

International Investor

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Inside International Investor

US Technology share decline has little impact on world markets	2	Country Review: Japan	4, 5
		Investment Fund Survey	6 - 8

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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
						3mths	6mths	12mths	
Australia	54%	Neutral	Bullish	Neutral	Bearish	+3.1%	+7.7%	+3.1%	3,279.10
Austria	75%	Neutral	Bullish	Bullish	Bullish	+16.6%	+30.7%	+15.6%	1,343.58
Belgium	77%	Bullish	Bullish	Bullish	Bullish	+8.2%	+9.0%	+5.0%	2,840.24
Canada	58%	Neutral	Neutral	Bullish	Bullish	+3.4%	+8.4%	-5.8%	7,596.06
Denmark	66%	Neutral	Neutral	Bullish	Bullish	+5.9%	+2.8%	-8.8%	264.24
Finland	48%	Bullish	Bearish	Neutral	Bullish	-13.3%	-13.9%	-32.8%	6,727.86
France	54%	Bullish	Bearish	Neutral	Bullish	+7.2%	+2.1%	-15.7%	2,883.83
Germany	48%	Bearish	Bearish	Neutral	Bullish	+5.5%	+1.4%	-17.2%	4,871.70
Ireland	68%	Bullish	Neutral	Bullish	Bullish	+15.4%	+3.4%	-9.8%	5,243.84
Italy	52%	Bullish	Bearish	Neutral	Bullish	+7.0%	+4.3%	-16.1%	22,520.00
Japan	63%	Bearish	Bullish	Bullish	Bullish	+25.7%	+6.4%	-21.2%	11,531.11
Netherlands	65%	Bullish	Bearish	Bullish	Bullish	+7.0%	+2.5%	-14.1%	692.50
New Zealand	47%	Bearish	Neutral	Neutral	Neutral	+3.8%	+7.5%	+5.7%	2,022.22
Norway	53%	Neutral	Bullish	Neutral	Bearish	+16.6%	+16.9%	-5.0%	667.87
Spain	57%	Neutral	Neutral	Neutral	Bullish	+7.9%	+2.5%	-9.2%	808.28
Sweden	38%	Bearish	Bearish	Neutral	Bullish	-3.1%	-3.3%	-18.9%	208.01
Switzerland	64%	Bearish	Bullish	Bullish	Bullish	+11.1%	+6.1%	-4.4%	6,533.10
Un. Kingdom	59%	Neutral	Neutral	Bullish	Bullish	+4.3%	-1.0%	-9.6%	5,171.20
USA	47%	Neutral	Bearish	Bullish	Bullish	-3.8%	-5.8%	-15.3%	1,054.99
Argentina	60%	Bullish	Neutral	Neutral	Bullish	-29.8%	-21.0%	-38.8%	1,400.07
Brazil	38%	Bullish	Bearish	Bearish	Bullish	-3.9%	-1.8%	-22.0%	12,130.14
Czech Rep.	77%	Bullish	Bullish	Neutral	Neutral	+28.4%	+37.8%	+35.6%	479.40
Chile	53%	Neutral	Neutral	Bullish	Bullish	+4.6%	+4.2%	-7.8%	5,228.62
China	38%	Bearish	Bearish	Bullish	Neutral	+0.4%	-5.1%	-27.9%	142.94
Greece	48%	Bullish	Bearish	Neutral	Neutral	-3.9%	-10.7%	-22.5%	2,320.81
Egypt	39%	Neutral	Bearish	Bearish	Bullish	+0.8%	-6.2%	-21.2%	626.37
Hong Kong	65%	Neutral	Bullish	Neutral	Bullish	+10.7%	+9.8%	-14.6%	11,645.90
Hungary	77%	Bullish	Bullish	Neutral	Bullish	+20.1%	+34.6%	+39.9%	8,840.06
India	52%	Bearish	Neutral	Bullish	Neutral	-2.4%	+9.2%	-7.7%	3,431.32
Indonesia	58%	Bearish	Bullish	Neutral	Neutral	+37.4%	+61.6%	+78.1%	543.91
Israel	58%	Bearish	Bearish	Bullish	Bullish	-18.7%	-16.5%	-24.1%	369.76
Korea	57%	Bearish	Bullish	Bullish	Neutral	+13.6%	+41.6%	+42.1%	817.93
Malaysia	65%	Bearish	Bullish	Neutral	Bullish	+10.9%	+31.5%	+38.1%	788.54
Mexico	78%	Bearish	Bullish	Bullish	Bullish	+4.3%	+26.8%	+15.8%	7,303.57
Philippines	58%	Bearish	Bullish	Neutral	Neutral	+3.7%	+41.4%	-7.1%	1,350.77
Poland	59%	Bearish	Bullish	Neutral	Bullish	+1.9%	+9.1%	-0.5%	14,931.81
Portugal	56%	Neutral	Bearish	Bullish	Bullish	+2.7%	-4.5%	-15.1%	1,913.56
Russia	60%	Neutral	Bullish	Neutral	Neutral	+35.6%	+78.2%	+113.3%	4,828.76
Singapore	71%	Neutral	Bullish	Bullish	Bullish	+1.6%	+28.7%	+2.4%	1,735.95
Sth Africa	55%	Bullish	Bullish	Bearish	Neutral	+21.0%	+25.0%	+0.2%	11,507.03
Taiwan	57%	Bearish	Bullish	Neutral	Bullish	-0.7%	+39.5%	+5.4%	5,807.30
Thailand	57%	Bearish	Bullish	Neutral	Neutral	+10.7%	+47.8%	+30.4%	382.09
Turkey	68%	Bearish	Neutral	Bullish	Bullish	-4.0%	+14.5%	-33.2%	9,559.00

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

“When America sneezes, the world catches a cold”.

That is a view with which we have never agreed. Apart from the last few years when the Technology boom inflated US stock prices, long term returns from US shares have approximately equalled the long term returns from United Kingdom shares, or the long term returns from German shares or the long term returns from Japanese shares.

In retrospect, we all know that the Japanese stockmarket became over-valued in 1989. At that time the Japanese stockmarket had outperformed most other world stockmarkets in a 40 year post-war development boom. American companies visited Japan to learn from Japanese production methods. Over the last thirteen years the economic importance of Japan has diminished - and the Japanese stockmarket remains at about 30% of its peak.

The US stockmarket experienced a similar boom during the 1990's. Technology stocks soared towards the end of the millennium as we entered the new “Golden Age” led by American technology. All too quickly the Golden Age has tarnished. In retrospect it looks like just another boom/bust cycle that was fuelled by the surplus liquidity injected into the financial system to offset the Asian crisis and Y2K threat.

Nevertheless, most investors continue to look at the overnight movement on Wall Street before deciding whether to buy or sell. And investors also look for a recovery in US consumer spending to lift the global economy from recession. Unfortunately, we just don't think that is a sustainable possibility.

Given the popular US-centric view of the global economy and world stockmarkets it is interesting to observe the performance of stockmarkets over the last month.

Over the last four weeks the United States stockmarket (i.e. the S&P 500 Index) has slipped 5.0%. Technology shares (i.e. the NASDAQ Index) have declined 8.8%. Based upon the popular view this “sneeze”

on Wall Street should have had a greater impact on other world markets, particularly on the Asian stockmarkets which are both (1) major exporters, so sensitive to perceptions of changes in the global economy and (2) heavily dependent upon the technology sector.

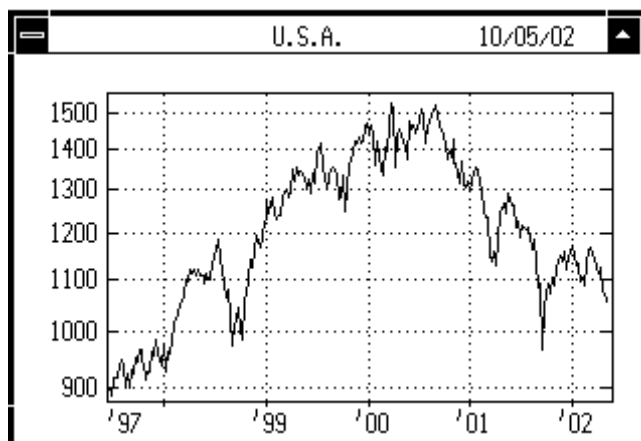
In fact, the Hong Kong stockmarket has risen strongly - up 8.7% - over the last four weeks. The Japanese market is also up 5.2%. The most technology sensitive markets, Taiwan and Korea, did suffer losses, but just 6.1% and 6.6% respectively. That is less than the NASDAQ and far less than would be expected given the historical high volatility in these markets!

Technological advance is certainly important. New knowledge, however, is not limited by political boundaries so could generate stockmarket wealth anywhere in the world. Even more importantly, the *most successful* technologies do not necessarily generate stockmarket wealth - especially where investors have *overinvested* in that new technology during a stockmarket boom. Over investment boosts capacity, pushes down prices, and few companies (if any) earn a good return on their capital.

Technology share valuations continue to adjust downwards from the extreme levels of the late 1990's. In future, shares are unlikely to command high valuations simply by being involved in Technology but will likely be priced like any type of Growth company. A business growing at 30-40% per annum should be priced at a Price/Earnings ratio of 30-40, not a Price/Sales ratio of 30-40. The recent decline in the NASDAQ is probably just a step in re-pricing US Technology shares to realistic valuations.

We continue to believe that global economic growth over the next decade or two will come not from the US consumer but from the Asian consumer. The development of China will have a major impact upon the global economy. Not the least will be to under cut production costs in Japan, Hong Kong, Taiwan and Korea - forcing these economies to move away from production and exporting to the development of services to meet domestic consumer demand. Japan and most South East Asian countries are wealthy by most measures (i.e. incomes) but have low domestic consumption and high savings rates. Those high savings have often led to over-investment in production and low returns on those investments. China's low production costs will force other Asian economies to out-source production and to seek growth from service industries and boosting domestic consumption.

There is, for example, a huge potential in Asia to improve the size and quality of housing. That will lead to huge growth in building supply industries, construction industries and financial services (i.e. mortgages, consumer credit services, house insurance).



Recommended International Investment Funds

Despite weakness in the US technology stocks over the last month, the technology-sensitive Asian stockmarkets have continued to appreciate in value.

The net asset value of **Fidelity Asian Values** fund was unchanged, but the share price rose 3.5% and our warrants are up 12.2% at 16 pence. **JPM Fleming Asia** lifted its net assets by 2.6%, the share price rose 3.8% but our warrants increased just 2.9% to 17¾ pence. **Schroder Asia Pacific** performed best with net assets up 3.4%, its share price up 10.5% and our warrants rising 18.6%. These Asian listed investment trusts now trade at discounts of just 7-10% to net asset values - but the warrants continue to trade at discounts of 30-50% below their fair valuations.

Japanese Funds Attractive

The outlook for the Japanese stockmarket has improved so both of our UK based listed investment trusts investing in Japanese smaller company shares, **Baillie Gifford Shin Nippon plc** and **Invesco Japan Discovery Fund plc**, are attractive for purchase.

Both of these trusts are more volatile than the Japanese stockmarket and leverage their portfolio with 20-25% of debt. So a 50% rise in the stockmarket over the next year could result in these funds appreciating 75-100% in value.

Current Advice	Investment Fund	EPIC Code	Initial Recommendation		Prem/ Disc to Net Assets	Recent Price		Gain or Loss %	
			--- Date ---	Offer Price		Foreign NZ Cents	Bid-Offer or Last Sale		NZ Cents
Europe									
BUY	Fleming Euro Fledgeling IT plc	FEF	15/01/02	226.5p	765.8	-19%	225.8p	731.1	-5
United Kingdom									
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	+9%	392.5p	1271.1	+10
Asian Regional									
HOLD	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p	49.7		16.0p	51.8	+4
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		176.71-188.61p	591.5	+461
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		42.6p	138.0	+30
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		169.7p	549.6	+14
HOLD	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		260.0p	842.0	-25
BUY	JPM Fleming Asia WARRANTS	JPFW	07/03/00	43.8p	141.7		17.75p	57.5	-59
BUY	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		12.75p	41.3	-46
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-18%	117.0p	378.9	-14
BUY	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-21%	67.5p	218.6	-23
Baring									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		98.86-105.20p	330.4	+58
Thailand									
HOLD	Old Mutual Thailand Trust	*	08/12/98	49.0p	155.9		48.9p	158.4	+2
International									
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p	116.1		67.66-71.59p	225.5	+94
HOLD	Legg Mason Int'l Utilities	LIU	13/02/01	170.5p	565.5	-9%	61.0p	197.5	-65
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-35%	120.0p	388.6	-8
BUY	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		16.25p	52.6	-56

* 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 73 pence (-7%, i.e. 7% below net asset value), **JPMorgan Fleming Asian** shares at 95½ pence (-10%), **Schroder Asia Pacific** shares at 81¼ pence (-7%), **Templeton Emerging Markets** shares at 123 pence (-14%), **Baillie Gifford Shin Nippon** warrants at 28 pence, **Eaglet Investment Trust** warrants at 292½ pence and **Invesco Japan Discovery** warrants which trade at 15 pence.

Country Review: Japan

Our Forecast for the Japanese stockmarket has risen to a Bullish 63%. While Japan long faced the need to restructure its domestic economy to improve efficiency and to improve its weak banking system, it now also faces pressures (and opportunities) from the development of China as a low cost manufacturing centre.

Japan is a relatively high cost economy which cannot hope to compete with much lower manufacturing costs in China's expanding economy. At present, Japan outsources only about 5% of its industrial production to other South East Asian countries - while resisting further outsourcing which would lower employment opportunities and wages in Japan. Japanese manufacturers, however, will eventually need to outsource production to China or watch as their products become uncompetitive on world markets.

The integration of China's low cost manufacturing with Japan's high quality technology and design actually offers huge benefits to both countries that far exceed the short term impact on employment and wages. Japanese manufacturers outsourcing to low cost manufacturing sites in China will benefit from huge reductions in production costs which will both improve profit margins and lower selling prices. In turn, lower prices will lead to higher volume demand for their products from consumers.

While nominal wage rates will drop for Japanese manufacturing workers, the Japanese consumer will enjoy a higher standard of living owing to low cost products. Lower costs will also increase global demand, significantly boosting exports and corporate profitability. The demand for skilled, highly paid Japanese workers in Research & Development and Product Design would increase.

While there will no doubt be resistance to this change the logic is just too great to be ignored. If Japan does not outsource to China then it will simply lose market share to other countries that do. If it does outsource it will benefit from lower costs, a higher standard of living and be able to expand employment in high value design work.

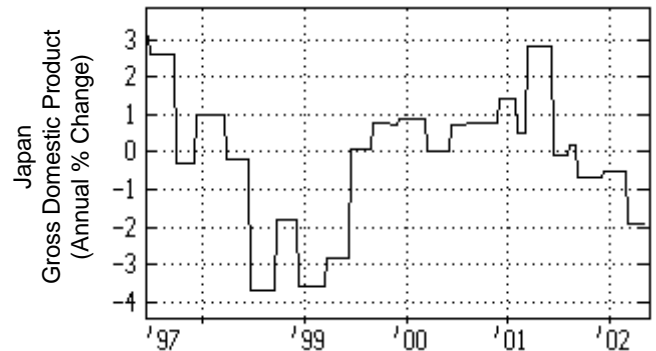
Stockmarket Outlook

The Japanese stockmarket has lost over half of its value over the last two years, but has rallied strongly over the last three months . . .



Hopefully this will be the start of a long term recovery - driven by long awaited economic reforms - but at the very least the stockmarket is likely to rally 50-75% over the next 12-18 months.

The Economy is depressed which is Bullish (i.e. favourable) for the stockmarket as share prices are usually near their low during a recession. Gross Domestic Product has declined over the last year . . .

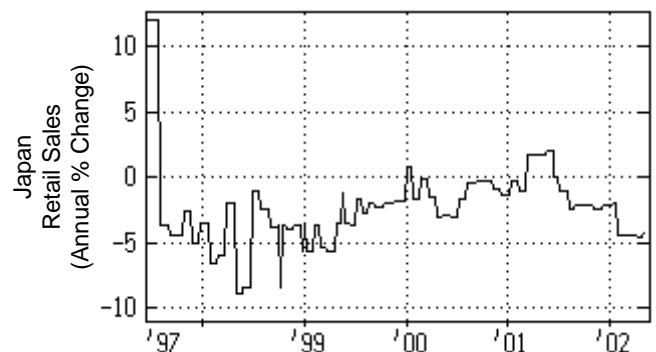


The last time the economy contracted was late 1989 which also coincided with the low in the stockmarket.

Industrial Production is also contracting sharply but showing signs of stabilising . . .



. . . while Retail Sales also indicate the bottom of the economic cycle . . .



Japan runs a low interest rate policy which should be Neutral to Bullish for share prices. Money Supply is expanding . . .

Investment Fund Survey

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			
					'36 mth	'12 mth	'3 mth						'36 mth	'12 mth	'3 mth	
<u>GOLD & MINING</u>																
AUSTRALIAN BASED UNIT TRUSTS																
	BT Global Energy & Res.	Low	-6%	0.69	29	-2	5									
	Col First State Glb Res.	Medium	-2%	0.82	51	3	10									
	ING Resources	Very High	-4%	0.91	43	10	1									
	JB Were Resources	High	-4%	0.86	37	3	-0									
	Lowell Aust Resources	Low	-1%	0.49	43	16	9									
	Roth FA Natural Resources	Very High	-1%	0.89	54	19	3									
UNITED KINGDOM BASED UNIT TRUSTS																
Buy	Merrill Lynch Gold & General	Low	+17%	0.35	137	80	28	Buy	Hill Samuel Global Emerg. Mkts	Medium	-4%	0.96	10	-1	2	
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS																
	Merrill World Mining	High	+6%	0.79	102	23	17	Buy	Invesco Perp Emerging Country	High	-2%	0.95	15	5	4	
<u>EMERGING MARKETS</u>																
AUSTRALIAN BASED UNIT TRUSTS																
Avoid	Citigroup Emerging Mkts	Very Low	-0%	0.32			9	7	Buy	Lazard Emerging Markets	Medium	-1%	0.95	21	7	3
	Macquarie S/M Emerging	Medium	-9%	0.78	-8		3	7	Buy	Martin Currie Emerging Mkts	Medium	-0%	0.94	23	8	3
	Schroder Emerging Markets	High	-4%	0.94			4	6	Buy	Merrill Lynch Emerging Markets	High	-2%	0.95	14	-1	1
NEW ZEALAND BASED UNIT TRUSTS																
	ASB Emerging Markets	Low	-4%	0.79	15	6	5		Buy	Rothschild FA Prt E/Markets	Medium	+0%	0.81	23	7	5
	NZFM Global Emerging Mkt	High	-1%	0.90	18	5	2		Buy	Royal & Sun All. Emerging Mkts	Medium	-2%	0.96	10	5	3
	Nat Bank Emerging Mkts	Medium	-5%	0.90	12	-2	1		Buy	Schroder Gbl Emerging Mkts	Medium	-1%	0.95	13	1	2
NEW ZEALAND BASED INSURANCE BONDS																
	Royal Sun All E/Markets	Medium	-4%	0.90	7	6	3		Avoid	Scot Wid. Emerging Markets	High	-2%	0.97	1	2	
UNITED KINGDOM BASED UNIT TRUSTS																
	AXA Global Emerging Mkts	High	+4%	0.98			7	3		UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS						
	Aberdeen Emerging Markets	Medium	+4%	0.96	49	9	5		Buy	Aberdeen Emerging Econ.	High	+14%	0.85	56	15	4
	Aberdeen Frontier Markets	Medium	+1%	0.76	33	-2	-1		Buy	Advance Developing Mkts	High	+8%	0.92	57	17	10
	BG Emerging Markets	Medium	+5%	0.91			12	2	Buy	Dresdner RCM Emerg Mkts	High	+5%	0.84	25	20	3
	Edinburgh Emerging Markets	Medium	-0%	0.92			-1	-0	Buy	F & C Emerging Markets	Very High	+7%	0.87	34	12	12
Buy	First State Global Emerg Mkts	Medium	+8%	0.93			12	4	Buy	Fleming Emerging Mkts	Very High	+8%	0.87	31	5	5
	Framlington Emerging Markets	High	+2%	0.94	22	8	-1		Avoid	Schroder Emer Countries	High	+1%	0.87	12	8	11
Buy	Gartmore Emerging Markets	Very High	+8%	0.91	54	11	5			Tea Plantations	Very Low	-24%	0.02	-34	-14	4
										Templeton Emerging Mkts	Medium	+1%	0.81	10	6	10
<u>LATIN AMERICA</u>																
NEW ZEALAND BASED UNIT TRUSTS																
	Tower Spot. Latin Amer.	Very Low	-5%	0.81	11	-0	2		UNITED KINGDOM BASED UNIT TRUSTS							
UNITED KINGDOM BASED UNIT TRUSTS																
	Abbey Latin America	Medium	+2%	0.97	44	3	1		Buy	Aberdeen Latin America	High	-3%	0.97	23	-1	2
	Aberdeen Latin America	High	-3%	0.97	23	-1	2			Aegon Latin America	Medium	-1%	0.93		-5	1
	Aegon Latin America	Medium	-1%	0.93			-5	1		BG Latin American	Medium	+2%	0.96	38	3	1
	BG Latin American	Medium	+2%	0.96	38	3	1			Edinburgh Latin American	Medium	-4%	0.97	21	-5	1
	Edinburgh Latin American	Medium	-4%	0.97	21	-5	1			Invesco Perp Latin America	High	-2%	0.93	26	-0	-1
	Invesco Perp Latin America	High	-2%	0.93	26	-0	-1			NPI Latin American	Medium	-3%	0.96	35	-3	2
	NPI Latin American	Medium	-3%	0.96	35	-3	2			Old Mutual Latin American	Medium	+2%	0.97	49	4	-1
	Old Mutual Latin American	Medium	+2%	0.97	49	4	-1			Scot Wid. Latin America	Medium	+2%	0.98	43	2	1
	Scot Wid. Latin America	Medium	+2%	0.98	43	2	1		UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS							
									Buy	Aberdeen Latin American	High	+1%	0.90	30	5	8
									Buy	Deutsche Latin America	High	+4%	0.88		1	12

Investment Fund 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 funds may be based in either the UK, NZ or Australia.

Risk Ratings. Most equity funds follow general stockmarket trends but some are far more volatile than others. The "Risk Rating" measures just how volatile a fund 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 funds 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" ratings. A negative "Superiority Rating" shows poor investment results and the funds with the worst management record have been given an "Avoid" rating.

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^2 ("R-squared"), vary from 0 (no correlation) to 1 (100% correlation). Most equity funds have "Market Correlations" between 0.60 and 0.95.

Investors who buy and sell funds 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 funds with lower market correlations.

How to Maximise Profits from this Investment Fund Survey.

First decide whether you want to invest in a fund 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 funds 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 Financial Times internet site (www.ft.com) or from "International Investor". Prices can also be found at the TrustNet web site (www.trustnet.com).

Current Advice	InvestmentFund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					'36 mth	'12 mth	'3 mth

FAR EASTERN / PACIFIC (EXCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS

Dresdner Taipan Trust	High	+3%	0.76	36	5	3
Dresdner Tiger Opport.	High	-2%	0.77	18	6	5
Fidelity Perp. S.E. Asia	High	-3%	0.87	12	7	7
HSBC Flexi-Trt Dragon Trt	High	-6%	0.83	11	4	9
Norwich Asia	Medium	-0%	0.80	27	7	6

NEW ZEALAND BASED UNIT TRUSTS

AMP Asian Shares	Medium	-6%	0.85	4	6	4
BT LP Pacific Basin	Low	-1%	0.92	24	7	5
Royal & Sun Asian S/Mkt	Very Low	-2%	0.77	23	3	4
Tower Spotlight Asia	Low	+1%	0.89	28	4	3

NEW ZEALAND BASED INSURANCE BONDS

Royal Sun All Far East	Low	-4%	0.85	17	2	5
Sovereign Far East	Very Low	-6%	0.49	15	-15	6

UNITED KINGDOM BASED UNIT TRUSTS

AXA Global Pacific Growth	Medium	-3%	0.97		2	2
Abbey Asian Pacific	Medium	-2%	0.96	19	-1	-2
Aberdeen Far East Emerging	Low	+5%	0.88	55	11	5
BG Pacific	High	+7%	0.91	54	6	1
Baring East	High	+2%	0.97	41	7	4
Britannic Pacific Growth	Medium	+6%	0.92	53	2	0
Canada Life Far East	Medium	+2%	0.88	26	11	2
Cazenove Pacific Portfolio	Medium	-2%	0.94	17	-3	-0
Credit Suisse Orient	High	-5%	0.95	5	-3	1
Deutsche Asian Trader	Medium	+1%	0.96	39	7	3
Dresdner Tiger	High	-2%	0.95	26	7	3
Edinburgh Pacific	Medium	-4%	0.92	15	-9	-3
Exeter Pacific Growth	High	+12%	0.93	73	17	10
Fidelity Asean	Low	+2%	0.59	15	-2	
Fidelity South East Asian	Low	-1%	0.90	26	-8	-3
Fr Prov Asian Growth	Medium	-4%	0.93	15	5	2
Gartmore Pacific	High	-1%	0.92	20	6	4
Govett Asia Pacific	Medium	+4%	0.93	42	13	3
Govett Pacific	Medium	+1%	0.96		8	1
HSBC Pacific Index	Low	-2%	0.90	14	-1	-1
HSBC Splst Asian	High	-3%	0.94	9	4	2
Henderson Pacific Capital	Medium	+3%	0.90	46	-1	-2
Hill Samuel Far East	Medium	-2%	0.95	20	-1	-3
L & G Pacific Growth	Medium	+0%	0.97	24	5	3
L & G Pacific Index	Medium	-2%	0.90	14	1	-0
M & G South East Asian	Medium	-0%	0.95	24	1	1
Martin Currie Asian Pacific	Medium	+1%	0.93	35	4	3
Merrill Lynch Pacific	High	-5%	0.95	12	2	1
Newton Oriental	Medium	+9%	0.91	75	12	4
Prudential Pacific Markets	Medium	-1%	0.91	15	7	2
Rothschild FA Asian	High	-6%	0.89		0	2
Rothschild FA Prt Asia Pacific	Medium	+2%	0.97		6	3
Royal & Sun Pacific Gth	High	+2%	0.97		2	0
Royal London Far East Gth	Very High	+5%	0.92	40	12	3
Schroder Pacific Growth	High	+2%	0.95	37	7	5
Scot Amic Asia Pacific	Medium	-1%	0.94	16	7	0
Scot Mutual Far Eastern	Medium	-2%	0.96	15	-1	-2
Scot Wid. South East Asia	Medium	-3%	0.94	9	-2	-2
Solus Eastern Enterprise	Medium	+2%	0.95		5	7
CS-SLCAM Asia Pacific	Medium	-4%	0.95		4	-1

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Aberdeen New Dawn	Medium	+11%	0.80	67	18	11
Buy	Aberdeen Asian Small Co	Low	+16%	0.60	110	23	14
Avoid	Edinburgh Java	Medium	-22%	0.50	-41	-20	-10
	Edinburgh Dragon Trust	High	+1%	0.88	24	-9	5
Buy	Fidelity Asian Values	Very High	-5%	0.85	7	17	16
	Fleming Asia	Very High	+11%	0.80	65	11	9
	Henderson TR Pacific	Very High	+2%	0.81	32	4	15
	Invesco Asia	Very High	+2%	0.81	18	18	9
	Pacific Assets	Very High	-1%	0.83	8	4	10
Buy	Pacific Horizons	Very High	+15%	0.84	80	17	14
	Schroder Asia Pacific	Very High	+3%	0.85	35	11	17
Buy	Scottish Oriental Sm Co	Medium	+24%	0.71	145	39	9

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Avoid	BFS Asian Assets - Cap	Low	-20%	0.38		-32	-18
Avoid	BFS Asian Assets - Inc	Very Low	-25%	0.40		-44	-15

FAR EASTERN / PACIFIC (INCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS

Buy	BT Pacific Basin	Very High	+8%	0.87	38	5	8
Avoid	Commonwealth Asia Pacific	High	-11%	0.85		-18	8
Avoid	Dresdner Pacific Growth	Medium	-7%	0.74	1	-15	2
	Invesco Asian Growth	Very High	-6%	0.82	-1	-7	10
	NAFM Asia Growth	Very High	+3%	0.75		5	3

NEW ZEALAND BASED UNIT TRUSTS

BTIS Pacific Basin	Medium	-0%	0.85	15	6	6
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UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen Asia Pacific	Low	+3%	0.91	41	3	5
	Dresdner Orient Assets	Medium	+5%	0.75	40	-12	0
	Fr Prov Pacific Basin	Medium	-4%	0.91	9	-10	2
	GAM Far East	Medium	+4%	0.86		-12	1
Buy	Jupiter Far Eastern	Low	+7%	0.82	48	-14	5
	L & G Far East	Medium	+2%	0.88	22	-7	4
	Lincoln Far East	Medium	+4%	0.70	28	10	-1

Current Advice	InvestmentFund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					'36 mth	'12 mth	'3 mth

	Royal & Sun All. Far East	Medium	-1%	0.90	14	-10	4
	S & W Far Eastern	Medium	-4%	0.93		-13	4
	Schroder Far Eastern	Medium	-2%	0.94	15	-10	6
	Scot Life Pacific	Medium	-3%	0.92	15	-13	6
	St James's Far East	Medium	+2%	0.91	34	-6	4

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

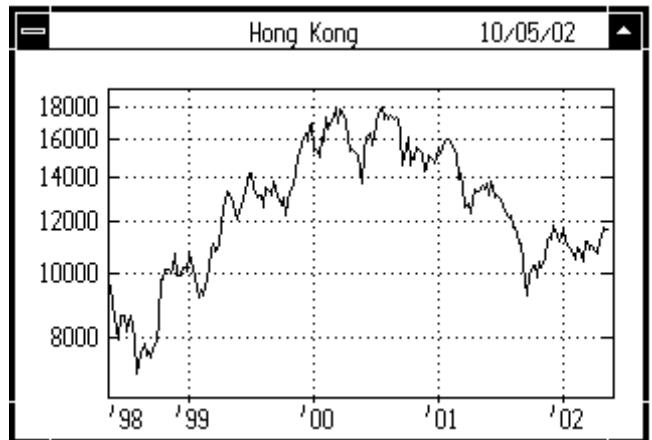
Avoid	F & C Pacific	Medium	-11%	0.77	-10	-19	7
	Govett Asian Recovery	High	+4%	0.78	26	6	8
Buy	Henderson Far East Inc.	Low	+8%	0.54	38	30	11
	Martin Currie Pacific	High	-0%	0.85	17	-7	8



HONG KONG / CHINA REGION

UNITED KINGDOM BASED UNIT TRUSTS

	Gartmore China Growth	Low	+3%	0.74	25	-11	-2
	HSBC Splst Hong Kong Gth	Medium	-0%	0.77	7	-18	-1
	Invesco Perp HK and China	Medium	+5%	0.80	34	-7	3
	Old Mutual Hong Kong	Low	+6%	0.78	34	-14	-1



KOREA

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Baring Korean	Medium	+13%	0.90	90	60	11
	Schroder Seoul	Medium	+6%	0.85	50	67	23

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth

THAILAND**UNITED KINGDOM BASED UNIT TRUSTS**

Old Mutual Thailand	Medium	-3%	0.76	-20	22	4
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UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Aberdeen New Thai IT	Very Low	+3%	0.39	10	30	6
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INDIA**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

Buy Fleming Indian	High	+16%	0.48	69	-9	-5
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JAPAN**AUSTRALIAN BASED UNIT TRUSTS**

Dresdner Japan Growth	Very Low	+2%	0.42	-2	-25	7
Fidelity Japan	Medium	+0%	0.65	-28	17	
Invesco Japan	Low	+0%	0.69	-20	8	

UNITED KINGDOM BASED UNIT TRUSTS

Avoid AXA Global Japan Growth	Very Low	-10%	0.76	-29	12	
Abbey Japan Trust	Low	+1%	0.70	-3	-28	11
Aegon Japan	Low	-4%	0.68	-25	13	
BG Japan	Low	+5%	0.58	3	-33	9
L & G (Barclays) Japan	Low	-0%	0.63	-4	-26	15
Avoid Baring Japan Growth	Very Low	-7%	0.70	-25	-28	13
Britannic Japan	Low	+6%	0.73	13	-27	14
Canada Life Japanese	Low	+6%	0.54	16	-30	12
Cazenove Japan Portfolio	Low	+1%	0.65	-6	-29	9
Clerical Med Japan Growth	Low	+2%	0.66	-6	-29	10
Deutsche Japan Tracker	Very Low	-2%	0.69	-5	-29	11
Buy Deutsche Japan Growth	Low	+9%	0.66	21	-25	10
Dresdner Japan	Low	+5%	0.59	-1	-26	8
Edinburgh Tokyo	Low	+6%	0.72	5	-24	13
Buy Fidelity Japan	Medium	+12%	0.67	24	-28	21
Avoid First State Japanese Growth	Very Low	-12%	0.67	-30	12	
Fr Prov Tokyo	Low	+3%	0.63	0	-27	6
Framlington Japan & General	Low	+1%	0.64	-6	-33	17
Gartmore Japan	Low	+5%	0.67	-3	-33	9
Govett Japanese Opps	Low	+6%	0.56	14	-7	16
HSBC Japan Index	Very Low	+0%	0.70	-3	-29	10
Buy Henderson Japan	Very Low	+9%	0.25	29	-20	18
Hill Samuel Japanese	Low	+2%	0.64	-1	-28	11
L & G Japan Index	Very Low	+0%	0.68	-3	-29	11
L & G Japanese	Very Low	-3%	0.62	-28	8	
Lazard Japanese	Very Low	-2%	0.56	-6	-36	8
Avoid Legg Mason New Japan	Very Low	-7%	0.27	-25	0	
Lincoln Japan	Very Low	-6%	0.57	-19	-29	9
M & G Japan & General	Low	-3%	0.65	-18	-33	12
Martin Currie Japan	Very Low	+5%	0.74	9	-24	12
Merrill Lynch Japan	Low	+1%	0.70	-4	-28	10
Newton Japan Growth	Very Low	-4%	0.57	-18	-25	8
Old Mutual Japan	Very Low	-2%	0.64	-10	-28	11
Prudential Japanese	Low	-2%	0.71	-17	-30	14
Avoid Rothschild FA Japan	Very Low	-13%	0.74	-28	12	
Rothschild FA Prt Japan	Low	-0%	0.41	-28	6	
Royal London Japan Growth	Very Low	+5%	0.57	8	-27	11
Buy Schroder Japan Dynamic	Medium	+12%	0.45	15	-26	12
Schroder Tokyo	Very Low	+6%	0.61	18	-17	9
Scot Amic Japanese	Low	-2%	0.73	-16	-29	14
Scot Mutual Japanese	Low	+1%	0.72	1	-30	10
Scot Wid. Japanese	Very Low	+0%	0.71	-1	-28	11
Avoid Solus Japan	Low	-10%	0.61	-26	14	
Buy CS-SLCAM Japan	Low	+7%	0.60	6	-35	9

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy Fleming Japan	High	+19%	0.61	16	-31	15
Gartmore Select Japan	Medium	+6%	0.52	-12	-38	17
Buy Invesco Tokyo	High	+11%	0.64	2	-26	13
Martin Currie Japan	Low	+4%	0.49	-7	-29	17
Buy Perpetual Japan	Low	+15%	0.30	-14	-43	10
Buy Schroder Japan Growth	Low	+12%	0.51	10	-22	16

JAPAN SMALLER COS**UNITED KINGDOM BASED UNIT TRUSTS**

Avoid BG Japan Small	Very Low	-11%	0.55	-24	12	
Dresdner Japan Spec Sits	Very Low	-1%	0.67	18	-30	5
Avoid F & C Japanese Smaller Coys	Very Low	-16%	0.66	-24	-31	11
Fidelity Japan Sp Sits	Low	-2%	0.74	7	-22	12
Fr Prov Japan Smaller Coys	Very Low	-4%	0.77	13	-20	10
Avoid Henderson Japan Capital Gth	Very Low	-9%	0.57	-4	-25	19
Buy Hill Samuel Japan Small Cos	Low	+15%	0.69	-16	12	
Buy Invesco Perp Japan Small Coys	Low	+9%	0.65	30	-20	2
M & G Jap Small Cos	Very Low	-4%	0.64	10	-29	9
Avoid Schroder Japan Small Coys	Very Low	-7%	0.33	-2	-23	8

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy B Gifford Shin Nippon	Low	+8%	0.61	37	-27	11
Avoid Baillie Gifford Japan	Very Low	-7%	0.60	10	-36	14
Fidelity Japan Values	Low	-0%	0.57	-1	-31	18
Avoid Fleming Japan Small Cos	Very Low	-15%	0.55	-1	-31	10
Buy Invesco Japan	Medium	+12%	0.55	19	-31	-1

TECHNOLOGY**AUSTRALIAN BASED UNIT TRUSTS**

Buy Alliance Technology	High	+14%	0.74	-36	-22	
Avoid CFS Global Health Biotech	Very Low	-7%	0.60	-24	-11	
Buy CFS Tech & Comms	Medium	+12%	0.74	-29	-11	

UNITED KINGDOM BASED UNIT TRUSTS

Avoid Abbey Nat'l Technology	High	+5%	0.89	-33	-22	
Aberdeen Euro Tech	Medium	-30%	0.81	-47	-18	
Aberdeen Technology	Medium	-5%	0.90	-19	-40	-22
Aegon Technology	High	+5%	0.88	-40	-20	
Buy CF Bio-Tech	High	+39%	0.64	148	-27	-11
CF Technology	Medium	+2%	0.85	16	-37	-17
Avoid Edinburgh Technology	Very High	-17%	0.87	-63	-23	
Buy Framlington Health	Low	+26%	0.71	174	-14	-14
Buy Framlington NASDAQ	High	+10%	0.91	-33	-18	
Avoid Framlington Netnet	High	-23%	0.90	-47	-22	
Framlington New Leaders	Low	+1%	0.95	-29	-16	
Buy Franklin Biotech	Low	+12%	0.59	-21	-19	
Gartmore UK Techornado	Very High	-5%	0.89	-51	-23	
Govett Euro Tech	Very Low	-4%	0.76	-32	-14	
Henderson Global Technology	High	-3%	0.90	-15	-44	-23
Investec GF Wired Index	Low	+3%	0.75	-39	-18	
Jupiter Global Technology	Medium	-1%	0.95	-38	-16	
Buy L & G Global Technology	High	+10%	0.88	-38	-22	
Lincoln Internet Tollkeeper	Medium	+2%	0.89	-42	-19	
M & G Euro Tech	Medium	-5%	0.88	-48	-20	
Avoid M & G Global Technology	Medium	-9%	0.83	-48	-25	
M & G Innovator	Very High	+1%	0.79	-53	-11	
Avoid Newton Global Innovation	Low	-7%	0.85	-36	-16	
Avoid Premier Technology	High	-21%	0.87	-60	-37	
Avoid Rathbone Technology	Medium	-22%	0.92	-49	-22	
Rothschild FA Prt in Tech Plus	High	+6%	0.93	-38	-19	
Royal & Sun Eurotech	Medium	-2%	0.90	-43	-18	
Avoid S & W Global Technology	High	-23%	0.89	-52	-26	
Avoid Sarasin Websar	Very Low	-9%	0.80	-25	-6	
Avoid Schroder Eurotech	High	-10%	0.88	-45	-19	
Schroder Medical Discovery	Very Low	+1%	0.13	-8	-8	
Soc Gen Technology	High	+1%	0.88	-7	-33	-24
Avoid Solus Technology Plus	Low	-37%	0.32	-67	-23	

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy 3i Bioscience	High	+40%	0.63	-33	-25	
3i Euro Technology	Very High	-2%	0.87	-60	-12	
Avoid Amerindo Internet Fund	Very High	-29%	0.72	-64	-17	
Buy Asian Technology	High	+21%	0.55	0	11	
Buy Close Fin Eurotech	Very High	+23%	0.73	-53	-17	
Buy Finsbury Technology	Very High	+29%	0.79	80	-39	-21
Buy Finsbury Life Sciences	Medium	+26%	0.70	-39	-21	
Buy Finsbury W/wide Pharm.	Very Low	+34%	0.54	241	-11	-14
Avoid Framlington Health	Very Low	-66%	0.07	-81	-51	
Herald Investment Trust	Medium	+6%	0.83	29	-36	-14
International Biotech	Very High	+38%	0.63	228	-47	-18
Avoid Invesco TechMARK	High	-14%	0.60	-51	-16	
Polar Cap Technology	Medium	+0%	0.78	-41	-20	
Buy Private Equity Investor	Very Low	+12%	0.50	-26	-7	

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Avoid Euro Tech & Inc (Cap)	Very High	-58%	0.31	-81	-5	
Avoid Govett Euro Tech & Inc	High	-76%	0.34	-89	-36	

Next Issue

The next issue of *International Investor* will be posted in four weeks time on Tuesday June 11, 2002 (and delivered in most areas on Wednesday 12).

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