

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	75%	Neutral	Bullish	Bullish	Neutral	+3.2%	-3.6%	-4.0%	3,312.70
Austria	70%	Neutral	Bullish	Bullish	Bullish	-6.2%	-4.1%	+4.9%	1,134.88
Belgium	64%	Bullish	Neutral	Bullish	Bullish	-6.9%	-4.2%	-13.0%	2,635.78
Canada	72%	Neutral	Bullish	Bullish	Bullish	+2.7%	-9.7%	-23.3%	7,616.80
Denmark	63%	Neutral	Bearish	Bullish	Bullish	-6.2%	-9.6%	-15.4%	267.68
Finland	75%	Bullish	Bullish	Bullish	Bullish	+50.4%	-12.1%	-41.0%	8,737.29
France	66%	Bullish	Neutral	Bullish	Bullish	+3.1%	-10.3%	-20.4%	3,003.51
Germany	65%	Neutral	Neutral	Bullish	Bullish	+7.8%	-12.1%	-22.2%	5,199.03
Ireland	78%	Bullish	Bullish	Bullish	Neutral	-2.9%	-7.4%	-3.1%	5,624.33
Italy	59%	Bullish	Neutral	Bullish	Neutral	+0.8%	-10.9%	-25.7%	23,346.00
Japan	46%	Bearish	Bearish	Bullish	Bullish	-1.8%	-22.6%	-35.1%	10,796.89
Netherlands	70%	Bullish	Bearish	Bullish	Bullish	-2.8%	-13.3%	-23.7%	699.90
New Zealand	58%	Bearish	Neutral	Bullish	Bearish	-5.7%	-4.7%	-4.7%	2,065.00
Norway	49%	Neutral	Neutral	Neutral	Neutral	-9.3%	-15.6%	-15.5%	632.85
Spain	67%	Bearish	Bullish	Bullish	Bullish	+10.8%	-3.1%	-5.9%	854.10
Sweden	61%	Bearish	Bullish	Bullish	Bullish	+17.9%	-0.6%	-25.3%	245.29
Switzerland	58%	Neutral	Neutral	Bullish	Neutral	+3.9%	-7.7%	-17.3%	6,443.70
Un. Kingdom	53%	Neutral	Bearish	Bullish	Neutral	+1.8%	-8.1%	-17.3%	5,264.70
USA	82%	Bearish	Bullish	Bullish	Bullish	+6.7%	-8.4%	-15.4%	1,158.31
Argentina	56%	Bullish	Bullish	Bearish	Bullish	+29.5%	-0.5%	-5.0%	692.53
Brazil	50%	Neutral	Neutral	Bearish	Bullish	+19.4%	-13.0%	-25.6%	13,298.72
Czech Rep.	63%	Bullish	Bearish	Bullish	Bullish	+15.0%	+0.7%	-4.7%	396.40
Chile	43%	Bearish	Bullish	Bearish	Neutral	-3.2%	-8.7%	-3.1%	5,461.86
China	51%	Bearish	Neutral	Neutral	Bullish	+5.6%	-20.5%	-4.3%	172.08
Greece	48%	Neutral	Neutral	Bullish	Bearish	+2.8%	-4.4%	-27.4%	2,704.12
Hong Kong	65%	Neutral	Neutral	Bullish	Neutral	+14.0%	-14.3%	-22.1%	11,832.18
Hungary	82%	Bullish	Bullish	Bullish	Bullish	+15.1%	+11.0%	+4.4%	7,312.84
India	56%	Neutral	Bullish	Bearish	Bullish	+6.2%	-3.4%	-19.1%	3,436.37
Indonesia	27%	Neutral	Bearish	Bearish	Neutral	-25.1%	+2.5%	-19.4%	377.21
Korea	70%	Bearish	Bullish	Bullish	Neutral	+28.3%	+14.8%	+23.6%	704.50
Malaysia	73%	Neutral	Bullish	Bullish	Bullish	-5.1%	+14.9%	-9.8%	661.52
Mexico	73%	Neutral	Bullish	Bullish	Bullish	+6.8%	-10.9%	+8.9%	6,141.19
Philippines	49%	Bearish	Bearish	Bullish	Neutral	-13.8%	-21.3%	-22.0%	1,130.20
Poland	76%	Bearish	Bullish	Bullish	Bullish	+12.8%	-7.4%	-8.1%	14,213.62
Portugal	70%	Bullish	Neutral	Bullish	Bullish	+7.6%	-3.1%	-20.1%	2,039.15
Russia	74%	Bullish	Bullish	Bullish	Neutral	+9.6%	+10.6%	+52.3%	2,716.91
Singapore	76%	Neutral	Bullish	Bullish	Bullish	-1.6%	-5.9%	-21.3%	1,628.80
Sth Africa	65%	Bullish	Bullish	Neutral	Bullish	-11.0%	-20.5%	-12.5%	9,997.57
Taiwan	74%	Neutral	Bullish	Bullish	Bullish	+25.7%	+1.5%	-1.9%	5,333.93
Thailand	61%	Bearish	Bullish	Bullish	Neutral	-9.6%	+0.2%	+10.1%	304.05
Turkey	71%	Bearish	Bullish	Bullish	Bullish	+41.0%	-17.3%	-40.5%	12,663.00
Venezuela	14%	Neutral	Bearish	Bearish	Bearish	-16.3%	-21.2%	-14.3%	6,290.77

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

Monetary conditions worldwide are extremely Bullish (favourable). Interest rates have fallen very sharply over the last year and are now very low. Money Supply has also been expanded very rapidly. The main reason for this situation, of course, is to support economies and boost economic activity during a recession - but this easy money environment also acts directly to boost share prices.

Economic conditions are also Bullish (favourable). A recession depresses share prices, so that is a good time to be buying shares!

Reflecting these improvements, mainly in Monetary conditions, our Forecast for the United States stockmarket has risen to a Bullish 82% over the last month! Yes, we are still cautious about valuations in the US stockmarket, but that Forecast does reflect the considerable ongoing improvement in the indicators that we use to forecast *future* stockmarket trends.

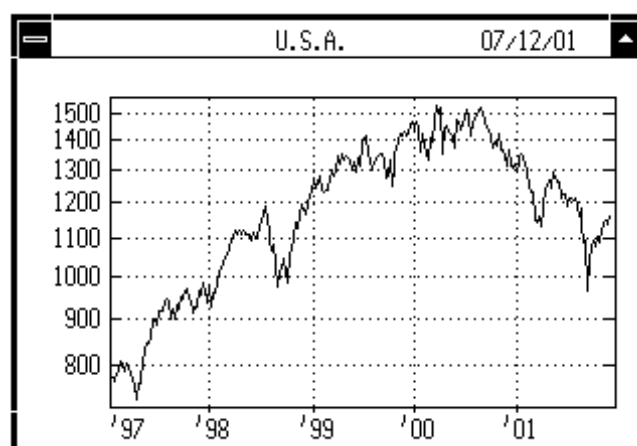
Investment Strategy

Our Investment Strategy for 2001 is starting to come right. In the first half of 2000 we built up a very large cash reserve, but remaining equities - some of which were in Asian investment trusts warrants - performed much worse than expected.

In 2001 we have steadily added to existing investments, which have started recovering strongly over the last two months!

We have also sought to start re-investing our cash holding. In retrospect we clearly under-estimated the extent of the stockmarket decline during 2001 and purchased **Legg Mason International Utilities** too early in February. While this is down significantly it is so highly leveraged that just a 16% increase in its portfolio will *double* the value of our ordinary shares.

With stockmarket outlooks improving, we are using our cash to buy **Eaglet Investment Trust plc** and **Private Equity Investor plc** and may recommend a further one to three funds over the next few months as we move to being 100% invested in equities.



Recommended Funds Geographic Portfolio Spread

Fund Name	Size (Mil)	Leverage (% debt)	Top 10 Hldgs (%)	Portfolio invested in (%):-												
				Cash	HK	Australia	Malay	Japan	Taiwan	Korea	Sing.	Thail'd	Phil.	China		
Fidelity Asian Values plc	£82	27	43.6	3.0	30.0		10.0		14.0	19.0	10.0					
Fleming Asia IT plc	£157	6	26.8	3.0	32.0		5.0		18.0		9.0					
Gartmore Pacific Gth Fund	£60	Nil	34.8	9.6	32.0	8.0	5.8		10.6	15.6	7.7	1.6			5.8	India 3.3%
HSBC Asian Fund	£20	Nil	41.3	7.6	27.8		7.3		16.3	23.3	8.3	1.5			7.4	Indonesia 0.6%
HSBC Hong Kong Gth Fund	£25	Nil	56.8	5.9	94.1											
Henderson Pacific Capital	£133	Nil	27.4	14.2	18.5	28.6	2.1		11.1	12.7	9.3	1.7			1.8	
Schroder Asia Pacific plc	£102	4	44.5	7.0	32.0		5.0		13.0	22.0	15.0					
Baring Korea	£55	Nil	55.4	4.0						96.0						
Old Mutual Thailand	£5	Nil	50.5	1.4								98.6				
				Cash USA UK Europe Japan Other												
Baillie Gifford Shin Nippon plc	£57	19	32.0	9.0						91.0						
Eaglet Investment Trust plc	£230	23	45.3			100.0										
Invesco Japan Discovery Trt	£27	Nil	41.4	5.0						95.0						
Legg Mason Int'l Utilities	£264	84	46.1	4	52	31	9	4								
Private Equity Investor plc	£107	Nil	-	52	48											
				Cash Asia Latin Amer Africa Europe & Middle East												
Aberdeen Emerging Markets	£10	Nil	25.9	1.0		51.0		22.8		7.9		17.3				
Templeton E/Markets plc	£575	Nil	21.8	8.0		42.0		17.0		3.0		30.0				

Recommended International Investment Funds

One of the main problems with the use of *margin* leverage (i.e. buying shares with borrowed money) is that it encourages investors to make the *wrong* decisions. In a rising market, equity increases rapidly but the amount borrowed remains fixed, so investors tend to *borrow more and buy additional shares when prices are high* to maintain their percentage level of margin. Similarly, equity declines rapidly in a falling market while debt remains fixed. That increases the percentage level of margin, so investors tend to *sell shares when prices are low to repay debt*.

An example of this is **Schroder Asia Pacific** which states in its Annual Report "The borrowing was reduced from US\$20 million to US\$12 million during the year, and, in October 2001" (when prices were low *after* the September 11 terrorist attacks and *before* Asian stockmarkets recent strong gains) "was reduced to US\$6 million in view of the volatile market conditions".

More fortunately, **Fidelity Asian Values** has recently stated its intention to *maintain* its borrowing at US\$32 million. However, as a result of earlier declines eroding its equity, leverage was very high (i.e. about one-third of total assets), so continued stockmarket weakness would have eventually *forced* the trust to re-examine that policy.

Fund Report

Schroder Asia Pacific attributes its under-performance against its benchmark index in the last year to September 30 to its over-weighting in Korea (about 19% of its portfolio). Since then, however, the Korean stockmarket has risen very strongly - up 40%.

Dividend

Legg Mason International Utilities plc capital shares will pay a quarterly dividend of 2.1 pence (net) on December 15. The shares have traded ex-dividend since November 21.

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		
United Kingdom									
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	+6%	391.0p	1341.3	+16
Asian Regional									
BUY	Fleming Asia WARRANTS	FAIW	07/03/00	43.8p	141.7		12.75p	43.7	-69
HOLD	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p	49.7		14.0p	48.0	-3
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		164.20-175.18p	582.1	+452
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		40.28p	138.2	+30
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		172.4p	591.4	+23
HOLD	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		247.0p	847.3	-25
BUY	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		10.25p	35.2	-54
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-17%	123.0p	422.0	-4
HOLD	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-16%	78.5p	269.3	-5
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		82.49-87.77p	292.0	+39
Thailand									
HOLD	Old Mutual Thailand Trust	*	08/12/98	49.0p	155.9		37.24-40.09p	132.6	-15
International									
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p	116.1		58.40-61.79p	206.2	+78
BUY	Legg Mason Int'l Utilities	LIU	13/02/01	170.5p	565.5	+8%	85.5p	293.3	-48
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-45%	122.5p	420.2	
BUY	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		13.5p	46.3	-61

* 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 56¾ pence (-22%, i.e. 22% below net asset value), **Fleming Asian** shares at 79 pence (-20%), **Schroder Asia Pacific** shares at 60¼ pence (-21%), **Templeton Emerging Markets** shares at 107½ pence (-17%), **Baillie Gifford Shin Nippon** warrants at 28½ pence, **Eaglet Investment Trust** warrants at 291 pence and **Invesco Japan Discovery** warrants which trade at 19½ pence.

Fund Recommendation:

Buy Private Equity Investor plc

BUY Private Equity Investor plc (code PEQ)

This listed investment trust was floated in February 2000 - the very peak of the Technology boom - to raise money in the booming Venture Capital sector. The trust, under its original name of **Net Investor plc**, raised £97 million (after expenses) from the issue of 50 million shares at £2.00. In July 2001 the name was changed to **Private Equity Investor plc** which better reflects its role as a venture capital investor.

Private Equity Investor seeks "to achieve substantial capital appreciation by investing in emerging growth companies through specialised venture capital funds focused on the Information Technology sector". The £97 million raised in the float was converted into US\$155 million, and the company contracted to invest US\$198.5 million over a period of four years in 18 venture capital limited partnership funds. The trust plans to meet the US\$43.5 million in excess of its cash resources from expected partnership distributions following trade sales or stockmarket floatations of some of the investments.

As at March 2001, Private Equity Investor had £45 million (88 pence per share, or 42% of its assets) invested in 18 funds, which in turn were invested in 375 companies. £62 million (122 pence per share or 58% of assets) are invested in Triple A, US\$ denominated, intermediate term bonds.

As at November 30 the net asset backing per share was 222 pence (with exactly 50% in venture capital funds and 50% in cash/bonds), yet the share price had declined to 122½ pence. That is a massive 45% discount to net asset backing and only slightly more than its cash and bond holdings (111 pence per share).

As Private Equity Investor currently has a large holding in bonds and a very wide spread of *unlisted* equities, its share price has a relatively low correlation (0.47) with listed Technology shares. This lack of volatility and excellent diversification also earns the trust a *Very Low* risk rating in our *Investment Fund Survey*. Despite the 38% decline in the share price since its initial float, Private Equity Investor has *outperformed* the Technology sector (which has fallen further), which earns the trust a +16% *Superiority Rating*. In fact, net asset value has risen 14%, while the 38% decline in the share price has resulted in the massive discount.

Initially there will be some interest income (from the bond investments) to be distributed, but Private Equity Investor aims for capital appreciation, so income distributions - if any - will be low. The company is managed by its directors for a fee equal to 0.5% of net assets. Investors will be asked to vote on winding up the trust, or extending its life by another 15 years, in 2014. The shares are actively traded, with a very small (i.e. less than 1%) bid-offer spread.

Technology and Venture Capital

The technology and venture capital markets have changed significantly since the trust's February 2000 float - all of which make the trust more attractive: Firstly, investor sentiment towards the Technology sector has gone from *boom* to *bust* - severely depressing Private Equity Investor's share price. So investors can now buy into this trust at a very significant discount. Secondly, the change in sentiment has significantly reduced the flow of new money into venture capital. During the boom, venture capitalists often funded a total of 20-30 companies in a sector which could ultimately only support 3-4 developed companies - guaranteeing that 80-90% would have to fail. Now fewer new companies are being funded. The price expectations of the company founders have also fallen, so venture capital funds can buy into companies at significantly lower prices. Thirdly, the trust's money was in cash at the peak and is slowly being invested in the partnerships over a period of 3-4 years. Very little money was invested at boom prices and most will be made at the current, lower valuations.

Directors Keen to Raise New Equity, but May Buy Back Shares

The directors believe that their contacts with the US venture capital industry will create "further attractive investment opportunities" and are therefore keen to raise additional equity. However, with Private Equity Investor shares currently trading at a huge discount to net asset backing it is impossible to make a cash issue or a share placement. The directors have also considered launching a second investment trust - but that also seems unlikely given the current depressed sentiment to Technology investments.

To boost its significantly discounted share price, Private Equity Investor has received authority from shareholders to buy-back up to 14.99% of the capital. Re-purchasing shares at the current large discount to net asset backing would considerably enhance the net asset backing of the remaining shares and also help to inflate the share price. However, we suspect the directors will be reluctant to actually re-purchase shares as the trust's cash will be needed to meet its venture capital partnership commitments.

A Counter-Cyclical Investment

Private Equity Investor now offers investors a counter-cyclical investment opportunity. There is no way that we would have wanted to invest in this trust when it made its initial public offering at the height of the Technology boom. Nor would we have wanted to invest in Venture Capital at that time. Too much investment in that sector had inflated prices and was funding too many new start-up companies.

The situation has now changed. Investors can now

buy Private Equity Investor shares on market for 122 pence, but benefit from the 214 pence asset backing resulting from the money raised in the initial float. The Venture Capital market in which its money will eventually be invested is also depressed, so offers much better value and is now attractive for long term investment.

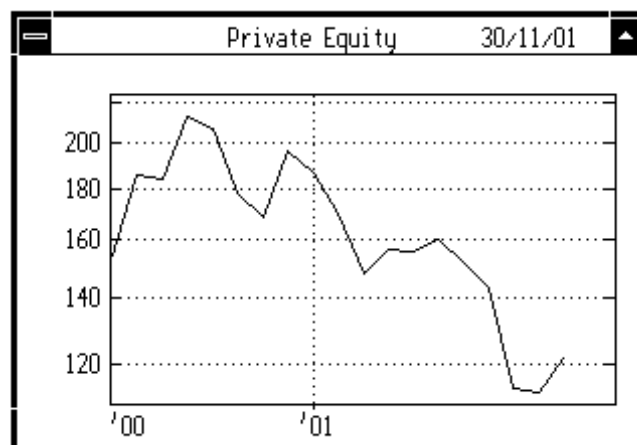
Summary & Recommendation

Private Equity Investor is a cash-rich trust trading at a significant discount to its asset backing. Over the next few years this cash will be invested in Venture Capital partnerships, a sector that we believe now offers good value. The trust has no listed shares, so its share price is fairly stable relative to volatile listed Technology investments.

Over the medium term (i.e. the next year) we believe that Private Equity Investor shares will be re-rated closer to their net asset value (i.e. could rise 60-80%). Venture Capital investments have historically returned about 20% per annum, so the potential for long term

capital appreciation from the growth of its venture capital investments is also excellent.

A small investment in these shares will make a valuable diversification for our portfolio in a sector that offers high returns but in which we have little exposure.



Listed Investment Trust Warrant Analysis

In our last *Warrant Analysis* (September) we looked at a few speculative warrants. As our stockmarket Forecasts have continued to improve, we are continuing that look at speculative warrant investments.

Four warrants that look attractive as speculative investments are **F & C Income Growth** (code FIGW), **Perpetual Income & Growth** (PLIW), **Schroder Income & Growth** (SCFW) and **Gartmore European** (GEOW).

F & C Income Growth is a £57 million fund. The portfolio is *unleveraged* but *very concentrated* with just ten UK shareholdings. The five largest holdings are: GlaxoSmithKline (18.3% of the portfolio), BP (17.6%), Shell Transport & Trading (12.4%), HSBC (9.1%) and Barclays (8.4%).

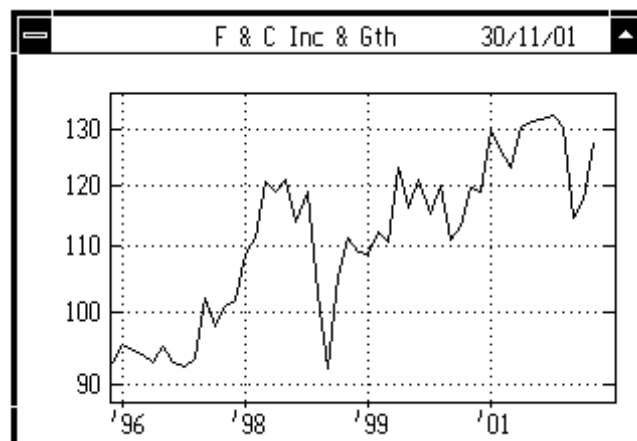
In our *Investment Fund Survey* the trust rates a +7% *Superiority Rating* and as *Low* risk.

At 126 pence the shares trade at an 11% discount to net asset value. The warrants (to buy shares in July 2003 at 100 pence) trade at about 31 pence. This gives the warrants a *very high* Warrant Leverage of 3.6 (i.e. a 10% increase in the share price will add 36% to the value of the warrants) and a *low* Break Even rate of 2% (i.e. the share price needs to rise just 2% per annum for

the warrants to be worth their 31 pence at the final exercise date).

The warrants are quoted at 29-33 pence (i.e. you will need to pay 33 pence to buy them from the market maker, but would receive only 29 pence if you were selling). That is a high 14% spread.

Summary: While the F & C Income Growth warrants offer good leverage, the poorly diversified portfolio and high spread make them less attractive than some other warrants.



(Continued on Page 6)

Listed Investment Trust Warrant Analysis

(Continued from Page 5)

Perpetual Income & Growth has a large £318 million fund, which includes £50.9 million in bank loans. This gives the trust a slight 16% leverage. The portfolio of UK shares is *very well* diversified, with the ten largest shareholdings making up only 23.6% of the portfolio.

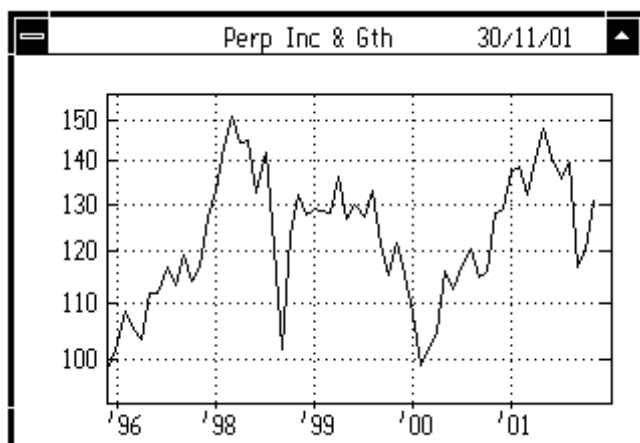
Perpetual Income & Growth earns a +7% *Superiority Rating* and a *Low* risk rating.

The shares trade at 133 pence, which is an 11% discount to net asset value. The warrants (to buy shares in December 2006 at 100 pence) trade at about 35½ pence. This gives the warrants a *reasonably high* Warrant Leverage of 2.2, while the Break Even rate is only slightly above zero. The long life of almost five years until the final exercise date means there is plenty of time for the portfolio to grow in value and increase the value of the warrants. Another attractive feature is the *very large* 34% discount to their fair value of 54½ pence.

The warrants are quoted at 34-39 pence, which is a relatively high spread of 15%.

Summary: While these Perpetual Income & Growth warrants have a high *spread*, they have many attractive features: high leverage, low break-even rate, trade at a significant discount to fair value and have almost five years to appreciate in value. The slight leverage (in the trust) would also help boost returns.

Overall, these warrants offer excellent potential to increase in value (if the UK stockmarket recovers), with the discount from fair value and long life both helping to minimise the risks involved.



Schroder Income & Growth is a £113 million *unleveraged* fund. The portfolio of UK shares is well diversified, with the ten largest shareholdings accounting for 31.4% of the portfolio.

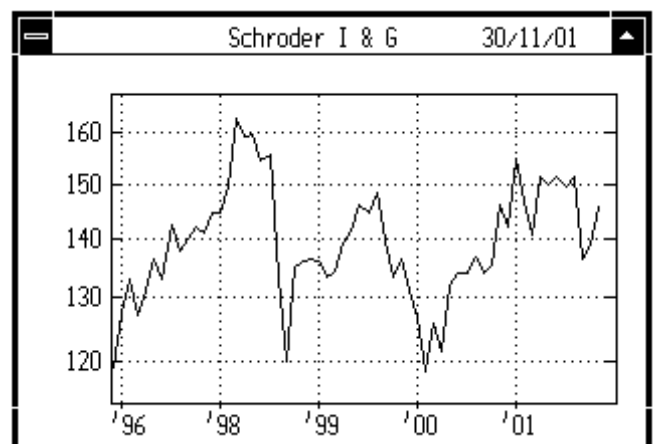
Schroder Income & Growth rates a +2% *Superiority*

Rating but as *Very Low* risk.

The shares trade at 145¾ pence, a 9% discount to net asset value. The warrants (to buy shares in December 2003 at 100 pence) trade at around 46 pence. Warrant Leverage is *high* at 2.7, while the Break Even rate is also only slightly above zero. The warrants trade at a 13% discount to their fair value of 54½ pence.

The warrants are quoted at 44-48 pence, which is a reasonable spread for this type of security of just 9%.

Summary: Schroder Income & Growth's high leverage and lower spread would make these warrants attractive to *traders* wanting to trade market swings as well as high risk *investors* looking for a recovery in the UK stockmarket.



Gartmore European has a £218 million portfolio, which is currently only very slightly leveraged with a bank loan of £2 million. The trust is *very well* diversified, with just 28.4% of the portfolio invested in the ten largest shareholdings. Most of the portfolio is invested in France (25.8% of assets), followed by Switzerland (15.2%), Germany (15.1%), Netherlands (13.6%), Spain (9.8%), Italy (7.4%), Finland (3.8%), Sweden (3.3%) and others countries (6%).

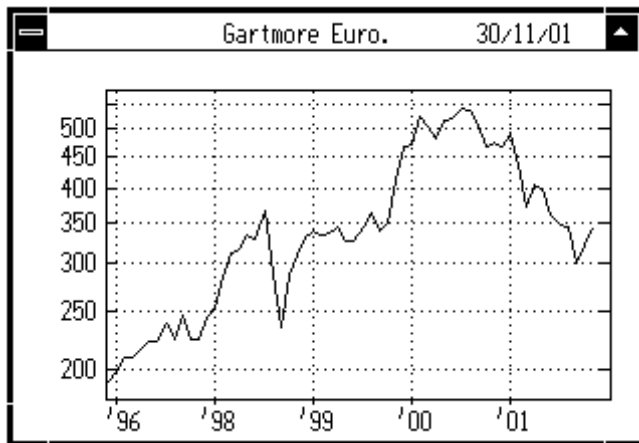
Gartmore European earns a +8% *Superiority Rating* and a *Very High* risk rating. This very high risk rating indicates the trust is very volatile - so the share price could increase (or decrease) significantly.

The shares trade at 360 pence, a 6% discount to net asset value. The warrants (to buy shares in January 2004 at 220 pence) trade at around 142 pence. Warrant Leverage is 2.2, while the Break Even rate is zero. The warrants trade at a 12% discount to their fair value.

The warrants are quoted at 138-145 pence - a spread of 5%.

Summary: Gartmore European is an excellent trust and these warrants provide some diversification with exposure to European equities. Warrant leverage is excellent and - if European stockmarkets rise over the

next two years - warrant investors will enjoy more than *twice* the gain earned from a direct investment in the shares.



Summary and Recommendation

We are not formally recommending any of these warrants but plan to make small investments in three of these speculative warrants:

Perpetual Income & Growth warrants offer a *highly leveraged* opportunity to invest in the UK stockmarket. Just a small initial investment here could compound and grow to a significant sum over almost five years!

Gartmore European warrants offer diversification into European equities through a well managed trust, with excellent potential for leveraged gains over the next two years.

Schroder Income & Growth warrants also offer a highly leveraged opportunity to profit from a UK stockmarket recovery over the next two years.

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	Warrant Return (%p.a.) from Break-Even Rate
INDIA												
Fleming Indian	67.8p	100.0p	2-2	10.25p	8.31p	+23	0.391	3.5	-100.0	-100.0	-73.7	+25%

UNITED KINGDOM

Aberforth Smaller Coys	330.0p	100.0p	1-3	229.00p	234.58p	-2	0.262	1.4	+7.5	+14.7	+28.9	-0%
Eaglet Investment Trust	383.0p	100.0p	0-10	283.50p	286.08p	-1	0.279	1.3	+6.6	+13.3	+26.9	+0%
Edinburgh Smaller Coys	95.0p	100.0p	6-9	40.50p	41.85p	-3	0.378	1.8	-3.4	+10.8	+28.9	+6%
F & C Income Growth	126.0p	100.0p	1-7	31.00p	33.13p	-6	0.188	3.6	+10.1	+29.2	+64.5	+2%
Fidelity Special Values	277.5p	100.0p	2-1	173.50p	185.02p	-6	0.233	1.5	+8.9	+16.5	+31.2	-1%
Perpetual Income & Gth	133.0p	100.0p	4-8	35.75p	54.46p	-34	0.238	2.2	+14.4	+26.6	+46.4	+0%
Schroder Income & Grwth	145.8p	100.0p	2-0	46.50p	53.34p	-13	0.174	2.7	+14.2	+28.1	+53.7	+0%
Schroder UK Growth	112.5p	100.0p	0-8	17.50p	17.71p	-1	0.238	5.4	-10.8	+21.1	+92.1	+7%

UNITED STATES

F & C US Smaller Coys	220.0p	100.0p	0-11	120.00p	123.38p	-3	0.223	1.8	+9.2	+18.4	+36.9	+0%
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LATIN AMERICA

Aberdeen Latin American	53.5p	100.0p	7-10	9.00p	22.47p	-60	0.485	1.6	-100.0	+4.7	+39.7	+10%
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EMERGING MARKETS

Abtrust Emerging Econ.	65.5p	100.0p	6-1	13.75p	22.34p	-38	0.424	1.9	-100.0	+3.5	+38.2	+9%
Dresdner RCM Emerg Mkts	82.5p	100.0p	2-7	9.75p	16.05p	-39	0.364	3.0	-100.0	-19.7	+58.7	+12%
F & C Emerging Markets	57.5p	102.0p	1-3	0.75p	3.96p	-81	0.508	4.2	-100.0	-100.0	-100.0	+59%
Schroder Emer Countries	52.3p	100.0p	4-9	6.50p	9.96p	-35	0.395	2.5	-100.0	-100.0	+31.9	+16%
Tea Plantations	33.5p	100.0p	0-1	0.75p	0.00p	+9999	0.290	99.9	-100.0	-100.0	-100.0	+9999%
Templeton Emerging Mkts	107.3p	133.0p	2-9	12.75p	22.48p	-43	0.385	2.8	-100.0	-22.2	+57.0	+12%

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 appreciation of 5%pa	Warrant Share Price appreciation of 10%pa	Warrant Share Price appreciation of 20%pa	Break-Even Rate
<u>TECHNOLOGY</u>												
Herald Investment Trust	338.5p	100.0p	1-4	239.50p	243.45p	-2	0.398	1.4	+6.7	+13.7	+27.7	+0%
<u>INTERNATIONAL</u>												
Special Utilities S	165.5p	100.0p	6-1	63.50p	88.20p	-28	0.216	1.8	+11.4	+20.3	+35.4	-0%
Asset Management	142.5p	99.2p	0-1	43.00p	43.63p	-1	0.356	3.3	+28.2	+49.1	+97.1	-3%
<u>EUROPEAN</u>												
Gartmore European	360.0p	220.0p	2-1	142.00p	160.72p	-12	0.286	2.1	+11.6	+23.1	+44.6	+0%
TR European	167.0p	166.0p	1-10	30.75p	35.20p	-13	0.334	3.3	-28.5	+3.7	+53.3	+9%
<u>JAPAN</u>												
B Gifford Shin Nippon	123.0p	200.0p	3-4	28.75p	21.50p	+34	0.408	2.8	-100.0	-100.0	-3.1	+20%
Fidelity Japan Values	51.5p	100.0p	2-4	10.75p	5.22p	+106	0.454	3.3	-100.0	-100.0	-100.0	+39%
Gartmore Select Japan	44.5p	100.0p	1-5	3.75p	0.41p	+819	0.357	8.0	-100.0	-100.0	-100.0	+82%
Invesco Japan	78.3p	100.0p	2-10	19.50p	23.00p	-15	0.521	2.1	-100.0	-51.5	+18.0	+16%
Invesco Tokyo	27.5p	55.0p	2-6	3.75p	1.54p	+144	0.359	4.4	-100.0	-100.0	-100.0	+35%
Martin Currie Japan	80.0p	100.0p	0-9	7.75p	3.75p	+107	0.333	7.6	-100.0	-100.0	-100.0	+49%
Martin Currie Japan 05	80.0p	100.0p	3-10	23.00p	18.11p	+27	0.333	2.7	-100.0	-10.1	+28.9	+12%
<u>FAR EASTERN</u>												
Schroder Japan Growth	75.5p	100.0p	2-11	12.50p	11.69p	+7	0.323	3.4	-100.0	-100.0	+32.6	+15%
Aberdeen Asian Small	95.5p	100.0p	8-11	33.25p	46.20p	-28	0.348	1.7	+4.1	+15.8	+31.6	+4%
Edinburgh Dragon Trust	59.5p	60.0p	3-1	18.75p	18.19p	+3	0.386	2.3	-20.7	+1.8	+32.2	+10%
Fidelity Asian Values	56.0p	100.0p	4-8	13.75p	14.07p	-2	0.448	2.2	-100.0	-100.0	+19.1	+16%
Fleming Asia	78.5p	100.0p	3-2	12.75p	19.20p	-34	0.414	2.5	-100.0	-20.5	+43.3	+12%
Invesco Asia	50.3p	100.0p	2-7	3.50p	5.17p	-32	0.439	3.3	-100.0	-100.0	-100.0	+32%
Pacific Assets	48.0p	130.0p	0-5	0.10p	0.00p	+1989	0.479	21.5	-100.0	-100.0	-100.0	+995%
Pacific Horizons	40.5p	56.0p	0-6	0.75p	1.06p	-29	0.415	8.9	-100.0	-100.0	-100.0	+96%
Schroder Asia Pacific	60.8p	100.0p	4-1	10.00p	14.74p	-32	0.448	2.3	-100.0	-100.0	+28.6	+16%
Scottish Oriental Sm Co	100.5p	100.0p	5-1	38.00p	38.48p	-1	0.359	2.0	-5.3	+10.5	+31.7	+6%
<u>HONG KONG / CHINA REGION</u>												
Fleming Chinese	55.3p	100.0p	2-2	11.75p	6.74p	+74	0.482	3.1	-100.0	-100.0	-100.0	+38%

Next Issue

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