Bearish	Bullish	Neutral	-21.2%	-17.2%	-43.7%	10,516.79
Netherlands	52%	Neutral	Bearish	Bullish	Bullish	-10.9%	-19.3%	-24.7%	705.80
New Zealand	59%	Neutral	Neutral	Bullish	Bearish	+1.0%	+2.2%	-7.2%	2,086.73
Norway	31%	Bearish	Bearish	Bearish	Bullish	-7.0%	-14.2%	-17.2%	684.75
Spain	41%	Neutral	Bearish	Bullish	Bullish	-12.6%	-20.5%	-23.3%	755.67
Sweden	30%	Bearish	Bearish	Bearish	Bullish	-15.7%	-26.6%	-46.2%	208.29
Switzerland	44%	Bullish	Bearish	Bullish	Neutral	-11.1%	-18.0%	-17.5%	6,255.50
Un. Kingdom	44%	Neutral	Bearish	Bullish	Neutral	-9.7%	-14.7%	-20.7%	5,070.30
USA	50%	Bearish	Bearish	Bullish	Bullish	-14.2%	-12.0%	-27.3%	1,085.78
Argentina	31%	Bullish	Bearish	Bearish	Bullish	-23.1%	-30.6%	-37.1%	11,774.85
Brazil	23%	Bullish	Bearish	Bearish	Bullish	-27.2%	-39.8%	-50.4%	12,255.29
Czech Rep.	58%	Bullish	Bearish	Bullish	Bullish	-12.4%	-23.6%	-28.8%	350.00
Chile	73%	Neutral	Bullish	Bullish	Neutral	-5.7%	-0.1%	-3.0%	5,620.20
China	36%	Bearish	Bearish	Neutral	Neutral	-24.7%	-9.9%	-26.8%	163.00
Greece	43%	Neutral	Bearish	Bullish	Bullish	-7.0%	-23.2%	-38.9%	2,647.42
Hong Kong	43%	Neutral	Bearish	Bullish	Neutral	-24.8%	-26.9%	-39.9%	10,384.20
Hungary	43%	Neutral	Bearish	Bullish	Bullish	-3.6%	-8.9%	-17.7%	6,354.35
India	44%	Neutral	Bearish	Neutral	Bullish	-9.1%	-18.9%	-33.8%	3,198.40
Indonesia	48%	Bearish	Bullish	Bearish	Neutral	+36.9%	+19.4%	-13.5%	443.81
Korea	56%	Neutral	Bearish	Bullish	Bullish	-10.5%	-2.9%	-26.6%	555.08
Malaysia	60%	Bearish	Bullish	Neutral	Bullish	+21.0%	+0.2%	-5.8%	696.65
Mexico	62%	Neutral	Bearish	Bullish	Bullish	-16.6%	-3.8%	-15.7%	5,844.60
Philippines	38%	Bearish	Bearish	Bullish	Neutral	-8.7%	-23.9%	-24.5%	1,297.35
Poland	41%	Bearish	Bearish	Neutral	Bullish	-18.0%	-19.9%	-25.3%	13,040.11
Portugal	53%	Bullish	Bearish	Bullish	Bullish	-10.0%	-28.2%	-31.9%	1,858.60
Russia	71%	Neutral	Bullish	Bullish	Neutral	+0.9%	+22.6%	+1.7%	2,425.55
Singapore	44%	Neutral	Bearish	Neutral	Bullish	-4.3%	-16.5%	-26.6%	1,576.95
Sth Africa	49%	Bullish	Bearish	Bullish	Bearish	-10.7%	-11.7%	-14.1%	8,746.89
Taiwan	58%	Bullish	Bearish	Bullish	Bullish	-19.2%	-29.3%	-48.0%	4,302.16
Thailand	66%	Bearish	Bullish	Bullish	Neutral	+10.9%	+8.9%	+7.2%	342.32
Turkey	58%	Bearish	Bearish	Bullish	Bullish	-41.4%	-41.9%	-67.1%	8,568.00
Venezuela	25%	Neutral	Neutral	Bearish	Bearish	-5.8%	-10.5%	+1.4%	7,490.09

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.

Recommended International Investment Funds

Fidelity Asian Values plc has continued repurchasing its own shares, buying back 175,000 shares on September 7 at 49 pence.

Fleming Asian Investment Trust plc also took advantage of the large discount to net assets to make a small re-purchase of 50,000 shares at 69 pence in late August.

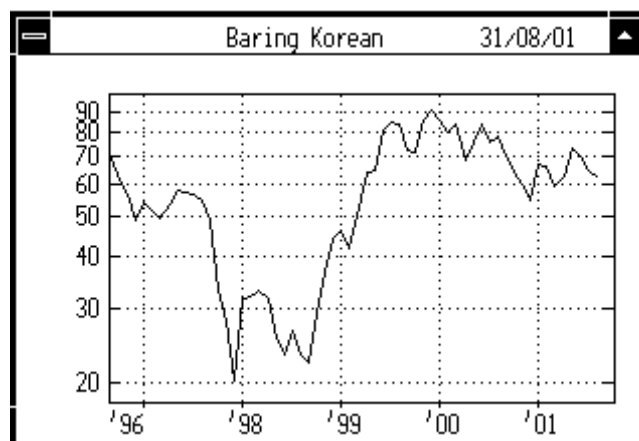
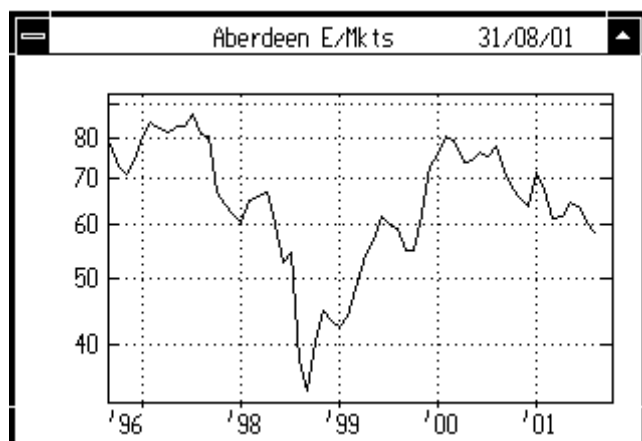
Legg Mason International Utilities has declared another quarterly dividend. Details are unavailable at this time owing to the failure of the news server at the internet site from which we source this type of information.

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		
Asian Regional									
BUY	Fleming Asia WARRANTS	FAIW	07/03/00	43.8p	141.7	8.25p	27.8	-80	
HOLD	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p	49.7	8.25p	27.8	-44	
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4	143.69-153.33p	500.4	+375	
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3	33.6p	113.1	+6	
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6	153.0p	515.5	+7	
BUY	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6	220.4p	742.6	-34	
BUY	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8	8.5p	28.6	-62	
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-16%	121.5p	409.4	-7
HOLD	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-20%	73.0p	246.0	-13
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4	60.97-64.99p	212.2	+1	
Thailand									
BUY	Old Mutual Thailand Trust	*	08/12/98	49.0p	155.9	41.03-43.80p	142.9	-8	
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p	116.1	53.44-56.54p	185.3	+60	
BUY	Legg Mason Int'l Utilities	LIU	13/02/01	170.5p	565.5	+11%	127.5p	429.6	-24
BUY	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7	11.0p	37.1	-69	

* 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 49¼ pence (-16%, i.e. 16% below net asset value), **Fleming Asian** shares at 68¾ pence (-16%), **Schroder Asia Pacific** shares at 53 pence (-19%), **Templeton Emerging Markets** shares at 98¼ pence (-21%), **Baillie Gifford Shin Nippon** warrants at 31¾ pence and **Invesco Japan Discovery** warrants which trade at 25½ pence.



World Stockmarket Capitalisations

The total value of shares listed on world stockmarkets declined by US\$2,837,491,000 (or 10%) to US\$25,345,492,000 over the six months to the end of August 2001. (Note: These figures take into account new and additional listings plus delistings, as well as fluctuations in the value of existing equities).

The total value of US equities fell 7%, which raised its share of the total capitalisation from 49.56% to 50.99%.

The countries experiencing the greatest percentage declines were Germany (-20%), Hong Kong (-24%), Taiwan (-26%), Sweden (-26%), Brazil (-28%) and India (-27%).

Countries which *increased* their total market capitalisation were Australia (+1%), South Korea (+1%), Malaysia (+1%) and China (+2%).

Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States	12,993	50.99
Japan	2,676	10.56
United Kingdom	2,143	8.46
France	1,116	4.40
Germany	852	3.36
Switzerland	618	2.44
Canada	557	2.20
Italy	554	2.19
Netherlands	520	2.05
Australia	351	1.38
Hong Kong	349	1.38
Spain	332	1.31
Taiwan	233	0.92
Sweden	218	0.86
South Korea	149	0.59

Belgium	145	0.57
Finland	134	0.53
South Africa	133	0.52
Mexico	131	0.52
Brazil	124	0.49
Singapore	117	0.46
Malaysia	92	0.36
Denmark	91	0.36
China	88	0.35
India	82	0.33
Ireland	73	0.29
Greece	70	0.28
Norway	67	0.27
Russia	66	0.26
Israel	51	0.20
Portugal	46	0.18
Chile	42	0.16
Turkey	27	0.10
Austria	27	0.10
Thailand	24	0.09
Indonesia	21	0.08
Argentina	17	0.07
Poland	15	0.06
Philippines	14	0.05
New Zealand	14	0.06
Morocco	8	0.03
Hungary	8	0.03
Czech Republic	6	0.02
Venezuela	6	0.02
Egypt	5	0.02
Peru	6	0.02
Columbia	2	0.01
Pakistan	2	0.01
Jordan	2	0.01
TOTAL	\$25,345	100.00%

Listed Investment Trust Warrant Analysis

The number of warrants in our quarterly survey has shrunk considerably over the last two years. Warrants have a limited life and eventually reach maturity at which point holders either (1) exercise the warrant to buy the share (i.e. if the share price is above the exercise price) or (2) allow the warrant to expire worthless (i.e. if the share price is below the exercise price).

A listed investment trust can create new warrants at any time, but they are usually offered with shares in the initial public offering (i.e. when the trust is first created) or distributed as a bonus issue to ordinary

shareholders. With stockmarkets depressed over recent years there have been very few new issues of warrants.

Short Dated Warrants

Warrant Leverage is determined by several factors including (1) the underlying volatility of the share price, (2) the relationship between the share price and the exercise price (i.e. a *low* share price relative to the exercise price will *increase* warrant leverage) and the length of time until the final exercise/expiry date. As the length of time until expiry grows short, warrants become more volatile.

Short dated warrants can therefore offer very high leverage which, in the right circumstances, could lead to an attractive investment opportunity. Of course, to increase the value of a warrant the share price must appreciate in value. With short dated warrants it is therefore *extremely* important to get your timing correct - or they can expire worthless resulting in a 100% loss of your investment.

Of course, if the *share price is too far below the exercise price* then the warrant will be unattractive. In this situation, the share price is extremely unlikely to be able to appreciate enough to give the warrant any value before its expiry date. Examples of warrants where the share price is *too low* include Tea Plantations, Gartmore Select Japan, Martin Currie Japan and Pacific Horizons.

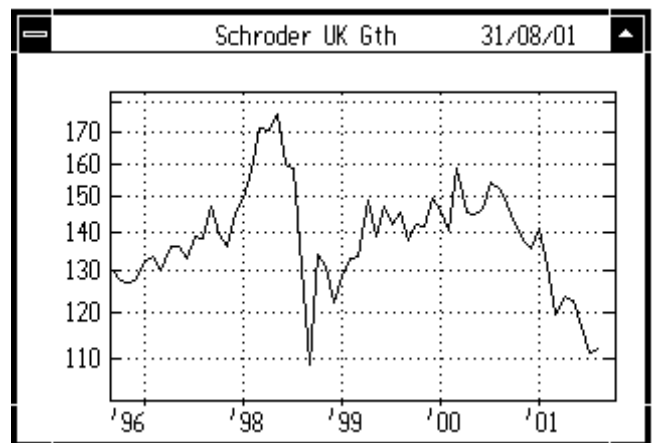
If you are considering speculating in short dated warrants, then look for the situation where the *share price is close to, or slightly above, the exercise price*. In this situation, warrants will still be cheap enough to provide very high leverage, but any appreciation in the share price will immediately start to add value to the warrant. Examples of warrants that fall into this situation include **F & C Income Growth, Schroder UK Growth and TR European**.

Schroder UK Growth warrants (which expire in just 11 months) have the highest *warrant leverage* at 5.7. That means the warrant price will fluctuate an average of 5.7% for each 1% movement in the share price. So if the UK stockmarket was to recover 20% over the next few months, these warrants would *double*

in value (i.e. the share price would rise to 127 pence and the warrants would trade around 30-35 pence). As always, your loss is limited to 100% of the amount you invest in the warrant - but if the market continues to fall, these short dated warrants will almost certainly expire worthless!

F & C Income Growth and TR European warrants would both appreciate 70% per annum if stockmarkets were to rebound by 20% per annum over the next couple of years.

All of these three warrants would be very attractive if stockmarkets were to bottom out and recover. However, as stated above, investors do need to accurately identify and time a stockmarket recovery to profit from risky short dated warrants.



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 Break-Share Price appreciation of:	5%pa	10%pa	20%pa	Even Rate
INDIA													
Fleming Indian	61.3p	100.0p	2-5	9.50p	6.81p	+39	0.381	3.6	-100.0	-100.0	-100.0	+27%	
UNITED KINGDOM													
Aberforth Smaller Coys	321.0p	100.0p	1-6	222.00p	227.81p	-3	0.242	1.4	+6.9	+14.0	+28.1	+0%	
British Assets Trust	133.8p	101.0p	0-0	39.50p	32.75p	+21	10.000	4.1	-100.0	-100.0	-100.0	+9999%	
Dartmoor	114.0p	118.0p	0-10	4.50p	114.00p	-96	9.999	1.0	-88.7	+25.1	+314.1	+9%	
Eaglet Investment Trust	381.5p	100.0p	1-1	280.50p	286.46p	-2	0.278	1.3	+7.1	+13.9	+27.5	-0%	
Edinburgh Smaller Coys	110.0p	100.0p	7-0	54.50p	51.95p	+5	0.316	1.8	+0.1	+11.2	+27.2	+5%	
F & C Income Growth	128.5p	100.0p	1-10	30.00p	37.64p	-20	0.174	3.3	+17.8	+36.4	+70.2	+1%	
Fidelity Special Values	271.5p	100.0p	2-4	172.00p	181.89p	-5	0.212	1.5	+7.6	+15.2	+29.7	+0%	
Gartmore Fledgling Indx	999.0p	100.0p	0-3	999.00p	900.17p	+11	0.247	1.1	-30.8	-27.1	-19.7	+46%	
Perpetual Income & Gth	135.0p	100.0p	4-11	35.00p	59.41p	-41	0.226	2.1	+15.7	+27.5	+46.8	+0%	
Schroder Income & Grwth	142.0p	100.0p	2-3	46.00p	52.41p	-12	0.167	2.7	+11.3	+25.0	+49.7	+1%	
Schroder UK Growth	105.8p	100.0p	0-11	15.00p	14.53p	+3	0.225	5.7	-31.6	+2.9	+74.5	+10%	
Taverners Trust	88.5p	100.0p	8-11	24.50p	88.50p	-72	9.990	1.0	+4.6	+18.0	+34.7	+4%	
Guinness Flight Extra	149.5p	100.0p	0-9	40.50p	149.50p	-73	9.990	1.0	+50.6	+71.1	+113.0	-8%	
SOUTH AFRICA													
Old Mutual Sth Africa	999.0p	100.0p	0-3	999.00p	995.39p	+0	9.990	1.0	-30.8	-27.1	-19.7	+46%	
LATIN AMERICA													
F & C US Smaller Coys	203.0p	100.0p	1-2	106.00p	108.34p	-2	0.214	1.9	+7.1	+16.7	+35.5	+1%	
Aberdeen Latin American	51.5p	100.0p	8-1	10.75p	22.27p	-52	0.478	1.6	-100.0	+0.6	+35.4	+10%	

Warrant	Current Share Price	Warrant Exercise Price	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued (%)	Share Volatility	Warrant Leverage	Warrant Share Price 5%pa	Warrant Share Price 10%pa	Warrant Share Price 20%pa	Return (%p.a.) from Break-even Rate
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EMERGING MARKETS

Abtrust Emerging Econ.	61.5p	100.0p	6-4	12.00p	20.41p	-41	0.404	1.9	-100.0	+0.6	+38.7	+10%
Dresdner RCM Emerg Mkts	72.3p	100.0p	2-10	11.00p	11.15p	-1	0.337	3.3	-100.0	-100.0	+25.9	+16%
F & C Emerging Markets	48.8p	102.0p	1-6	1.75p	2.58p	-32	0.486	4.3	-100.0	-100.0	-100.0	+65%
Schroder Emer Countries	49.3p	100.0p	5-0	8.00p	9.18p	-13	0.381	2.5	-100.0	-100.0	+23.0	+17%
Tea Plantations	30.0p	100.0p	0-4	1.00p	0.00p	+9999	0.287	+999.9	-100.0	-100.0	-100.0	+3714%
Templeton Emerging Mkts	98.3p	133.0p	3-0	11.00p	19.54p	-44	0.377	2.8	-100.0	-100.0	+49.5	+14%

TECHNOLOGY

Herald Investment Trust	260.0p	100.0p	1-7	163.50p	167.50p	-2	0.370	1.5	+6.6	+14.4	+29.8	+1%
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INTERNATIONAL

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Pantheon International	529.0p	250.0p	0-1	282.50p	279.98p	+1	0.094	1.9	-5.6	+3.1	+21.4	+8%
Special Utilities S	159.5p	100.0p	6-4	63.50p	87.36p	-27	0.217	1.8	+10.2	+19.1	+34.0	+0%
Asset Management	164.0p	99.2p	0-4	61.00p	66.39p	-8	0.341	2.5	+35.5	+51.8	+86.6	-7%

EUROPEAN

Gartmore European	311.0p	220.0p	2-4	101.00p	121.25p	-17	0.277	2.4	+10.9	+24.5	+48.9	+1%
TR European	166.5p	166.0p	2-1	24.50p	37.93p	-35	0.324	3.1	-13.0	+22.0	+73.7	+7%

JAPAN

B Gifford Shin Nippon	121.5p	200.0p	3-7	31.75p	23.86p	+33	0.411	2.6	-100.0	-100.0	+1.5	+20%
Fidelity Japan Values	46.0p	100.0p	2-7	10.75p	4.66p	+131	0.460	3.2	-100.0	-100.0	-100.0	+41%
Gartmore Select Japan	44.5p	100.0p	1-8	6.50p	0.65p	+905	0.352	7.0	-100.0	-100.0	-100.0	+69%
Invesco Japan	73.0p	100.0p	3-1	25.50p	22.15p	+15	0.528	2.1	-100.0	-100.0	+3.2	+19%
Invesco Tokyo	26.3p	55.0p	2-9	4.25p	1.63p	+161	0.358	4.2	-100.0	-100.0	-100.0	+34%
Martin Currie Japan	77.0p	100.0p	1-0	9.00p	4.40p	+104	0.331	6.5	-100.0	-100.0	-100.0	+42%
Martin Currie Japan 05	77.0p	100.0p	4-1	29.50p	18.25p	+62	0.331	2.6	-100.0	-17.2	+20.0	+14%
Schroder Japan Growth	75.5p	100.0p	3-2	13.50p	13.75p	-2	0.329	3.1	-100.0	-44.4	+34.5	+14%

FAR EASTERN

Aberdeen Asian Small	92.0p	100.0p	9-2	32.00p	46.20p	-31	0.343	1.6	+3.5	+15.6	+31.3	+4%
Edinburgh Dragon Trust	56.0p	60.0p	3-4	13.75p	16.48p	-17	0.365	2.4	-22.5	+6.5	+40.6	+9%
Fidelity Asian Values	49.3p	100.0p	4-11	8.25p	11.04p	-25	0.428	2.3	-100.0	-100.0	+20.6	+17%
Fleming Asia	68.8p	100.0p	3-5	9.75p	15.68p	-38	0.416	2.5	-100.0	-100.0	+36.4	+15%
Invesco Asia	43.0p	100.0p	2-10	2.25p	3.34p	-33	0.416	3.5	-100.0	-100.0	-100.0	+36%
Pacific Assets	41.3p	130.0p	0-8	0.17p	0.01p	+1917	0.449	15.8	-100.0	-100.0	-100.0	+461%
Pacific Horizons	35.5p	56.0p	0-9	1.50p	0.90p	+66	0.412	7.6	-100.0	-100.0	-100.0	+90%
Schroder Asia Pacific	53.0p	100.0p	4-4	8.50p	11.35p	-25	0.429	2.4	-100.0	-100.0	+17.0	+18%
Scottish Oriental Sm Co	91.0p	100.0p	5-4	29.50p	33.64p	-12	0.351	2.0	-8.8	+10.9	+34.0	+7%

HONG KONG / CHINA REGION

Fleming Chinese	45.3p	100.0p	2-5	9.50p	3.94p	+141	0.457	3.4	-100.0	-100.0	-100.0	+44%
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Next Issue

The next issue of "International Investor" will be posted in five weeks time on Tuesday October 16, 2001 (and delivered in most areas on Wednesday 17).

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

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