

# International Investor

Issue No. 94

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## Inside International Investor

Aberdeen Asian Small Companies Trust holds

Readers Ask: Types of Unit Trust shares ..... 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
						3 mths	6 mths	12 mths	
Australia	71%	Bullish	Bullish	Neutral	Bullish	+7.2%	+25.8%	+36.1%	3,205.70
Austria	66%	Bearish	Bullish	Bullish	Bullish	+3.4%	+23.6%	+54.4%	1,358.16
Belgium	79%	Bullish	Bullish	Bullish	Bullish	+11.4%	+27.5%	+34.3%	2,104.90
Canada	73%	Neutral	Bullish	Bullish	Bullish	+7.2%	+29.0%	+50.2%	7,519.59
Denmark	74%	Bearish	Bullish	Bullish	Bullish	+17.4%	+36.9%	+52.7%	248.49
Finland	72%	Bullish	Bullish	Bullish	Neutral	+8.5%	+21.8%	+35.7%	5,917.36
France	83%	Bullish	Bullish	Bullish	Bullish	+9.5%	+28.6%	+42.6%	2,244.91
Germany	71%	Neutral	Bullish	Bullish	Bullish	+6.8%	+39.5%	+49.5%	3,419.00
Ireland	84%	Bullish	Bullish	Bullish	Bullish	+7.1%	+22.4%	+39.9%	4,530.05
Italy	76%	Bullish	Bullish	Bullish	Bullish	+5.5%	+21.8%	+40.2%	18,977.00
Japan	54%	Bearish	Bullish	Neutral	Bearish	+19.6%	+43.8%	+32.1%	10,709.29
Netherlands	74%	Bullish	Bullish	Bullish	Bullish	+9.4%	+25.0%	+24.0%	461.50
New Zealand	60%	Neutral	Bullish	Bullish	Bearish	+5.3%	+27.5%	+28.7%	1,908.22
Norway	80%	Bullish	Bullish	Bullish	Bullish	+11.0%	+35.5%	+30.8%	542.09
Spain	70%	Neutral	Bullish	Bullish	Neutral	+3.7%	+21.1%	+49.6%	733.63
Sweden	67%	Bearish	Bullish	Bullish	Bullish	+13.7%	+37.2%	+60.3%	179.18
Switzerland	75%	Bearish	Bullish	Bullish	Bullish	+9.2%	+23.5%	+24.8%	5,203.10
Un. Kingdom	67%	Neutral	Bullish	Bullish	Bearish	+6.3%	+19.7%	+19.3%	4,274.00
USA	75%	Neutral	Bullish	Bullish	Bullish	+4.5%	+17.2%	+28.6%	1,029.85
Argentina	66%	Bearish	Bullish	Bullish	Bearish	+8.4%	+27.5%	+65.9%	1,949.31
Brazil	72%	Bearish	Bullish	Bullish	Bullish	+26.3%	+60.4%	+124.1%	17,089.30
Czech Rep.	77%	Bullish	Bullish	Neutral	Bullish	+15.7%	+35.8%	+66.9%	622.10
Chile	68%	Bearish	Bullish	Bullish	Bearish	+25.1%	+58.2%	+72.0%	7,160.70
China	52%	Bullish	Bearish	Bullish	Bullish	-14.5%	-20.6%	-31.4%	99.12
Greece	73%	Bullish	Bullish	Bullish	Bearish	+8.7%	+46.9%	+38.4%	2,089.90
Egypt	61%	Neutral	Bullish	Bearish	Bullish	+5.2%	+8.8%	-8.9%	760.55
Hong Kong	77%	Neutral	Bullish	Bullish	Bullish	+21.8%	+33.0%	+29.7%	11,608.72
Hungary	59%	Bearish	Bullish	Bearish	Bullish	+22.0%	+23.7%	+54.4%	9,192.15
India	64%	Bearish	Bullish	Bullish	Neutral	+28.3%	+52.6%	+65.6%	4,552.92
Indonesia	57%	Neutral	Bullish	Bearish	Bearish	+20.6%	+62.8%	+64.1%	621.86
Israel	60%	Bearish	Bullish	Neutral	Neutral	-5.5%	+28.9%	+45.6%	440.07
Korea	67%	Neutral	Bullish	Bullish	Bullish	+6.1%	+40.7%	+17.8%	715.24
Malaysia	51%	Bullish	Neutral	Neutral	Neutral	+2.1%	+17.2%	+14.9%	740.20
Mexico	77%	Neutral	Bullish	Bullish	Bullish	+1.6%	+21.4%	+21.0%	7,838.77
Philippines	67%	Bearish	Bullish	Bullish	Neutral	+0.4%	+16.2%	+14.2%	1,304.73
Poland	54%	Bearish	Bullish	Neutral	Neutral	+21.2%	+46.9%	+65.3%	19,938.26
Portugal	83%	Neutral	Bullish	Bullish	Bullish	+7.5%	+22.3%	+42.6%	1,747.68
Russia	57%	Bearish	Bullish	Bullish	Bearish	+13.2%	+65.7%	+72.5%	7,070.30
Singapore	68%	Neutral	Bullish	Neutral	Bullish	+13.8%	+30.8%	+26.1%	1,670.30
Sth Africa	72%	Bullish	Bullish	Bullish	Bullish	+17.0%	+33.4%	+46.1%	9,106.78
Taiwan	65%	Neutral	Bullish	Neutral	Neutral	+13.7%	+31.6%	+46.4%	5,747.79
Thailand	63%	Neutral	Bullish	Neutral	Bearish	+25.0%	+71.1%	+89.8%	588.34
Turkey	57%	Bearish	Bullish	Neutral	Bearish	+25.6%	+52.3%	+82.0%	13,298.67
Venezuela	79%	Neutral	Bullish	Bullish	Bearish	+18.9%	+96.8%	+106.5%	16,914.17

**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

The front cover shows that our Stockmarket Forecasts are Bullish (i.e. favourable) or Neutral for all world stockmarkets. It also shows that all stockmarkets (except one) have made significant recovery gains over the recent months. This is a new long term uptrend and, as usual, will suffer from the occasional 1-3 month correction.

While most commentators look for a recovery in US consumer spending to fuel the global economic recovery, we have long argued that investors need to look elsewhere. US consumers over-spent in the 1990's so continue to suffer from high debt levels which will restrict a major spending rebound. We have argued that *future* world economic growth could come from Asia - where savings rates are *too high* and consumption (especially in areas such as housing) is *too low*.

In recent months there have been signs that the Japanese economy is starting to grow, after a decade of close to zero growth. Part of that growth is driven by

demand out of China as that massive economy steadily expands. Several Fund Manager reports have also started to talk about domestic demand growth - whereas as little as six months ago the focus was always US import demand.

## Summary and Recommendation

As we are at the start of a new global uptrend, investors need to be fully invested in equities. Nevertheless, we are *significantly* under-weighting our portfolio in US equities as this economy will probably under-perform over both the short and long term. Returns from investments in US equities would also be depressed by the expected long term decline in the US dollar. Our portfolio is *significantly* over-weighted in Asian equities - as we believe these offer excellent value *and* the best long term growth potential. We also have investments in United Kingdom and European shares - focusing upon the *smaller* company sector which offers better valuations, better long term growth potential and greater sensitivity to the upturn in economic growth.

## Recommended International Investment Funds

The Fund Manager of **Aberdeen Asian Smaller Companies Investment Trust plc** is confident about "further good performance" over the next year. The portfolio is invested in "well managed" companies, with "good growth prospects and strong balance sheets". Share valuations are low with "the current portfolio on a prospective P/E ratio of just under 10 times 2004 estimated earnings and a dividend yield of 4.2%". In total, these companies "are in a net cash position" (i.e. cash exceeds their interest bearing debts) which is being used to increase dividends or buy-back shares.

Aberdeen Asian Smaller Companies Investment Trust will pay a final 3.1 pence dividend (to ordinary shareholders, we hold warrants) on 1 December.

Shares in **Aberforth Smaller Companies Trust plc** and/or units in Aberforth UK Small Companies and/or cash are being offered to shareholders in Aberforth Split Level Trust plc which is being restructured prior to its June 2004 winding up date. These three funds have the same Fund Manager, follow the same investment strategy and have identical portfolios.

This has little impact on existing shareholders. New shares will be issued at a price "not lower than net asset value".

**Eaglet Investment Trust plc** will pay an annual dividend of 5.0 pence for the financial year ended June 2003. The portfolio fell 40.5% during the first nine

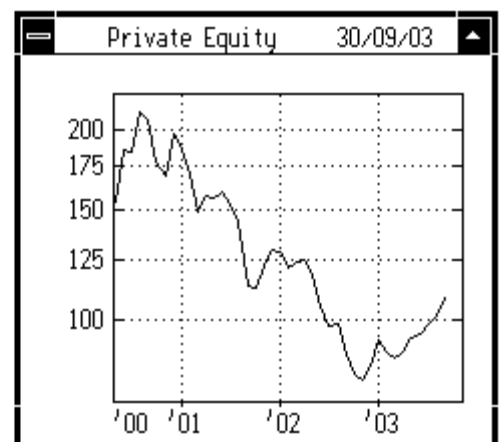
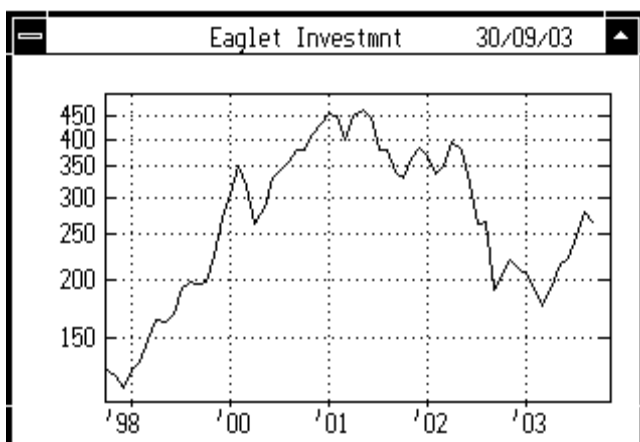
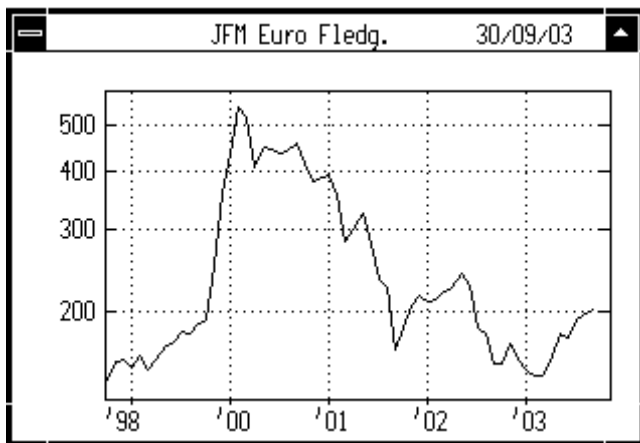
months of the year, then recovered 34.9% from those lows - ending the year down 19.8%. This performance was not helped by the leverage taken on in 2001. With share prices falling rapidly the trust reduced its borrowings from £29.4 million to £16.6 million - so held fewer investments during the recovery! The trust has a £30 million borrowing facility.

Smaller companies are "more sensitive to economic cycles" and trade at lower valuations than larger companies, so the Fund Manager expects strong performance as growth returns and "profitability improves dramatically". The portfolio has continued to perform strongly since balance date and the Manager believes "that the next bull market has begun".

**Private Equity Investor** reports that another technology investment (held by one of the venture capital funds in which it invests) has been taken over for cash, realising a 63% gain since its purchase just ten months ago. **WebTone Technologies** has been acquired by **Fidelity Information Services**. Private Equity Investor indirectly held 0.41% of WebTone and has received US\$445,612 in cash with a further US\$70,400 receivable in 12-18 months (i.e. held in escrow to satisfy indemnity obligations). The trust believes this latest sale "further confirms the underlying value inherent in our investments" - although the trust's own shares still trade at a large 22% discount to their reported net asset value.

Current Advice	Investment Fund	EPIC Code	Initial Recommendation --- Date ---	Offer Price		Prem/Disc to Net Assets	Recent Price		Gain or Loss %
				Foreign	NZ Cents		Bid-Offer or Last Sale	NZ Cents	
<b>Europe</b>									
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-11%	522.5p	1455.6	+13
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-22%	205.0p	571.1	-25
<b>United Kingdom</b>									
BUY	Aberforth Smaller Cos Trt plc	ASL	15-07-03	375.5p	1042.0	-6%	393.8p	1097.0	+5
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-15%	277.5p	773.1	-33
<b>Asian Regional</b>									
BUY	Aberdeen Asian Sm Co WARRANTS	AASW	09/09/03	75.3p	209.1		74.8p	208.3	-0
BUY	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		176.0p	490.2	+365
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		38.78p	108.0	+2
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		152.1p	423.7	-12
BUY	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		262.1p	730.2	-35
HOLD	JPM Fleming Asia WARRANTS	JPFW	07/03/00	43.8p	141.7		10.5p	29.3	-79
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		10.5p	29.3	-61
<b>Japan</b>									
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-14%	119.75p	333.6	-24
HOLD	Invesco Japan Discovery Trust	UD	13/07/99	95.5p	284.0	-16%	64.5p	179.7	-37
<b>Korea</b>									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		86.29-91.72p	248.0	+18
<b>International</b>									
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	61.7p	184.0		112.1p	312.3	+70
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-22%	109.0p	303.7	-28
HOLD	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		12.75p	35.5	-70

\* United Kingdom based Unit Trust



### Other Shares and Warrants

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Aberdeen Asian Smaller Companies** shares at 162¾ (-6%, i.e. 6% below net asset value), **JPMorgan Fleming Asian** shares at 88½ pence (-8%), **Schroder Asia Pacific** shares at 77½ pence (-7%), **Templeton Emerging Markets** shares at 130 pence (-16%), **Baillie Gifford Shin Nippon** warrants at 18¼ pence and **Invesco Japan Discovery** warrants which trade at 5½ pence.

# Investment Fund Survey

The *Performance* section of the tables below show that most funds suffered significant declines in value over the last three years. Over the last year there has been a mix of small losses and small gains, while over the last three months most funds have recorded small gains. This is a very favourable pattern - consistent with the end of a Bear Market and the start of a Bull Market. While perfect *timing* is impossible, investors who buy *after* a significant decline and at the *start* of the next period of recovery and growth can expect to reap significant long term returns.

Many people, however, do the opposite: buy when prices are high and sell when they are low. They would look at the three year performance and say "I can't

afford to lose 50-70% of my money over three years. International stockmarkets are too risky". Unfortunately, these are the same people who would have mortgaged the house in 1999 or 2000 to get in on the boom. Look at some old back issues of *International Investor* from those years and you will see that many funds had risen 100-300% over the previous three years. Who wouldn't want to buy into such high performing funds?

Taking a *contrary* approach to investing is never easy. When the three year performance column is full of large negative returns then investors need to be buying and fully invested in depressed equities. When it is showing significant gains, it is time for profit-taking and building up cash reserves.

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
<b>INTERNATIONAL</b>															
<b>AUSTRALIAN BASED UNIT TRUSTS</b>															
	AMP Multi-Mgr Global	High	+1%	0.71	-50	-5	4		Henderson Independent Port.	Medium	+1%	0.87	-46	-2	6
	ANZ ING Global	Medium	-3%	0.50	-52	-15	2		Henderson International	Medium	-1%	0.82	-57	-4	4
	Advance International	High	+1%	0.59	-43	-14	4		Invesco Perp International	Medium	-3%	0.75	-60	-12	-4
	Advance Worldwide Share	High	-1%	0.72	-52	-9	2		Invesco Perp Int'l Equity	High	+6%	0.84		-1	1
	BT International	High	-1%	0.66	-57	-9	3		Jupiter Ecology	Medium	-6%	0.60	-60	-14	8
	Challenger Global Shares	Medium	-1%	0.59	-49	-10	2		L & G (Barclays) Worldwide	Medium	+3%	0.87	-44	-1	2
	Citigroup Global Equity	Medium	-5%	0.41		-11	5		L & G Global Growth	Medium	+2%	0.90	-51	-4	4
	Commonwealth Int'l Share	High	+1%	0.59	-53	-14	-3		L & G Worldwide	Medium	+0%	0.91	-47	-4	4
	Dresdner Global	Medium	-6%	0.64	-57	-12	5		Lazard International Equity	Medium	+3%	0.84	-49	-4	1
	Dresdner International	Medium	-4%	0.65	-59	-10	5		Lincoln Global	Medium	-1%	0.78	-55	-3	2
	Fidelity Perp. Int'l	High	-2%	0.69	-55	-12	4		M & G Global Leaders	High	-0%	0.84		4	6
	HSBC Flexi-Trt Int'l Trt	Medium	-0%	0.68	-51	-5	1		M & G International Gth	Medium	+1%	0.84	-49	4	10
	Invesco International	Very High	+0%	0.74	-61	7	3		MGM International Equity	Medium	+0%	0.87	-48	-4	5
	JB Were International	High	-0%	0.74	-53	-6	5		Martin Currie International	Medium	+0%	0.87	-54	-1	4
Avoid	Lowell International	Low	-13%	0.21	-70	-9	2		NPI Global Care	Medium	-4%	0.83	-57	-6	6
Buy	MLC Aust - Platinum Gbl	High	+14%	0.64	-21	7	14		Newton International	High	+4%	0.94	-47	3	7
	MLC MKey Global Share	Medium	+0%	0.64		-7	4		Norwich International Index	Medium	+2%	0.83		-2	4
	NAFM Inv Trt - Global	High	+2%	0.70	-51	-0	2		Old Mutual Worldwide	Medium	-4%	0.90	-54	-8	5
	Perpetual ICSav - Int'l	High	-2%	0.68	-56	-12	4		Pearl International	Medium	-3%	0.81	-55	-7	5
Buy	Platinum International	High	+18%	0.62		5	7		Premier Global 100	Medium	-3%	0.67	-58	-5	0
Avoid	Sagitta Roth Int'l Share	High	-7%	0.44	-65	-4	2		Premier International Gth	Medium	-6%	0.79		-5	2
	Westpac International	Medium	-1%	0.53	-50	-5	6		Prudential Global Growth	Medium	+2%	0.89	-45	-4	3
<b>NEW ZEALAND BASED UNIT TRUSTS</b>															
Buy	AMP International Share	Medium	+9%	0.59	-43	5	3		Prudential Int'l Growth	Medium	+3%	0.91	-43	-3	4
Buy	AMP Passive Int'l Share	Medium	+2%	0.77	-53	-1	4		Rathbone Global Companies	Low	+1%	0.82		-3	10
Buy	ANZ World Equity Trust	Medium	+11%	0.77	-28	9	6		Scot Life Worldwide	Medium	-4%	0.81	-62	-6	4
Buy	ASB World Shares	Medium	+10%	0.81	-37	11	6		Scot Mutual International	Medium	+2%	0.86	-50	-0	5
Buy	BNZ International Equity	Low	+11%	0.76	-22	-5	7		Singer & Freidlander Global	Medium	-5%	0.71	-60	-1	3
	BTIS International Share	Low	+6%	0.76	-35	1	5	Buy	Sovereign Int'l Growth	Low	-1%	0.57	-52	-7	-1
	ING International Share	Medium	-2%	0.74	-55	0	4		St James's International	Medium	+7%	0.89	-37	3	5
Buy	NZ Guardian Global	Medium	+8%	0.83	-41	7	7	<b>AUSTRALIAN LISTED INVESTMENT TRUSTS</b>							
	Thoroughbred Int'l Equ.	Low	-4%	0.67	-57	-6	3	Avoid	BT Global	Medium	-9%	0.27	-65	-26	0
	Tower Global Equity	Medium	-1%	0.83	-49	-10	4	Buy	Platinum Capital	Medium	+29%	0.35	38	5	16
	Tower Tortis Intern'l	Medium	+2%	0.80	-50	-0	5	Buy	Templeton Global	High	+9%	0.47	-31	-4	22
	Westpac International	Medium	+2%	0.85	-48	-3	3	<b>NEW ZEALAND LISTED INVESTMENT TRUSTS</b>							
<b>UNITED KINGDOM BASED UNIT TRUSTS</b>															
	AXA Global Growth	Medium	+1%	0.88	-51	-4	5	Buy	World Index Fund	Medium	-3%	0.77	-54	-4	5
	Abbey Nat'l International	Medium	+0%	0.87	-51	-4	5	<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>							
	Aegon Worldwide Tactical	Medium	-4%	0.87		-5	2	Buy	Alliance Trust	Medium	+7%	0.76	-37	0	1
	Allcurches Int'l Growth	Medium	+5%	0.93	-41	2	6	Buy	Anglo & Overseas Trust	Very High	+0%	0.83	-63	-10	1
Avoid	Allianz Dres Global Equity	Low	-5%	0.81	-57	-11	3	Buy	Bankers Investment	Medium	+10%	0.77	-34	-5	3
	Artemis Global Growth	Medium	-10%	0.73	-70	-7	2	Buy	Brit Empire Securities	Low	+16%	0.60	-6	7	13
	Artemis International	Medium	+1%	0.94	-48	-6	5	Buy	Brunner Invest. Trust	High	-5%	0.87	-61	-14	2
	Bank of Scotland World Gth	Medium	+1%	0.89	-53	-4	3	Buy	Capital Gearing Trust	Very Low	+16%	0.22	23	6	-3
	Baring Global Growth	Medium	-0%	0.81	-56	-2	3	Buy	Edinburgh Worldwide	Very High	+1%	0.81	-60	-3	10
	Britannic Global Growth	Medium	-4%	0.81	-57	-6	4	Buy	Edinburgh Investment	High	-3%	0.75	-58	-10	2
	Canada Life International Gth	Medium	+0%	0.91	-51	-1	5	Buy	Establishment IT	Very Low	+4%	0.17		-7	15
Buy	Cavendish Worldwide	Low	+7%	0.81	-30	-2	10	Buy	F & C Smaller Companies	Very High	+9%	0.72	-49	10	18
	Credit Suisse Global PVC	Very High	+3%	0.87		7	11	Buy	Foreign & Colonial	Medium	+2%	0.76	-47	-10	1
Buy	Edinburgh Global Growth	Medium	+9%	0.88		7	11	Buy	Gartmore Global	High	+1%	0.54		-2	14
	Edinburgh Global Equity	Medium	+0%	0.88		-5	4	Buy	Henderson Strata Inv	Very High	-4%	0.58	-77	-14	15
	Fidelity International	Medium	+1%	0.92	-51	-3	5	Buy	Henderson Absolute Ret.	Very Low	+5%	0.12		-4	8
	Fidelity Managed Int'l	Medium	-2%	0.90	-56	-5	4	Buy	Henderson Electric & G.	Very High	+5%	0.91		6	8
	First State Global Opps	Medium	-0%	0.56		8	18	Buy	JPMF Managed Growth	Very High	+3%	0.77		1	8
	First State Global Growth	Medium	+1%	0.84	-52	-8	2	Buy	JPMF Overseas	High	+4%	0.87	-52	-3	6
	Framlington International	Medium	-3%	0.86	-57	0	5	Avoid	Jupiter Global Green	Very High	-8%	0.58		-7	15
Buy	GAM International Growth	Medium	+17%	0.79	-7	8	14	Avoid	Jupiter Primadona	Very High	-8%	0.48	-70	-5	9
	Govett Global Opportunities	Medium	+1%	0.84	-49	3	10	Buy	Law Debenture Corp.	Medium	+72%	0.66	-24	-4	7
								Buy	Majedie Investment	High	-2%	0.75	-56	-13	2
								Buy	Martin Currie Portfolio	Medium	+5%	0.84	-44	-1	4
								Buy	Merrill Asset All (Gth)	Low	-5%	0.44	-57	-10	-4
								Buy	Merrill Asset All (Bal)	Very Low	-1%	0.02		-17	-6
								Buy	Mid Wynd Invest Trust	Medium	+6%	0.57	-40	-1	-2

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Monks Investment	Medium	+4%	0.80	-39	-1	6
	Murray International	Medium	+5%	0.88	-46	4	3
	New Star	Very High	-4%	0.43	-10	14	
Buy	Pantheon International	Medium	+8%	0.41	-34	3	12
	Personal Assets Trust	Very Low	+3%	0.43	-21	-8	1
Buy	RIT Capital Partners	Very Low	+7%	0.47	-21	1	4
	Scottish American Inv.	High	-0%	0.83	-57	-7	5
	Scottish Value	Medium	+6%	0.66	-44	3	15
	Scottish Mortgage & Trt	Medium	-1%	0.84	-51	-6	2
	Scottish Invest. Trust	Medium	-0%	0.77	-53	-12	3
Buy	Second Alliance	Medium	+8%	0.66	-37	3	4
	Secs Trust of Scotland	Medium	+4%	0.75	-46	-9	-4
	Tribune Trust Managed	High	+3%	0.71	-53	-0	2
	Witan Investment Coy	Medium	-1%	0.76	-53	-12	1

**UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL**

Avoid	Asset Management	Very High	-18%	0.27	-74	-48	49
Avoid	BFS Absolute Ret. - Cap	Very High	-50%	0.18	-98	-58	29
Avoid	Gowett High Income IT	Very High	%-118%	0.14	-100	-77	0
Avoid	Legg Mason Int'l Util.	Very High	-56%	0.29	-98	-46	20
Avoid	Murray Global Return	Very High	-16%	0.31	-86	35	35

**INTERNATIONAL SMALLER COS**

**UNITED KINGDOM BASED UNIT TRUSTS**

	Invesco Perp Global Small Cos	Medium	+0%	1.00	2	4	
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**UNITED STATES**

**AUSTRALIAN BASED UNIT TRUSTS**

Avoid	BT Sel Mkts American Gth	Medium	-9%	0.46	-62	-9	3
Avoid	Fidelity Perp. America	Medium	-12%	0.48	-62	-15	1

**UNITED KINGDOM BASED UNIT TRUSTS**

Avoid	ACM American Growth	Medium	-9%	0.71	-62	-9	3
	AXA American	Low	-6%	0.71	-54	-9	0
	Aberdeen American Opport.	Very Low	-2%	0.46	-44	-7	2
Avoid	Aberdeen North American	Low	-9%	0.73	-59	-8	3
Avoid	Aegon American	Low	-7%	0.79	-7	-1	1
	Allianz Dres North American	Very Low	-6%	0.50	-53	-10	0
	BG American	Very Low	-0%	0.72	-42	-8	1
Avoid	Baring American Gth	Medium	-7%	0.71	-61	-5	1
Avoid	Britannic American	Medium	-9%	0.71	-61	-6	2
	CIS US Growth	Very Low	-3%	0.68	-5	1	
	Canada Life North American	Medium	+1%	0.72	-47	1	3
	Credit Suisse Transatlantic	Low	-4%	0.73	-55	-8	-1
Avoid	DWS American Growth	Low	-7%	0.75	-58	-8	3
	Edinburgh North American	Medium	-4%	0.79	-57	-4	0
Buy	Fidelity American	Low	+10%	0.49	-19	-5	0
	First State American Gth	Medium	-6%	0.76	-56	-5	1
Avoid	Framlington American Gth	Low	-10%	0.62	-61	-4	2
Buy	GAM North America	Very Low	+9%	0.40	-17	-4	3
Avoid	Govett US Blue Chip	Low	-8%	0.48	-56	-8	2
	Govett US Opportunities	Low	+2%	0.67	-40	1	6
	HSBC American Index	Low	-3%	0.71	-5	-1	
	HSBC Splst American	Very Low	-4%	0.70	-5	-0	
Avoid	Henderson North American	Low	-7%	0.78	-60	-4	0
Avoid	ISIS North American	Low	-9%	0.77	-59	-8	1
	Insight US Equity	Low	-5%	0.72	-52	-5	2
Avoid	Invesco Perp US Aggressive	Very High	-18%	0.62	-85	-7	-4
	Invesco Perp US Equity	Medium	-6%	0.65	-10	-5	
Avoid	JPMF United States Growth	Low	-7%	0.72	-5	-0	
	Jupiter North America	Medium	-5%	0.74	-61	0	1
	L & G (Barclays) America	Low	-4%	0.77	-51	-5	1
	L & G North American	Low	-2%	0.78	-52	-6	0
	L & G US Index	Low	-4%	0.77	-51	-5	1
	Lazard Nth American Gth	Low	-4%	0.77	-50	-6	1
	Lincoln North American	Medium	-5%	0.79	-54	-5	1
Avoid	M & G American & General	Medium	-8%	0.75	-61	-4	1
	MGM North American Growth	Very Low	-6%	0.62	-50	-12	0
	Martin Currie North American	Medium	-4%	0.73	-55	-1	0
Avoid	Merrill Lynch American	Low	-9%	0.76	-59	-6	0
Avoid	NPI North America	Low	-7%	0.79	-58	-9	0
	NPI Nth America Tracker	Low	-0%	0.72	0	5	
	Newton American	Medium	-3%	0.70	-53	-3	3
	Norwich US Growth	Very Low	-4%	0.72	-6	-1	
	Old Mutual North American	Low	-2%	0.74	-49	-1	1
	Prudential North American	Low	+2%	0.72	-38	-3	1
Avoid	Royal London North American	Low	-7%	0.71	-9	0	
	S & W American	Low	-1%	0.70	-44	-4	2
	Schroder North American	Medium	-5%	0.78	-5	-1	
	Scot Amic American	Low	+3%	0.72	-37	-1	2
Avoid	Scot Life America	Low	-10%	0.76	-61	-9	0
	Scot Mutual North American	Medium	-3%	0.76	-56	-2	1
	Scot Wid. American	Low	-4%	0.68	-6	0	
	Soc. Gen American Growth	Medium	-2%	0.73	-3	-0	
	St James's North America	Low	-3%	0.65	-6	3	
	Stan Life America	Low	+2%	0.75	0	3	
	Threadneedle American Gth	Very Low	-3%	0.42	1	12	

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

	American Opportunity	Very Low	-0%	0.04	-37	-16	-5
	Edinburgh US Tracker	Medium	-3%	0.72	-51	-4	1
	JPMF American	High	-0%	0.78	-57	-3	3
Avoid	Legg Mason American	Very High	-50%	0.16	-15	-0	
Avoid	Second London American	Very Low	-20%	0.01	-49	-18	11

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

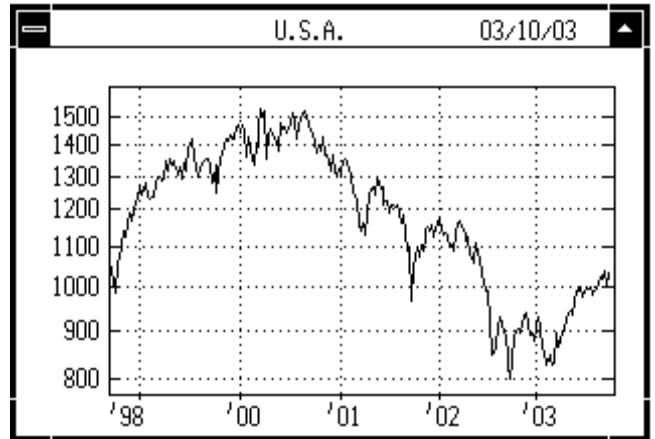
**UNITED STATES SMALLER COS**

**UNITED KINGDOM BASED UNIT TRUSTS**

Buy	F & C US Smaller Coys	Medium	+8%	0.60	-29	4	8
	Fidelity American Spec Sits	Very High	+5%	0.68	-53	3	6
	Henderson Amer Small Coys	Medium	-3%	0.69	-55	-1	7
	Invesco Perp US Smaller Coys	High	-2%	0.71	-62	-0	3
	Merrill Lynch American Opps	Medium	+4%	0.63	-49	6	10
Buy	Schroder US Smaller Coys	Low	+11%	0.70	-21	2	8
	Threadneedle Amer Small Cos	Very Low	-1%	0.52	-7	4	

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

Buy	F & C US Smaller Coys	Medium	+9%	0.51	-23	10	5
Buy	JPM Fleming US Disc.	High	+18%	0.46	-24	25	20
	Nth Atlantic. Smaller	Very Low	+1%	0.17	-32	1	6
Buy	Renaissance U.S.	Low	+12%	0.15	-27	44	45



**UNITED KINGDOM**

**UNITED KINGDOM BASED UNIT TRUSTS**

	AXA UK Growth	High	+2%	0.89	-45	-7	4
Buy	AXA UK Opportunities	Very High	+17%	0.85		8	5
	AXA UK Tracker	Medium	+1%	0.91	-45	-6	4
	Abbey Nat'l N & P UK Growth	High	+0%	0.85	-50	-6	1
	Abbey Nat'l Stockmarket 100	Medium	+3%	0.85	-42	-4	3
	Abbey Nat'l UK Growth	Medium	-2%	0.83	-51	-9	3
	Aberdeen UK Blue Chip	High	-3%	0.81	-56	-9	-3
	Aberdeen UK Growth	High	-1%	0.85	-52	-4	4
	Aberdeen UK Mid-Cap	Very High	+6%	0.78	0	10	
	Aegon UK Equity Growth	Medium	+1%	0.80	-6	2	
	Aegon UK Tactical	High	+1%	0.79	-7	3	
Buy	Allianz Dres UK Growth	High	+7%	0.86	2	5	
	Allianz Dres UK Index	High	+1%	0.82	-5	1	
Buy	Artemis UK Growth	Medium	+6%	0.67	-39	1	4
Buy	Artemis UK Special Sits	Medium	+21%	0.61		14	12
	BG British 350	Medium	+3%	0.81	-39	-6	2
Buy	BWD Rensburg Aggressive Gth	Low	+12%	0.69	-19	2	4
Buy	BWD Rensburg UK Mid Cap	High	+8%	0.71	-39	8	11
	BWD Rensburg UK Blue Chip	Medium	+6%	0.84	-4	1	
	Bank of Scotland FTSE 100	Medium	+2%	0.86	-44	-4	3
	Baring UK Growth	High	+1%	0.82	-50	-3	4
	Britannic UK General	High	-1%	0.84	-49	-7	4
	CIS UK Growth	Medium	+1%	0.86	-6	3	
	Canada Life General	High	+2%	0.87	-2	2	
	Canada Life Growth	High	+2%	0.87	-2	4	
	Cazenove UK Equity	High	+4%	0.82	-47	2	3
	Credit Suisse FTSE 100 Tracker	Medium	+1%	0.84	-7	1	
	Credit Suisse Growth	Medium	+3%	0.82	-43	-7	-1
	DWS UK Blue Chip	High	+0%	0.83	-52	-6	1
	DWS UK Equity	Medium	+2%	0.76	-44	-4	1
	DWS UK Growth	High	+3%	0.82	-45	-2	3
	Direct Line FTSE 100 Tracker	Medium	+1%	0.89	-44	-5	3
	Edinburgh UK Growth	High	+5%	0.87	-1	3	
Buy	Fidelity Special Situations	Medium	+19%	0.56	-1	8	8
	Fidelity UK Growth	High	+5%	0.86	-42	-2	5
	First State British Opps	High	+5%	0.76	-1	5	
	First State British All Cos	Medium	-2%	0.80	-49	-6	2
	Framlington UK Growth	High	+3%	0.85	-43	-4	5
Buy	GAM UK Diversified	Medium	+18%	0.46	0	10	13
Buy	Gartmore UK Index	High	+7%	0.81	-40	6	4
Buy	Govett FTSE 250 Index	High	+10%	0.73	-31	9	11
	Govett UK Blue Chip	Medium	+1%	0.86	-47	-4	3
	HSBC British	Medium	+2%	0.78	-5	3	
	HSBC FTSE 100 Index	Medium	-1%	0.79	-48	-7	3
Buy	HSBC FTSE 250 Index	High	+7%	0.67	-37	6	11
	HSBC Household Names	High	+5%	0.79	-3	4	
	HSBC Splst UK Growth	Medium	+5%	0.80	-4	3	
	HSBC UK Gth & Inc	High	+3%	0.80	-5	2	
	Henderson UK Capital Growth	Medium	+0%	0.84	-44	-8	4
	Hill Samuel Capital	Medium	+1%	0.89	-47	-6	2
	ISIS FTSE 100 Tracker	Medium	+0%	0.84	-46	-6	3
	ISIS FTSE All Share	Medium	+1%	0.85	-45	-4	4
	Insight UK Major Companies	High	-0%	0.82	-52	-4	2

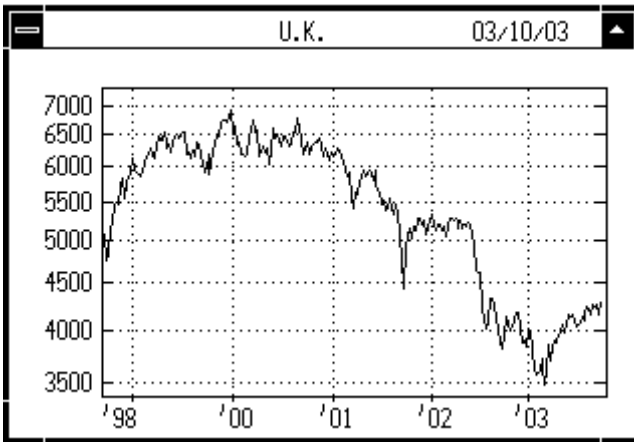
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Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance			
					36 mth	12 mth	3 mth						36 mth	12 mth	3 mth	
	Insight UK Portfolio	Medium	+3%	0.65	-43	-3	7	Buy	JPMF Mid Cap	Very High	+8%	0.65		8	8	
	Invesco Perp UK Equity	High	+1%	0.79		-11	-4		Legal & Gen UK Select	Very Low	+0%	0.33		-3	0	
Buy	Invesco Perp UK Aggressive	Very High	+35%	0.58		49	13	Avoid	Life Offices Opport.	Very Low	-15%	0.05	-46	-19	11	
	Invesco Perp UK Key Trends	High	+5%	0.78		0	1		Lion Trust First UK	Medium	+5%	0.72		-4	7	
Buy	Invesco Perp UK Growth	Very High	+12%	0.69	5	4	3		London & St Lawrence	Very Low	-1%	0.33	-24	-4	2	
Buy	JPMF UK Dynamic	High	+14%	0.79		-2	6	Buy	Lowland Investment Co	Medium	+21%	0.35	6	7	9	
	Jupiter Environmental	Medium	-1%	0.53	-43	-4	9	Buy	Merchants Trust	Very High	+13%	0.63	-29	-11	-2	
	Jupiter UK Growth	High	+3%	0.81	-45	-4	4	Buy	Murray Income Trust	Very High	+14%	0.75	-31	-5	2	
	Jupiter UK Special Situations	High	+0%	0.64	-55	4	11	Buy	Perpetual Income & Gth	Medium	+18%	0.50	-2	-3	3	
Buy	Jupiter Undervalued Assets	Medium	+18%	0.61	-8	5	7		Schroder UK Growth	High	-1%	0.65	-52	8	7	
	L & G (A & L) Capital Growth	Medium	+3%	0.81	-43	-3	4	Buy	Schroder Income & Grwth	Very Low	+11%	0.39	-8	-3	0	
	L & G (A & L) UK 100 Index	Medium	+1%	0.84	-44	-5	3		Shires Income	Very High	-4%	0.25	-58	-20	11	
	L & G (Barclays) Capital	Medium	+1%	0.85	-45	-5	2	Buy	Temple Bar Inv. Trust	Medium	+8%	0.57	-26	-6	3	
	L & G (Barclays) FTSE 100	Medium	-1%	0.75	-47	-6	3		Tribune Trust Indexed	Medium	+2%	0.82	-44	-3	3	
	L & G (Barclays) 500	Medium	+2%	0.82	-46	-2	2		Undervalued Assets	Medium	-2%	0.46	-50	-3	12	
	L & G Equity	Medium	+0%	0.81	-47	-4	2	Buy	Value & Income Trust	Low	+10%	0.36	-13	-10	2	
	L & G UK Index	Medium	+1%	0.83	-45	-5	5	<b>UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL</b>								
	L & G UK Recovery	High	+4%	0.83	-46	0	5	Buy	BFS Small Companies	Low	+14%	0.11	5	21	27	
	L & G UK Stockmarket	Medium	+1%	0.86	-45	-5	2	Avoid	Broadgate	Very Low	-106%	0.02	-99	-30	0	
	Legg Mason UK Growth	High	+2%	0.75	-48	-12	-6	Avoid	City of Oxford Grd Inc	Very High	-7%	0.14	-76	7	1	
	Lincoln Growth	High	-0%	0.85	-50	-6	1	Buy	Danae - Capital	Very High	+9%	0.06		-43	-29	
	M & G Blue Chip	High	+0%	0.86	-52	-6	0	Buy	Derby Trust - Capital	High	+13%	0.60	-33	10	7	
	M & G British Opportunities	Medium	+3%	0.66	-46	-3	3	Buy	Dresdner RCM Income Gth	Very High	+12%	0.25	-56	-3	4	
	M & G Capital	High	-3%	0.82	-58	-2	2	Buy	Edinburgh Income & Val.	Medium	+7%	0.27	-27	-6	10	
	M & G Index Tracker	High	+1%	0.89	-46	-5	4	Buy	Framlington I & C - Cap	Very High	+15%	0.56	-61	36	31	
	M & G Recovery	Medium	+6%	0.72	-37	-0	7	Avoid	Framlington Second Dual	High	-36%	0.10	-91	-5	15	
	M & G UK Growth	High	+1%	0.84	-53	-2	4	Avoid	Gartmore SNT	High	-35%	0.02	-97	-76	-23	
	MGM Special Situations	Medium	+2%	0.82	-45	-4	2	Avoid	Gartmore High Income	Low	-36%	0.07	-81	-36	-7	
	Martin Currie UK Growth	Medium	+3%	0.73	-42	-8	6		Govett Enhanced Income	Very High	-6%	0.06	-94	47	-3	
	Merrill Lynch UK Value	Medium	+6%	0.80		-3	5	Buy	Henderson High Income	Very High	+19%	0.33	-24	-1	8	
	Norwich Blue Chip Tracking	Medium	+0%	0.84	-7	3		Avoid	I & S Optimum Income	Very High	-35%	0.11	-86	-59	9	
	Norwich UK Growth	High	+6%	0.81	1	6		Avoid	Invesco Recovery 2005	Medium	-10%	0.09	-47	-21	40	
	Norwich UK Index	Medium	+1%	0.92	-6	4			Invesco Geared Opps	Very High	+3%	0.25	-67	65	52	
	Pearl Equity Trust	High	+2%	0.83	-48	-4	4	Avoid	Jersey Phoenix	Very High	-27%	0.34	-93	-21	-14	
	Pearl Growth	High	+1%	0.80	-48	-4	4		Jupiter Enhanced	Very High	+6%	0.29	-44	13	21	
	Prudential UK Growth	High	+1%	0.83	-47	-5	2	Buy	Jupiter Dividend & Gth	Very High	+31%	0.28	-78	13	-2	
	Prudential UK Index	Medium	+1%	0.80	-8	0		Buy	Jupiter Split Trust Cap	Very High	+45%	0.55	-8	43	19	
	Rathbone Capital	High	+5%	0.83	4	8			M & G Equity Trust - Cap	Medium	-4%	0.22	-56	0	14	
Buy	Rathbone Spec Situations	Low	+16%	0.51		14	16	Buy	M & G High Income - Cap	Very High	+25%	0.19	-38	5	0	
	Royal London UK Equity	Low	+0%	0.70	-5	3		Avoid	Martin Currie I & G (c)	Very High	-15%	0.24	-96	-45	-9	
	Royal London UK Growth	Medium	+0%	0.85	-48	-6	3	Avoid	Monthly High Income	Very High	-79%	0.10	-99	-84	-51	
	Schroder UK Enterprise	High	+6%	0.83	-44	1	5	Avoid	New Fulcrum	Very High	-13%	0.21	-86	-26	99	
	Schroder UK Equity	High	+5%	0.84	-41	-3	4	Avoid	Premier High Income	Very Low	-52%	0.01	-88	-31	-19	
Buy	Schroder UK Mid 250	Medium	+17%	0.73	-11	10	10	Buy	Rights & Issues	Very Low	+11%	0.26	-12	-3	18	
	Scot Amic Equity Trust	Medium	+2%	0.78	-43	-5	5	Avoid	Second Scottish Natl	Medium	-34%	0.10	-89	-30	-13	
	Scot Amic FTSE 100 Tracker	Medium	+1%	0.75	-6	4		<b>UNITED KINGDOM SMALLER COS</b>								
	Scot Life UK Equity	Medium	+1%	0.84	-44	-5	3	<b>UNITED KINGDOM BASED UNIT TRUSTS</b>								
	Scot Mutual Growth	Low	+3%	0.87	-4	3		AXA UK Smaller	Medium	-5%	0.96	-50	9	12		
	Scot Mutual Opportunity	Medium	+6%	0.86	-2	2		Avoid	Abbey Natl Smaller Cos	Medium	-8%	0.90	-57	2	12	
Buy	Scot Mutual UK All Share Index	Medium	+8%	0.85	3	4		Avoid	Aberdeen UK Emerging	Low	-5%	0.90	47	3	8	
	Scot Mutual UK Equity	High	-1%	0.85	-50	-8	2	Buy	Aberforth UK Small Coys	Very Low	+16%	0.82	15	11	12	
	Scot Wid. UK Growth	Low	+5%	0.75	-4	5			Allianz Dres UK Mid-Cap	Low	+4%	0.83		9	9	
	Scot Wid. UK Index	Very Low	-5%	0.26	-42	-12	-3	Avoid	Allianz Dres UK Smaller Coys	Low	-11%	0.71	-65	1	12	
Buy	Soc. Gen UK Growth	Very High	+12%	0.71	-40	16	12	Buy	Artemis New Enterprises	Very High	+2%	0.84		46	21	
	Solus UK Growth	Medium	+2%	0.87	-43	-4	2		Artemis UK Smaller Coys	Low	+9%	0.89	-22	14	14	
	Solus UK Special Situations	High	-5%	0.65	-58	-16	5	Avoid	BG British Smaller Coys	Low	+3%	0.93	-34	7	10	
	Sovereign FTSE 100	Medium	-1%	0.80	-47	-7	3		BWD UK Smaller Coys	Low	-1%	0.90	-46	6	12	
	Sovereign UK Growth	High	+1%	0.79	-49	-2	4	Buy	Baring UK Small Coys	Medium	-4%	0.85	-52	2	13	
Buy	St James's Recovery	Medium	+11%	0.56		6	13		Britannic Smaller Companies	Low	-3%	0.78	-47	9	12	
	St James's Tracker	Medium	+4%	0.86	-2	4			Canada Life UK Smaller Coys	Medium	+1%	0.88	-45	23	15	
	St James's UK & Gen Prog.	Medium	+5%	0.80	-32	-7	4	Buy	Cavendish Opportunities	Medium	+8%	0.81	-25	19	19	
	Stan Life UK Equity Gth	Medium	+5%	0.80	-1	6			Cazenove UK Smaller Coys	Medium	-6%	0.91	-56	1	12	
Buy	Threadneedle UK Growth	High	+7%	0.64	-7	2		Avoid	Credit Suisse UK Sm Coys	Medium	-10%	0.87	-60	5	11	
	Tilney UK Equity	Medium	+4%	0.85	-42	-3	4	Buy	Edinburgh UK Smaller Coys	High	-21%	0.86	-81	-1	6	
								Buy	First State British Small Cos	Medium	+10%	0.89	-23	31	20	
Buy	3i Group	Very High	+15%	0.48	-70	12	7	Buy	Framlington UK Smaller Coys	Medium	+8%	0.93		19	13	
	Aberdeen Convertible	High	-2%	0.14	-70	35	16	Buy	Govett UK Smaller Companies	Medium	-0%	0.87	-44	18	17	
	Advance UK	Medium	+6%	0.55	-38	14	14	Buy	HSBC Splst UK Smaller Coys	Medium	+0%	0.88		11	10	
Buy	Albany	Medium	+9%	0.56	-27	1	5		Henderson UK Small Coys	High	-8%	0.88		15	12	
Buy	Aurora Invest Trust	Very High	+18%	0.45	-37	33	15	Avoid	ISIS AIM	Low	-7%	0.68		2	17	
Buy	Blue Planet UK Fin.	High	+7%	0.34		-12	1	Avoid	ISIS UK Smaller Companies	Medium	-7%	0.88	-60	1	14	
	British American IT	Low	-3%	0.14	-46	-11	9	Avoid	Insight UK Smaller Companies	Low	-10%	0.90		3	12	
	British Assets	Very High	+0%	0.79		-9	-1	Avoid	Insight UK Small Cap	Medium	-6%	0.91	-51	8	11	
	British Portfolio Trt	High	+2%	0.69		-2	3		Invesco Perp UK Small Coys	Medium	-1%	0.85	-49	4	4	
	City Merchants High Yld	Very Low	+2%	0.10	-18	4	8		Invesco Perp UK Small Cos Equ.	Low	-1%	0.87		-0	3	
	City of London	Medium	+6%	0.72	-33	-11	-2		JPMF UK Smaller Companies	Low	-1%	0.92		17	14	
Buy	Deutsche Equity Income	Medium	+8%	0.62	-32	-6	1		Jupiter UK Small Cos	Medium	-3%	0.88	-45	10	13	
	Dresdner RCM 2nd End 09	Very Low	-1%	0.21	-38	3	0		L & G UK Small Coys	Medium	+2%	0.89	-43	15	11	
	Dresdner RCM End 2010	Very Low	-1%	0.32		-10	1		Lazard UK Small Coy	Low	+6%	0.90	-23	7	11	
	Dresdner RCM 2b End 06	Very Low	-6%	0.07	-42	-11	0		Legg Mason UK Emerging Gth	Medium	-17%	0.69		3	6	
	Dunedin Income Growth	Very High	+6%	0.72	-43	-14	1	Avoid	M & G Smaller Companies	Medium	-5%	0.87	-59	11	9	
Buy	Edinburgh UK Tracker	Medium	+0%	0.78	-47	-8	5	Buy	Martborough Special Situations	Medium	+15%	0.84	-5	44	28	
Buy	Enhanced Zero Trust	Very High	+17%	0.05	-100	-80	-56		Merrill Lynch UK Small Cos	Medium	+0%	0.80		15	19	
Avoid	Exeter Dividend Gth	Very High	-99%	0.36		-57	0		Norwich UK Smaller Cos	Low	+3%	0.95		9	11	
Buy	Exeter Dynamic Growth	Very Low	+51%	0.04		-15	0	Buy	Pearl UK Small Coys	Medium	-10%	0.77	-62	14	13	
Buy	Exeter Progressive	Very High	-102%	0.21		-49	0		Premier UK Smaller Coys	Low	+1%	0.86		3	10	
Avoid	F & C Income Growth	Medium	+15%	0.62	-15	-7	-2		Prudential Smaller Companies	Medium	+1%	0.91	-44	11	10	
Buy	Falcon Investment Trust	High	-5%	0.31		1	5	Avoid	Rathbone Smaller Coys	Medium	-4%	0.87		17	17	
Buy	Fidelity Special Values	Medium	+25%	0.39	7	11	7		S & W Smaller Securities	High	-19%	0.81	-73	1	10	
Buy	Finsbury Growth	High	+5%	0.67	-41	-1	4		Schroder UK Smaller Coys	Medium	+6%	0.96	-30	12	15	
Buy	Gartmore Growth Opps	High	+12%	0.49	-39	45										

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>							
Buy	3i Smaller Quoted Coys	High	-1%	0.81	-57	18	16
	Aberforth Smaller Coys	Low	+18%	0.70	13	3	6
	Britannic Smaller Coys	Medium	+0%	0.80	-47	13	11
	Capital Opportunities	High	-2%	0.55	-68	31	16
	Discovery Trust	High	+1%	0.65	-52	37	19
	Dunedin Smaller Coys IT	High	+2%	0.81	-53	10	10
	Eaglet Investment Trust	High	+6%	0.67	-45	18	19
Avoid	Edinburgh Smaller Coys	Very High	-23%	0.75	-83	4	27
Buy	Fleming Mercantile	Medium	+10%	0.84	-27	13	9
	Framlington Innovation	Medium	+5%	0.76	-28	19	16
Buy	Gartmore Fledgling Indx	Low	+18%	0.61	2	33	27
	Gartmore Small Coys	High	+0%	0.69	-53	39	19
	Henderson Smaller Cos	Very High	+4%	0.88		22	19
	I & S UK Smaller Coys	High	+2%	0.72	-56	36	16
	Intrinsic Value plc	Medium	-1%	0.52	-47	43	46
	Invesco England	Very High	+3%	0.78	-58	24	15
	Invesco Perp UK Smaller	Medium	-0%	0.88		8	9
	JPMF Smaller Cos	Very High	+4%	0.80	-55	21	20
	JPMF US Discovery	High	+4%	0.78		25	20
	Montanaro UK Small Coys	Medium	-2%	0.79	-49	-4	8
	Shires Smaller Coys	Medium	+4%	0.62	-30	-8	11
	Themis FTSE All Small	Medium	+5%	0.83	-37	23	21
	Throgmorton Trust	High	+5%	0.84	-34	21	24

**UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL**

Buy	Aberforth SL - Cap	Low	+18%	0.58	26	14	12
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**EUROPE**

**AUSTRALIAN BASED UNIT TRUSTS**

Avoid	BT Europe Growth	Low	-7%	0.50	-51	-12	0
Avoid	Dresdner Europe Growth	Low	-10%	0.51	-52	-11	2
	Fidelity Perp. Europe	Low	-5%	0.48	-45	-11	1
Buy	Platinum Europe	Medium	+13%	0.66		12	9

**NEW ZEALAND BASED UNIT TRUSTS**

	BTIS European Share	Very Low	-2%	0.73	-35	-4	3
	Tower Spotlight Europe	Low	-3%	0.68	-44	-1	3

**UNITED KINGDOM BASED UNIT TRUSTS**

	AXA European Growth	Medium	-2%	0.81	-51	2	5
	Aberdeen European Growth	High	+4%	0.87	-47	2	1
	Aegon Europe Tactical	Medium	-4%	0.83		1	0
	Aegon European	Medium	-3%	0.86		2	1
	Allchurches Euro Growth	Medium	+1%	0.86	-38	-1	3
	Allianz Dres Euro Index	High	+1%	0.87	-49	1	1
	Allianz Dres European	Medium	+1%	0.88		-0	1
Buy	Artemis European Growth	Low	+8%	0.81		10	7
	BG Europe	Medium	-4%	0.87	-54	-3	2
	Baring Euro Sel.	Low	0%	0.64	-46	18	12
	Baring European Growth	High	-4%	0.89	-58	-3	1
	Britannic European	High	+0%	0.87	-50	-0	2
	CIS European	Medium	-2%	0.90		-1	2
Avoid	Canada Life European	Medium	-7%	0.84	-58	-3	2
	Cazenove European Portfolio	High	-1%	0.90	-60	7	4
	Credit Suisse European	High	-1%	0.88	-51	-3	0
	DWS European Growth	Medium	-4%	0.85	-53	-2	4
	Edinburgh European	Medium	-2%	0.87	-50	-6	1
Buy	Fidelity European	Low	+10%	0.83	-19	10	4
Buy	Fidelity European Opps	Very High	+9%	0.87	-47	13	6
Avoid	First State Euro Growth	Medium	-8%	0.81	-57	-6	0
	Framlington European	Medium	-2%	0.87	-52	1	4
	GAM European Growth	Medium	-1%	0.79	-46	-2	5
	Gartmore European Sel Opps	Medium	+1%	0.86	-48	-5	1
	Gartmore European	High	+4%	0.78	-46	11	2
	Govett European Blue Chip	High	+1%	0.88	-50	-0	2
	Govett European Strategy	High	-4%	0.84	-56	-1	2
	HSBC Eurotrack 100	High	+1%	0.89	-50	2	1
	HSBC Splst European	High	+3%	0.87		1	2
	Henderson Euro Cap Gth	High	+1%	0.87		1	4
	Henderson European	High	+0%	0.87	-52	-0	3
	ISIS European	High	+3%	0.88	-49	6	3
	Insight Euro Opps	Medium	-2%	0.87	-51	-1	1
	Insight Europe	Medium	-3%	0.82	-49	-1	5

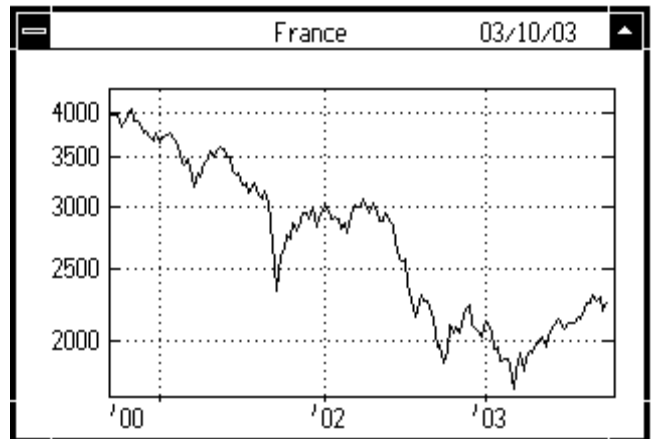
Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Insight European	Medium	-0%	0.82	-51	-3	-5
Buy	Invesco Perp European Equity	High	+7%	0.84		1	-1
Avoid	Invesco Perp Euro Growth	Medium	-12%	0.76	-68	-6	-1
	JPMF European Growth	Medium	-2%	0.85		1	4
Buy	JPMF New Europe	Medium	+28%	0.55		25	12
	Jupiter European	Low	+0%	0.78	-37	2	6
	L & G (A & L) European	Medium	-3%	0.88	-50	-2	2
	L & G Euro Index	High	+1%	0.91	-50	2	1
	L & G European	High	-3%	0.90	-54	-4	-0
	Lazard European Growth	Medium	+2%	0.89	-42	0	2
	Legg Mason Euro Growth	Medium	-4%	0.80	-52	-7	-2
	Lincoln European	High	-1%	0.82	-55	-3	-1
	M & G Euro Blue Chip	Medium	-6%	0.88		-4	-0
	M & G European Index Tracker	High	+0%	0.90	-51	1	1
	M & G European	Very High	-1%	0.91	-57	1	2
	MGM European Growth	Very High	+4%	0.88	-47	2	4
	Martin Currie European	Very High	+4%	0.88	-53	6	3
Avoid	Merrill Lynch European Gth	Medium	-16%	0.58	-69	-0	3
	NPI European	High	-1%	0.85		-2	2
	Newton Continental European	Medium	-2%	0.88	-44	-1	3
	Newton Pan-European	Medium	-1%	0.89		1	4
	Norwich European	Medium	+4%	0.91		2	1
	Pearl New Europe	Medium	-1%	0.84	-48	-0	6
	Primer European Growth	Low	-1%	0.81		2	5
	Prudential Euro Index	Medium	-2%	0.89		-2	0
	Prudential European	High	+0%	0.88	-48	-2	1
	Royal London European Gth	High	+1%	0.85	-48	2	3
	S & W European	High	+3%	0.89	-52	5	1
	Schroder European	High	+1%	0.89	-49	7	5
	Schroder Europe Active Value	Very High	+5%	0.86		3	2
	Schroder European Dynamic	Very High	+6%	0.90		13	4
	Scot Amic European	Medium	+2%	0.88	-46	-4	2
	Scot Life European	High	+1%	0.87	-49	3	3
	Scot Mutual European	High	+1%	0.89	-52	0	1
	Scot Wid. Euroland	Medium	-3%	0.85	-52	-4	3
	Scot Wid. European Growth	Low	-2%	0.84		-5	2
	Singer & Freidlander Cont'l	Medium	-1%	0.82	-53	-2	2
	Soc Gen European	High	+1%	0.86	-53	2	3
	Solus European Growth	Medium	-2%	0.90	-50	6	5
	Sovereign European Gth	High	+0%	0.83	-52	1	2
	St James's Gtr Euro Prog.	Medium	+3%	0.87		4	6
	Stan Life European	Medium	-1%	0.87		-1	5
	Threadneedle Euro Growth	High	+5%	0.84		3	4
	Threadneedle Euro Sel Growth	High	+4%	0.86		4	5
	Threadneedle Pan Euro Gth	Medium	+1%	0.89		-1	4
	Tilney European Growth	High	+1%	0.87	-50	1	1

**UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS**

	Blue Planet Gth & Inc	Very Low	-5%	0.03		-1	9
	Charter Pan European	Very High	+1%	0.85	-58	4	5
Buy	Eastern European	Medium	+29%	0.52	33	26	16
	European Assets	Very High	-1%	0.60	-65	13	10
	F & C European	Very High	+6%	0.78	-57	1	3
	Gartmore European	High	-4%	0.73	-59	-11	1
Buy	Gartmore Irish Small	Low	+18%	0.40	10	31	19
Buy	Invesco Perp European	Very High	+8%	0.79		17	12
Buy	Jupiter European Opps	Very High	+8%	0.60		16	16
Buy	Martin Currie European	Very High	+9%	0.83	-60	17	2
	Merrill European	High	+0%	0.85	-54	1	5

**UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL**

Avoid	Govett Euro Enhanced	Very High	-58%	0.29	-97	-42	-7
Buy	Legg Mason Euro Util.	Very High	+7%	0.61	-73	33	4



**EUROPE SMALLER COS**

**UNITED KINGDOM BASED UNIT TRUSTS**

	BG Euro Small Coys	Very High	-1%	0.67	-61	14	17
	DWS European Smaller Cos	High	-1%	0.75	-61	12	11
	First State European Small	Medium	+6%	0.83		6	8
	Henderson European Smaller Cos	Medium	-1%	0.69	-56	13	11
Avoid	Invesco Perp Euro Smaller Cos	High	-9%	0.65	-70	1	1
	JPMF European Smaller Coys	Low	-4%	0.67		7	10
	Jupiter Euro Spec Sits	Low	+3%	0.80	-40	1	4

(Continued on Page 6)

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	M & G European Smaller Coys	High	-6%	0.67	-68	19	14
	Schroder Euro Small Coys	High	-2%	0.75	-61	8	10
Buy	Threadneedle Euro Small Cos	Low	+12%	0.76		13	11
<b>UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS</b>							
Buy	Fidelity Euro V.	Medium	+11%	0.60	-26	1	4
Avoid	Henderson Euro Micro	High	-7%	0.47	-65	36	25
Avoid	Invesco Continental Sm	Very High	-9%	0.58	-84	21	12
	JPM Euro Fledgling	Very High	+3%	0.64	-65	12	14
Avoid	TR European	High	-10%	0.58	-73	28	14

### GERMANY

#### UNITED KINGDOM BASED UNIT TRUSTS

Avoid	Baring German Growth	Low	-11%	0.59	-65	7	4
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## LeggMason Investors International Utilities

We recommended the sale of these shares in June as the trust had been forced to sell many of its equity investments to repay debts and to invest in fixed interest investments to meet its obligations to Zero Dividend Preference shares. The shares therefore offer no potential for capital appreciation - but just had a residue entitlement to income earned this year.

The trust is now being restructured. For every 100 ordinary shares, investors are being offered either (1) four £1.00 shares in a new utilities trust to be called **Premier Utilities Trust** or (2) 3.2 shares of £1.00 in a Money Market fund or (3) £3.20 in cash.

At face value the new Premier Utilities shares are worth 25% more than the two cash alternatives, but (1) the shares *may* trade on-market at a discount, so the value would be less than £4.00 and (2) this investment has lost 98% of its value so investors would receive a very small shareholding. Selling these shares in the future - even at FasTrade's low £10 brokerage - could erode 25-50% of the remaining value.

The best option is probably to take the cash.

## Readers Ask . . .

**Question:** Thank you for your advice recently regarding placing a buy order through FasTrade for a Unit Trust/OEIC. However I'm still confused as when I follow the advice I end up with three Henderson Pacific Capital Growth funds to choose from:

Henderson GBL INVS Pacific Capital GTH A NAV

Henderson GBL INVS Pacific Capital GTH I NAV

Henderson GBL INVS Pacific Capital GTH X NAV

Which one does your buy recommendation relate to?

**Answer:** These are all the same fund, but many unit trust of OEICs now offer three classes of shares with different entry, exit and annual fees:

The "I" shares are *Institutional* and the minimum investment is £500,000. These have the lowest fees, so if you have that much to invest then great, but for the rest of us the choice is between the "A" shares and the "X" shares.

The "A" shares charge a 5% sales fee up-front (although Fastrade will rebate about 3% of this back to you) and then 1.5% p.a. as an annual management fee.

The "X" shares charge nothing up front but 2.0% p.a. in management and deferred sales fees - plus an exit fee which starts at 4% (i.e. if you sell within one year) and declines to zero over six years.

The best option is the "A" shares as the initial fee is reduced to about 2% through Fastrade (plus their £10-15 brokerage and £40 handling fee), whereas it takes six years to avoid the exit fee with the "X" shares and you still get hit with an extra 0.5% fee per year for every year that you hold the investment.

## Next Issue

The next issue of *International Investor* will be posted in five weeks time on Tuesday November 11, 2003 (and delivered in most areas on Wednesday 12).

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