

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
						3mths	6mths	12mths	
Australia	53%	Bullish	Bearish	Bullish	Neutral	-0.8%	-0.1%	-7.1%	2,715.00
Austria	61%	Bearish	Bullish	Bullish	Neutral	+11.8%	+16.5%	+16.6%	1,152.61
Belgium	56%	Bullish	Bearish	Bullish	Bullish	-16.7%	-21.5%	-28.7%	1,530.16
Canada	48%	Neutral	Bearish	Bullish	Bearish	+3.3%	+4.5%	-12.9%	6,359.86
Denmark	48%	Neutral	Bearish	Bullish	Bullish	+17.4%	-11.5%	-20.4%	173.78
Finland	51%	Bullish	Bearish	Bullish	Neutral	-21.9%	-5.1%	-33.6%	4,703.67
France	53%	Bullish	Bearish	Bullish	Neutral	-10.0%	-11.1%	-28.0%	1,734.08
Germany	49%	Bullish	Bearish	Bullish	Bullish	-17.4%	-21.8%	-42.9%	2,431.66
Ireland	60%	Bullish	Bearish	Bullish	Bullish	-1.6%	+2.1%	-3.8%	3,815.20
Italy	53%	Bullish	Bearish	Bullish	Neutral	-3.8%	-2.5%	-14.8%	15,982.00
Japan	35%	Neutral	Bearish	Bullish	Bearish	-3.0%	-9.6%	-24.8%	8,144.12
Netherlands	65%	Bullish	Bearish	Bullish	Bullish	-20.1%	-22.0%	-38.8%	353.00
New Zealand	48%	Bearish	Neutral	Bullish	Bearish	+7.6%	+8.5%	+7.7%	1,714.74
Norway	47%	Bullish	Bearish	Neutral	Bullish	-14.3%	-16.5%	-31.0%	386.22
Spain	57%	Neutral	Bearish	Bullish	Bullish	-2.3%	+3.4%	-9.2%	602.03
Sweden	40%	Bearish	Bearish	Bullish	Bullish	-11.0%	-0.8%	-29.6%	136.73
Switzerland	47%	Neutral	Bearish	Bullish	Bullish	-14.2%	-15.6%	-25.1%	3,880.30
Un. Kingdom	42%	Bullish	Bearish	Bullish	Bearish	-11.6%	-12.5%	-25.5%	3,491.60
USA	48%	Neutral	Bearish	Bullish	Neutral	-9.1%	-7.3%	-28.8%	828.89
Argentina	63%	Bearish	Bullish	Bullish	Neutral	+12.9%	+23.0%	+0.0%	1,640.49
Brazil	36%	Bullish	Bearish	Bearish	Bearish	+8.7%	-0.3%	-48.3%	10,723.79
Czech Rep.	65%	Neutral	Bullish	Neutral	Bullish	+9.4%	+10.3%	+32.2%	463.80
Chile	69%	Neutral	Bullish	Bullish	Neutral	-1.8%	-0.2%	-17.8%	5,124.89
China	52%	Bullish	Bearish	Bullish	Neutral	+5.1%	-16.9%	-20.0%	123.28
Greece	57%	Bullish	Bearish	Bullish	Neutral	-7.4%	-16.4%	-20.7%	1,540.74
Egypt	37%	Neutral	Neutral	Bearish	Bullish	-16.7%	-15.8%	-15.2%	648.17
Hong Kong	35%	Neutral	Bearish	Neutral	Neutral	-10.7%	-8.4%	-20.7%	8,907.10
Hungary	56%	Neutral	Bearish	Bullish	Bullish	-5.3%	+7.4%	+5.8%	7,055.33
India	52%	Neutral	Bearish	Bullish	Neutral	-3.5%	+2.3%	-11.8%	3,153.06
Indonesia	40%	Bullish	Bearish	Bearish	Neutral	-0.7%	-9.1%	-7.5%	389.79
Israel	27%	Bearish	Bearish	Bearish	Neutral	-11.6%	-9.6%	-20.5%	329.22
Korea	34%	Neutral	Bearish	Neutral	Neutral	-23.8%	-24.4%	-28.6%	546.02
Malaysia	53%	Neutral	Bearish	Bullish	Bearish	+2.8%	-8.5%	-15.0%	635.66
Mexico	41%	Neutral	Bearish	Bearish	Bullish	-11.2%	-13.1%	-32.8%	5,907.93
Philippines	40%	Bullish	Bearish	Bullish	Bearish	-4.0%	-14.3%	-34.1%	1,014.79
Poland	38%	Bearish	Bearish	Neutral	Bullish	-6.5%	+11.3%	-7.0%	13,599.63
Portugal	64%	Bullish	Bearish	Bullish	Bullish	-3.1%	+2.4%	-7.5%	1,487.48
Russia	64%	Neutral	Bullish	Bullish	Neutral	+11.1%	+14.6%	+14.1%	4,727.09
Singapore	39%	Bullish	Bearish	Neutral	Bearish	-8.6%	-14.3%	-28.5%	1,226.15
Sth Africa	47%	Bullish	Bearish	Neutral	Bearish	-0.9%	+10.8%	+4.5%	7,973.71
Taiwan	37%	Neutral	Bearish	Neutral	Bearish	-7.9%	-4.0%	-27.0%	4,350.59
Thailand	43%	Neutral	Neutral	Neutral	Bearish	+0.6%	+0.8%	-6.4%	358.48
Turkey	28%	Bearish	Bearish	Bearish	Bearish	-18.5%	+12.4%	-7.9%	10,652.86
Venezuela	60%	Bullish	Bullish	Bearish	Bullish	-16.3%	+6.3%	-30.2%	8,128.46

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

11 September 2001 changed the world - and it looks as though the terrorists won! The United Nations was established to prevent member states from unilaterally engaging in acts of war. Despite its many problems (i.e. numerous simmering conflicts perpetuated without resolution by permanent UN peacekeeping forces) the UN has been preventing major conflicts for over half a century. The United States now appears ready to violate the United Nations charter and declare war on a deadly enemy, possessing weapons of mass destruction, and slow to react to diplomatic negotiations.

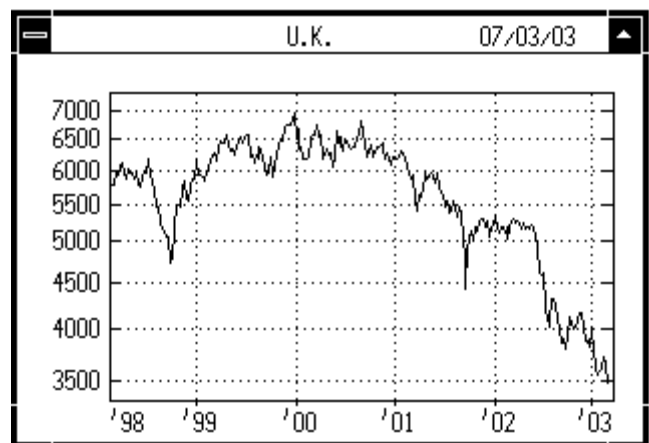
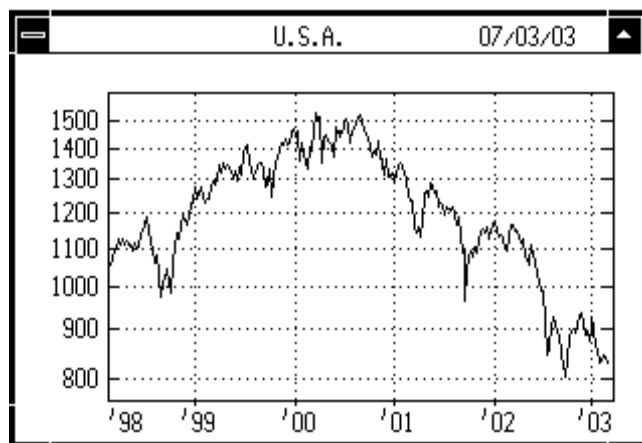
But does a problem country like Iraq justify a war instead of continued diplomatic and economic pressure? If so, then what about much of the impoverished world that sees the US as a deadly enemy, with weapons of mass destruction and slow to react to diplomatic negotiation and global problems?

The history of the world is full of conflict - but that has not prevented development and economic growth. At worst, stockmarkets need simply be re-priced to reflect this new (old?) uncertainty - a process that has probably already happened over the last 18 months.

When fighting starts, investors will see that oil is still relatively cheap, that petrol is still available and that life continues as normal for 99% of the world's population.

Markets *anticipate* the worst and share prices fall *ahead* of any expected conflict. Reality is seldom that bad (except for those living where bombs fall) and stock prices will likely rise, *anticipating* the eventual return to normality.

While war (or any change) can destroy individual companies, the best hedge against war (or any uncertainty) is to hold a diversified portfolio of 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	£68	31	29.5	11.4	25.7	7.2		12.1	25.9	11.3	2.1	2.1	Indonesia 1.1%	
Gartmore Pacific Gth Fund	£55	Nil	30.5	1.1	21.1	1.8	6.0	16.3	29.0	8.2	4.3		India 3.7%	
HSBC Asian Fund	£36	Nil	33.4	0	24.9		7.7	16.0	29.7	7.9	3.9	0.1	Indonesia 1.1%	
HSBC Hong Kong Gth Fund	£20	Nil	53.7	0	100									
Henderson Pacific Capital	£154	Nil	35.6	2.6	11.0	29.3	5.9	7.9	21.1	7.4	7.4		3.7 NZ3.7%	
JPM Fleming Asia IT	£120	Nil	36.9	0	26.4		8.3	19.7	24.2	8.8	3.4		1.1 India 6.2%	
Schroder Asia Pacific plc	£93	10	37.5	8.2	32.7		6.1	10.5	23.6	11.5	2.1		1.0 Indonesia 3.2%	
Baring Korea	£77	Nil	52.1	4.2					95.8					
Old Mutual Thailand	£5	Nil	54.2	6.4								93.6		
				Cash	USA	UK	Europe	Japan	Other					
Baillie Gifford Shin Nippon plc	£36	20	33.1	9.8				90.2						
Eaglet Investment Trust plc	£99	24	49.7			100								
JPM Fleming Euro Fledgling	£134	18	9.9	15.0			85.0							
Invesco Japan Discovery Trt	£16	Nil	37.1	1.4				98.6						
Legg Mason Int'l Utilities	£176	100	47.6		52.6	34.8	10.0		2.6					
Private Equity Investor plc	£72	Nil	-	56.3	43.7									
				Cash	Asia	Latin Amer	Africa	Europe & Middle East						
Aberdeen Emerging Markets	£12	Nil	27.9	1	58	16	10	14						
Templeton E/Markets plc	£531	Nil	28.2	8.5	47.3	13.5	5.1	25.6						

Recommended International Investment Funds

Fund News

Unit holders in **Old Mutual Thailand Trust** will have received voting papers for the proposed merger with **Old Mutual Asian Select Fund**. We recommend voting the proxy AGAINST the merger and mailing it back before the meeting to be held on 15 April.

Realistically, however, the Fund Manager can usually expect unitholders to accept whatever it proposes. So the merger, and higher management fees, will probably be approved.

If that is the case, it becomes binding on all unitholders and Old Mutual Thailand Trust will cease to exist from 6 June 2003. The unit trust will merge with Old Mutual Asian Select Fund and investors will be given units in that trust of an equal value.

We therefore have the opportunity to remain invested in this specialist Thailand equity fund for about another three months. As we already have ample exposure to general Asian trusts, however, we shall probably seek to redeem this investment in June. We can either sell the Thailand Trust units until 5 June, or sell the replacement Asian Select units at any time thereafter.

"Hold" for the present.

Fund Report

Baillie Gifford Shin Nippon plc is relatively optimistic

over the outlook for smaller Japanese shares. The Managers point out that (1) the Japanese stockmarket trades at its lowest valuation (i.e. lowest P/E, highest Yield) in two decades, (2) the economy is growing (i.e. up 2½% in 2002) and (3) corporate activity (i.e. bankruptcies and mergers) has removed excess capacity and companies have improved profitability. Nevertheless, "many small growth companies have reported solid earnings" but have had their share prices marked down over the last six months.

Shareholders have authorised this listed investment trust to re-purchase up to 14.99% of its shares on-market yet, despite the shares trading at 20% discount to net asset value, it has not yet re-purchased any shares.

Share Buy-Back

JP Morgan Fleming European Fledgling Investment Trust plc has continued re-purchasing its shares, acquiring 150,000 shares at 146 pence on 6 February and 100,000 shares at 143 pence on 13 February. Over the last months the shares have traded at a very high 26-27% discount to net asset value - so re-purchasing and cancelling shares is a risk-free way to increase the net asset value available for the remaining shares.

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		
	Europe								
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-27%	140.0p	395.5	-48
	United Kingdom								
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-15%	183.5p	518.4	-55
	Asian Regional								
HOLD	JPM Fleming Asia WARRANTS	JPFW	07/03/00	43.8p	141.7		4.25p	12.0	-92
HOLD	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p	49.7		3.25p	9.2	-82
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		125.0p	353.1	+235
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		29.04p	82.1	-23
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		117.3p	331.4	-31
HOLD	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		191.6p	541.3	-52
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		3.25p	9.2	-88
	Japan								
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-20%	77.0p	217.5	-51
HOLD	Invesco Japan Discovery Trust	JD	13/07/99	95.5p	284.0	-20%	43.25p	122.2	-57
	Korea								
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		69.20-73.67p	201.8	-4
	Thailand								
HOLD	Old Mutual Thailand Trust	*	08/12/98	49.0p	155.9		38.47-40.95p	112.2	-28
	International								
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p	116.1		51.63-54.63p	150.1	+29
HOLD	Legg Mason Int'l Utilities	LIU	13/02/01	170.5p	565.5	Neg.	3.5p	9.9	-98
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-49%	85.75p	242.3	-42
HOLD	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		3.375p	9.5	-92

* United Kingdom based Unit Trust

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Fidelity Asian Values** shares at 40½ pence (-16%, i.e. 16% below net asset value), **JPMorgan Fleming Asian** shares at 62¼ pence (-11%), **Schroder Asia Pacific** shares at 52¼ pence (-10%), **Templeton Emerging Markets** shares at 96½ pence (-17%), **Baillie Gifford Shin Nippon** warrants at 5½ pence and **Invesco Japan Discovery** warrants which trade at 2¾ pence.

The "Dow Dividend" Portfolio Annual Update

Our "Dow Dividend" Portfolio

Our "Dow Dividend" portfolio was started with US\$10,000 (NZ\$23,450) in January 2002 when the Dow Jones Industrial Index was 9987.53 and the S&P 500 Index was 1145.60.

The portfolio currently consists of:

110 shares in Honeywell (HON)	\$2,393
110 shares in JP Morgan Chase (JPM)	\$2,452
44 shares in General Electric (GE)	\$1,369
43 shares in SBC Communications (SBC)	\$881
Cash balance	\$67
Total Value	US\$7,162

In December we collected dividends from two of the shares we sold: 23 cents from ExxonMobil (US\$14.72) and 25 cents from International Paper (US\$6.00).

Over the last three months we have collected regular quarterly dividends from all three of the current holdings: 34 cents (US\$37.40) from JP Morgan Chase, 19 cents from General Electric (US\$8.36) and 27 cents from SBC Communications (US\$11.61). After 15% non-resident withholding tax was deducted, that raised our cash holding by US\$66, from US\$1 to US\$67.

The Dow Jones Index is currently 7,740.03 and the S&P 500 Index is 828.89. Over the last year our portfolio is down 29.4%, the Dow Jones Index down 26.8% and the S&P 500 Index down 28.8%

Since inception in January 2002 our portfolio has under-performed slightly falling 28.4% compared with a 22.5% decline in the Dow Jones Index and a 27.7% decline in the S&P 500 Index.

This portfolio, however, is undiversified - with up to 70% in the two largest holdings. So can vary significantly from the market averages, but is intended as just a small part of our total investment portfolios.

Our "Dow Dividend" Portfolio is updated once per year, in December.

Current Data and Annual Update

Investors can find the current ten highest yielding Dow stocks by visiting a site such as **Dogs of the Dow** (www.dogsofthedow.com/doggishy1.htm). The five *lowest priced* shares are also identified as "Small Dogs".

If the stock with the *highest yield* is also the *lowest priced* stock, remove it from this list - as this company is often *distressed* rather than simply *depressed*. Then select the four *lowest priced* "small dogs":

Company	Price	Yield	"Small Dog"
Philip Morris	US\$35.82	7.15%	No
General Motors	\$31.11	6.43%	No
Eastman Kodak	\$29.47	6.11%	No
JP Morgan Chase	\$22.29	6.10%	Yes
SBC Communications	\$20.49	5.27%	Yes
AT & T	\$17.51	4.28%	Yes
DuPont	\$36.00	3.89%	No
Honeywell	\$21.75	3.45%	Yes
Alcoa	\$19.13	3.14%	Yes
General Electric	\$24.30	3.13%	No

The *highest yielding* stock is Philip Morris while the *lowest priced* is AT&T, so make no change to the list. Then we invest in the *four lowest priced* stocks, labelled as "Small Dogs" which are AT&T, Alcoa, SBC Communications and Honeywell.

While we are not making any changes to our portfolio, investors starting a "Dow Dividend" portfolio *now* should invest as follows:

Company	Price	Percent
AT&T	\$17.51	40%
Alcoa	\$19.13	30%
SBC Communication	\$20.49	20%
Honeywell	\$21.75	10%

Listed Investment Trust Warrant Analysis

Review of Speculative Warrants

The speculative warrants we selected over the last year have all declined in price in line with weak stockmarkets but remain attractive speculations. Of course, if stockmarkets do not recover ahead of their final expiry date these warrants will expire worthless.

F & C Income Growth shares fell 12.8% over the last three months to 107¾ pence, with the warrants down 53.8% to 12 pence. The warrants expire on 31 July 2003 (i.e. in about 4½ months) and as long as the shares are above 100 pence the warrants will have some value.

The warrant leverage has increased to a very high 8.9, so any recovery in the trust's portfolio will have a much larger percentage impact on the ultimate value of the warrants.

Perpetual Income & Growth shares weakened just 7.2% over the quarter, with the warrant price down 32.5% to 21¼ pence. These warrants have 3½ years until their expiry so are a much longer term speculative investment. If the trust's portfolio were to increase by just 5% per annum over the period, the warrants would appreciate to 38 pence - *(Continued on Page 6)*

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:			Break-Even Rate
									5%pa	10%pa	20%pa	
<u>INDIA</u>												
Fleming Indian	56.5p	100.0p	0-11	0.75p	56.50p	-99	9.990	1.0	-100.0	-100.0	-100.0	+88%
<u>UNITED KINGDOM</u>												
Aberforth Smaller Coys	289.5p	100.0p	0-0	192.00p	189.50p	+1	0.263	1.5	-100.0	-100.0	-100.0	+999%
Edinburgh Smaller Coys	30.75p	100.0p	5-6	10.75p	3.73p	+188	0.415	2.6	-100.0	-100.0	-100.0	+26%
F & C Income Growth	107.75p	100.0p	0-4	12.00p	10.63p	+13	0.207	8.9	-50.1	-18.1	+76.5	+12%
Fidelity Special Values	202.5p	100.0p	0-10	103.50p	105.49p	-2	0.257	1.9	+8.6	+18.5	+38.4	+1%
Perpetual Income & Gth	116.5p	100.0p	3-5	21.25p	36.06p	-41	0.251	2.7	+18.2	+36.4	+64.8	+1%
Schroder Income & Grwth	127.75p	100.0p	0-9	32.00p	30.74p	+4	0.182	4.1	+2.1	+22.3	+64.4	+4%
Taverners Trust	51.25p	100.0p	7-5	7.00p	51.25p	-86	9.990	1.0	-100.0	-7.5	+42.8	+10%
<u>LATIN AMERICA</u>												
Aberdeen Latin American	36.75p	100.0p	6-7	5.25p	10.00p	-47	0.486	1.9	-100.0	-100.0	+24.4	+17%
Detsche Latin American	42.75p	100.0p	7-3	7.50p	9.05p	-17	0.367	2.3	-100.0	-100.0	+33.3	+14%
<u>EMERGING MARKETS</u>												
F & C Emerging Markets	45.25p	102.0p	0-0	0.15p	0.00p	+9999	0.494	9.9	-100.0	-100.0	-100.0	+999%
Schroder Emer Countries	43.5p	100.0p	3-6	2.12p	4.00p	-47	0.396	3.3	-100.0	-100.0	-100.0	+28%
Templeton Emerging Mkts	96.5p	133.0p	1-6	3.37p	8.66p	-61	0.374	4.5	-100.0	-100.0	-100.0	+26%
<u>TECHNOLOGY</u>												
Herald Investment Trust	156.0p	100.0p	0-1	61.00p	56.30p	+8	0.440	2.8	-58.9	-53.3	-40.8	+46%
Polar Capital	108.5p	100.0p	2-6	21.50p	34.07p	-37	0.397	2.4	+2.0	+25.2	+61.4	+5%
<u>INTERNATIONAL</u>												
Special Utilities S	127.5p	100.0p	4-10	38.50p	48.60p	-21	0.216	2.3	+10.1	+22.4	+41.7	+2%
<u>EUROPEAN</u>												
Blue Planet European Financial	33.5p	100.0p	1-0	0.13p	0.07p	+79	0.446	9.6	-100.0	-100.0	-100.0	+199%
Gartmore European	217.0p	220.0p	0-10	17.00p	24.76p	-31	0.294	5.7	-71.3	-14.4	+118.5	+11%
Merrill European	91.5p	100.0p	1-4	14.00p	10.04p	+39	0.276	5.2	-100.0	-61.7	+14.0	+18%
SR Europe	60.0p	100.0p	3-5	4.50p	60.00p	-93	9.990	1.0	-100.0	-100.0	+32.8	+18%
TR European	104.25p	166.0p	0-7	0.37p	0.69p	-46	0.350	13.6	-100.0	-100.0	-100.0	+123%
<u>JAPAN</u>												
B Gifford Shin Nippon	77.0p	200.0p	2-1	5.50p	1.77p	+211	0.395	5.3	-100.0	-100.0	-100.0	+60%
Fidelity Japan Values	33.5p	100.0p	1-1	0.62p	0.15p	+313	0.470	7.9	-100.0	-100.0	-100.0	+176%
Gartmore Select Japan	25.0p	100.0p	0-2	0.17p	0.00p	+9999	0.360	99.9	-100.0	-100.0	-100.0	+999%
Invesco Japan	43.25p	100.0p	1-7	2.75p	2.06p	+34	0.504	4.2	-100.0	-100.0	-100.0	+73%
Martin Currie Japan 05	50.25p	100.0p	2-7	8.25p	2.84p	+190	0.353	4.4	-100.0	-100.0	-100.0	+35%
Murray Japan Growth & Income	0.4p	100.0p	6-0	0.15p	0.38p	-61	9.990	1.0	-100.0	-100.0	-100.0	+153%
Schroder Japan Growth	53.0p	100.0p	1-8	2.62p	1.10p	+139	0.322	7.0	-100.0	-100.0	-100.0	+49%
<u>FAR EASTERN</u>												
Aberdeen Asian Small	110.8p	100.0p	7-8	40.50p	51.76p	-22	0.316	1.8	+5.5	+16.4	+32.4	+3%
Edinburgh Dragon Trust	47.25p	60.0p	1-10	5.50p	6.36p	-14	0.370	3.7	-100.0	-100.0	+4.9	+19%
Fidelity Asian Values	40.5p	100.0p	3-5	3.25p	3.83p	-15	0.427	3.1	-100.0	-100.0	-100.0	+32%
Invesco Asia	36.5p	100.0p	1-4	0.31p	0.20p	+56	0.405	8.0	-100.0	-100.0	-100.0	+113%
JPM Fleming Asia	62.25p	100.0p	1-11	4.25p	5.28p	-19	0.389	4.1	-100.0	-100.0	-100.0	+31%
Schroder Asia Pacific	52.25p	100.0p	2-10	3.25p	5.65p	-42	0.412	3.3	-100.0	-100.0	-100.0	+27%
Scottish Oriental Sm Co	114.5p	100.0p	3-10	39.50p	42.44p	-7	0.345	2.1	-1.0	+13.9	+36.5	+5%
<u>HONG KONG / CHINA REGION</u>												
JPM Fleming Chinese	38.25p	100.0p	0-11	0.75p	0.17p	+331	0.463	8.6	-100.0	-100.0	-100.0	+188%

World Stockmarket Capitalisations

Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States	10,025	49.49
Japan	2,020	9.97
United Kingdom	1,616	7.98
France	874	4.31
Germany	551	2.72
Switzerland	535	2.64
Canada	508	2.51
Italy	450	2.22
Australia	366	1.81
Netherlands	357	1.76
Hong Kong	310	1.53
Spain	309	1.53
Taiwan	283	1.40
South Korea	198	0.98
Sweden	175	0.86
China	164	0.81
Belgium	126	0.62
South Africa	133	0.66
Finland	121	0.60
Russia	106	0.52
Mexico	102	0.50
Malaysia	99	0.49
Singapore	88	0.43
Brazil	85	0.42
India	92	0.45
Denmark	71	0.35
Norway	60	0.30
Ireland	54	0.27
Greece	53	0.26
Portugal	41	0.20
Israel	34	0.17
Chile	33	0.16
Austria	30	0.15
Thailand	30	0.15
Turkey	24	0.12
Poland	20	0.10
New Zealand	17	0.08
Indonesia	15	0.07
Philippines	12	0.06
Hungary	10	0.05
Czech Republic	9	0.04
Peru	7.3	0.04
Argentina	6.9	0.03
Morocco	6.3	0.03
Columbia	4.2	0.02
Pakistan	3.8	0.02
Nigeria	3.5	0.02
Jordan	3.3	0.02
Egypt	3.0	0.01
Iceland	2.7	0.01
Slovenia	2.4	0.01
Venezuela	1.4	0.01
TOTAL	\$20,258	100.00%

Listed Investment Trust Warrant Analysis

(Continued from Page 4)

up 79% or an 18% per annum rate of capital appreciation.

After the recent decline, the trust *could* recover at 20% per annum. That would increase the warrant value to 121 pence at the final exercise date - up 469% or a 65% per annum rate of gain!

Schroder Income & Growth shares slipped 7.1% to 127.75 pence and the warrants have fallen 19.0% over the last quarter. These warrants expire on 31 December 2003 (i.e. in 9½ months), but with leverage of 4.1 times offer a highly leveraged, short term speculation that the UK stockmarket will recover this year.

Gartmore European shares fell 14.2% over the last three months to 217 pence. Warrant leverage is very high at 5.7 times, so the warrant price fell 66.3% to 17 pence. The final exercise/expiry date is 31 January 2004 (i.e. just 10½ months), making this another high risk/high return speculation.

The warrants of Technology fund **Polar Capital** were selected as an interesting speculation in our December 2002 newsletter. Since then, however, the share price has slipped 22.2% to 108½ pence. The warrants - which offer a two times leverage - fell twice as much, down 48.8% to 21½ pence. These warrants have 2½ years to expiry, a high 2.4 times leverage and low break-even rate of 5%, so represent an attractive longer term speculation that technology shares prices recover over that period.

Next Issue

The next issue of *International Investor* will be posted in four weeks time on Tuesday April 8, 2003 (and delivered in most areas on Wednesday 9).

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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