

International Investor

Issue No. 98

P.O. Box 34-162, Auckland

February 10, 2004.

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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	62%	Bullish	Bullish	Bearish	Bullish	+9.2%	+23.4%	+48.3%	3,285.00
Austria	63%	Bearish	Bullish	Bullish	Bullish	+34.2%	+48.1%	+74.5%	1,741.98
Belgium	78%	Neutral	Bullish	Bullish	Bullish	+20.5%	+32.7%	+58.0%	2,396.55
Canada	68%	Bearish	Bullish	Bullish	Bullish	+9.6%	+25.1%	+52.8%	8,638.61
Denmark	77%	Bearish	Bullish	Bullish	Bullish	+16.1%	+36.5%	+71.8%	271.06
Finland	68%	Bullish	Bullish	Neutral	Neutral	+16.3%	+41.3%	+53.0%	6,698.38
France	81%	Bullish	Bullish	Bullish	Bullish	+16.1%	+29.4%	+53.8%	2,471.34
Germany	70%	Bearish	Bullish	Bullish	Bullish	+18.5%	+36.3%	+84.9%	4,044.99
Ireland	75%	Bullish	Bullish	Bullish	Bullish	+18.4%	+31.2%	+56.8%	5,100.45
Italy	77%	Bullish	Bullish	Bullish	Bullish	+14.6%	+24.5%	+45.2%	20,480.00
Japan	45%	Neutral	Bullish	Bearish	Bearish	+2.2%	+26.6%	+41.2%	10,460.92
Netherlands	80%	Bullish	Bullish	Bullish	Bullish	+9.1%	+19.0%	+39.4%	477.38
New Zealand	56%	Neutral	Bullish	Bearish	Neutral	+16.4%	+33.4%	+43.5%	2,019.33
Norway	76%	Neutral	Bullish	Bullish	Neutral	+15.0%	+29.4%	+63.8%	672.57
Spain	75%	Neutral	Bullish	Bullish	Bullish	+20.8%	+28.9%	+61.1%	839.00
Sweden	65%	Bearish	Bullish	Bullish	Bullish	+19.7%	+40.2%	+75.2%	209.02
Switzerland	67%	Bearish	Bullish	Bullish	Bullish	+21.7%	+27.9%	+51.3%	5,810.90
Un. Kingdom	59%	Bullish	Bullish	Neutral	Bearish	+11.3%	+21.8%	+38.5%	4,402.70
USA	64%	Bearish	Bullish	Bullish	Bearish	+8.5%	+16.9%	+37.7%	1,142.76
Argentina	50%	Bearish	Bullish	Bullish	Bearish	+14.8%	+43.6%	+63.8%	2,520.28
Brazil	74%	Neutral	Bullish	Bullish	Bullish	+14.9%	+66.4%	+158.9%	21,968.81
Czech Rep.	76%	Bullish	Bullish	Neutral	Bullish	+19.4%	+38.1%	+69.6%	719.50
Chile	65%	Bearish	Bullish	Bullish	Bearish	+4.4%	+31.7%	+77.6%	7,146.34
China	60%	Neutral	Bullish	Bullish	Bearish	+5.6%	+7.5%	-7.4%	117.88
Greece	65%	Neutral	Bullish	Bullish	Bearish	+23.4%	+27.8%	+71.5%	2,445.16
Egypt	63%	Bearish	Bullish	Bearish	Bullish	+9.0%	+20.8%	+20.3%	867.51
Hong Kong	69%	Neutral	Bullish	Bullish	Neutral	+8.9%	+34.3%	+45.9%	13,309.60
Hungary	53%	Bearish	Bullish	Bearish	Bullish	+9.8%	+33.5%	+45.7%	10,005.41
India	58%	Bearish	Bullish	Bullish	Bearish	+16.4%	+51.3%	+86.0%	5,786.35
Indonesia	68%	Neutral	Bullish	Bullish	Bearish	+21.5%	+52.0%	+101.6%	758.92
Israel	64%	Bearish	Bullish	Bullish	Bearish	+12.2%	+31.9%	+95.1%	550.89
Korea	59%	Neutral	Bullish	Bearish	Bullish	+6.7%	+22.1%	+49.2%	850.23
Malaysia	54%	Bullish	Neutral	Neutral	Bearish	+1.1%	+12.9%	+23.3%	815.42
Mexico	59%	Neutral	Bullish	Bearish	Bullish	+14.7%	+28.7%	+65.7%	9,810.77
Philippines	54%	Bearish	Bullish	Bullish	Neutral	+2.0%	+15.9%	+35.3%	1,461.53
Poland	49%	Bearish	Bullish	Bearish	Neutral	+14.5%	+23.1%	+64.4%	22,512.88
Portugal	79%	Neutral	Bullish	Bullish	Bullish	+23.6%	+38.7%	+48.9%	1,998.38
Russia	55%	Bearish	Bullish	Bullish	Bearish	+15.3%	+32.5%	+83.6%	7,118.04
Singapore	69%	Neutral	Bullish	Bullish	Neutral	+8.1%	+25.9%	+49.3%	1,854.41
Sth Africa	76%	Bullish	Bullish	Bullish	Bullish	+9.0%	+29.4%	+47.4%	10,809.75
Taiwan	44%	Neutral	Neutral	Neutral	Bearish	+7.1%	+25.7%	+40.2%	6,353.35
Thailand	63%	Neutral	Bullish	Bullish	Bearish	+8.4%	+51.6%	+106.2%	711.15
Turkey	55%	Bearish	Bullish	Bullish	Bearish	+19.4%	+39.1%	+75.2%	15,110.17
Venezuela	57%	Neutral	Bullish	Bullish	Bearish	-31.2%	+7.3%	+83.8%	28,027.00

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.

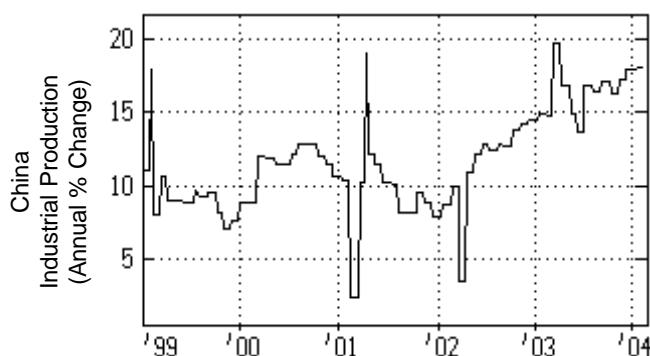
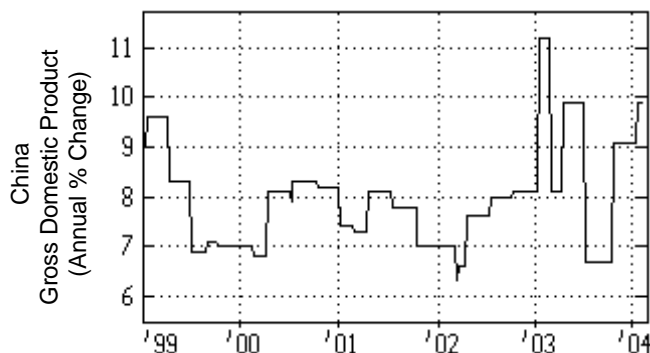
Chinese Stockmarket Outlook Improves

Just last month we stated “One of the stockmarkets that must have the greatest potential over future years would be China, owing to the modernisation and rapid economic development” but noted that Chinese shares had not participated in the 2003 global stockmarket rally.

However, our Stockmarket Forecast for China has improved to a slightly Bullish 60% while the Chinese stockmarket is now showing signs that it is at the start of a new major uptrend . . .



The economy has also recovered over the last year or two and is growing more rapidly . . .



Investing in China

There are no regular funds that invest solely in China. There is a handful of “China Region” funds investing in Hong Kong, China and Taiwan. This is probably the best way to gain an exposure in China. Investors can also easily buy Chinese companies listed on the US stockmarket as ADRs.

Many HK companies either have operations in mainland China, or are the holding company for Chinese businesses, so investing in HK shares/funds will give an investor an exposure to the development and growth of the Chinese economy. A HK listed parent company also offers investors a higher standard of corporate governance, better investor protection and greater degree of accuracy in its financial reports.

There are also around a hundred Far Eastern funds that *all* own HK shares and many of which will have a direct investment in Chinese shares. For example, our recommended fund **Gartmore Pacific Growth Fund** has 22% of its portfolio in HK and 8% in China. **Henderson Pacific Capital** has 14% in HK and a very high 16% in China, while **Scottish Oriental Smaller Companies** holds 20% of its portfolio in HK and 9% in China.

China Region Funds

Our *Investment Fund Survey* covers five China Region funds. Four of these are OEICs or unit trusts:

Gartmore China Opportunities, a £45 million fund, probably heavily weighted towards China although this is not disclosed,

Investec Hong Kong & China which is the largest fund with £70 million in HK 69%, China 30% and cash 1%,

Invesco Perp Hong Kong & China, a small £17 million fund invested in HK 69%, China 22% and cash 9%,

HSBC Specialist Hong Kong Growth - a long term holding in our *Recommended Portfolio* - which is a £26 million fund investing mainly in Hong Kong (90%) but with some Chinese shares (10%).

There is also one listed investment trust **JP Morgan Fleming Chinese IT plc** which is a £39 million trust, HK 48%, China 28%, Taiwan 19%, cash 4%.

All of these funds rate well, with *Superiority Ratings* greater than zero (i.e. have yielded *above* expected returns), JPMF Chinese and Gartmore China Opportunities rate the highest.

The best *diversified* funds are Gartmore China Opportunities with just 27.7% of the portfolio in its ten largest investments, JPMF Chinese (27.8%) and Invesco

Perp HK & China (33.9%). More poorly diversified are Investec HK & China and HSBC Splst HK & China where the ten biggest holdings make up around 50% of total assets.

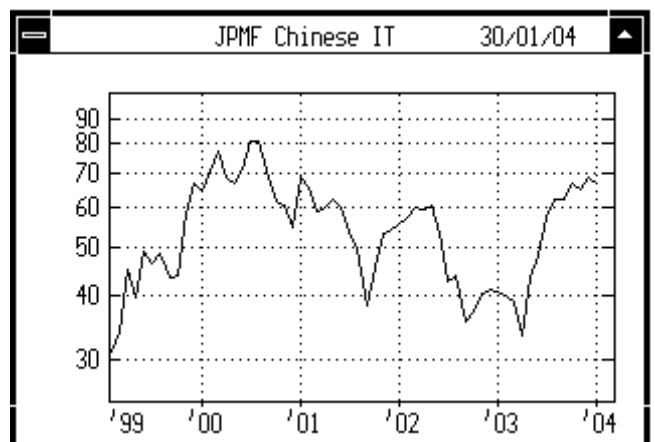
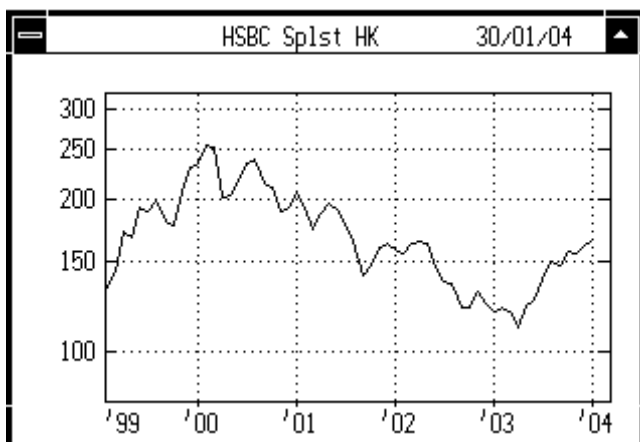
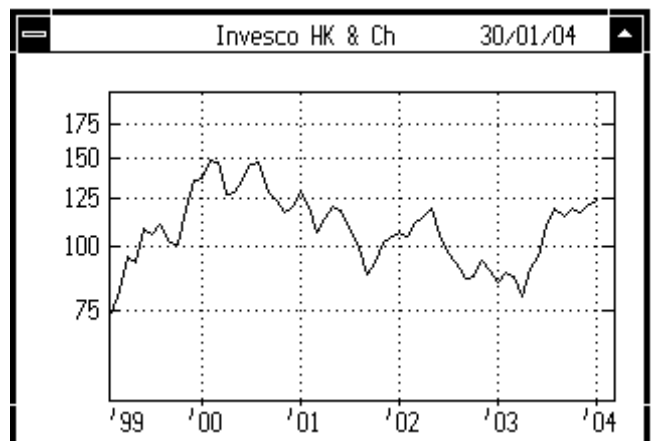
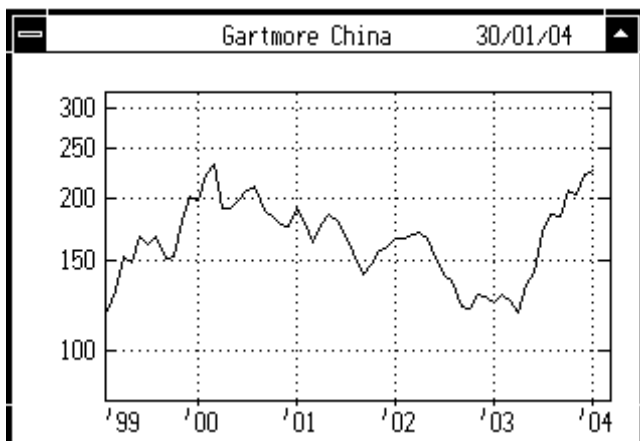
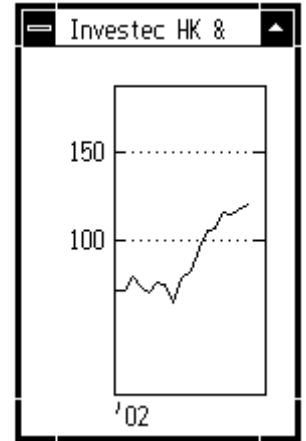
Annual management fees are 1.50% for the four unit trusts. The unit trusts have relatively standard initial charges of 4-5% (most of which will be rebated by a broker like FasTrade), giving an initial buy/sell spread of about 7% (before the fee rebate). The minimum investment is just £500 in the HSBC and Invesco funds and £1000 for Gartmore and Investec.

The JPMF Chinese listed trust has a slightly lower annual management fee of 1.2%. The bid/offer spread on-market is about 3%.

Summary and Recommendation

While all five of these funds have performed well, **Gartmore China Opportunities** and **JP Morgan Fleming Chinese** have performed best and have the most diversified portfolio. So these two funds would be the best choice for investors seeking to increase their exposure to the Chinese stockmarket.

The China Funds Charts are all drawn to the same ratio scale



Recommended International Investment Funds

Dividends

Aberforth Smaller Companies Trust plc plans to pay a final dividend of 6.6 pence (plus Tax Credit). The shares have traded ex-dividend since 6 February and the dividend will be paid on 5 March.

Fidelity European Values plc has announced an interim dividend of 1.5 pence (plus Tax Credit) and the shares have traded ex-dividend since 28 January. Payment will be on 31 March.

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	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-8%	600.5p	1597.1	+24
BUY	JFM Fleming Euro Fledgeling IT plc	JFF	15/01/02	226.5p	765.8	-21%	247.0p	656.9	-14
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15-07-03	375.5p	1042.0	-12%	412.5p	1097.1	+5
BUY	Eaglet Investment Trust plc	EIN	13/11/01	334.0p	1160.7	-15%	340.0p	904.3	-22
Asian Regional									
BUY	Aberdeen Asian Sm Co WARRANTS	AASW	09/09/03	75.3p	209.1		90.8p	241.4	+15
BUY	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4		190.71p	507.2	+381
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		41.27p	109.8	+3
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6		165.3p	439.6	-9
BUY	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6		280.9p	747.1	-33
BUY	Scot Oriental Sm Cos WARRANTS	SSTW	11/11/03	78.0p	211.5		76.75p	204.1	-3
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8		9.75p	25.9	-66
Japan									
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-11%	124.5p	331.1	-25
HOLD	Invesco Japan Discovery Trust	JD	13/07/99	95.5p	284.0	-10%	68.75p	182.9	-36
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		91.95-97.81p	252.3	+21
International									
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	61.7p	184.0		124.5p	331.1	+80
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-26%	91.25p	242.7	-42
HOLD	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		17.5p	46.5	-61

* 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 173¼ (-6%, i.e. 6% below net asset value), **Schroder Asia Pacific** shares at 83 pence (-6%), **Scottish Oriental Smaller Companies** shares at 165½ pence (-3%), **Templeton Emerging Markets** shares at 144¾ pence (-12%), **Baillie Gifford Shin Nippon** warrants at 13½ pence and **Invesco Japan Discovery** warrants which trade at 3 pence.

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
NEW ZEALAND															
NEW ZEALAND BASED UNIT TRUSTS															
	AMP NZ Share	Very Low	+1%	0.61	24	15	6	Avoid	NZ Guardian Small Coys	Very Low	-10%	0.30	-18	32	5
	ASB NZ Shares	Medium	+1%	0.64	32	19	9		NZ Share Index Top 40	Low	-2%	0.57	16	18	6
	BNZ Equities Discovery	Very Low	+1%	0.66	21	18	5		Thoroughbred NZ Equity	Very Low	+4%	0.56	34	18	6
	BNZ NZ Equity Index	Low	-3%	0.70	12	19	8		Tower New Zealand Equity	Very Low	+1%	0.67	21	16	5
	BTIS NZ Share	Very Low	+1%	0.71	21	15	7		Westpac Sel. NZ Shares	Very Low	-1%	0.64	15	11	5
	ING NZ Share	Very Low	-1%	0.57	16	12	5	NEW ZEALAND LISTED INVESTMENT TRUSTS							
	ING NZ Share	Very Low	-1%	0.57	16	12	5		Mid-Cap Index	Low	-3%	0.51	9	6	2
	NZ Guardian NZGT 30	Medium	-3%	0.78	9	18	7		TeNZ	Medium	+0%	0.74	21	26	8
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS															
									NZ Investment Trust	Very Low	+2%	0.14	26	27	9

Current Advice	Investment Fund	Risk Rating	Superiority Rating	Market Correlation	Performance		
					36 mth	12 mth	3 mth
	Royal London Far East Gth	High	-0%	0.94	-20	25	3
	Schroder Pacific Growth	High	+1%	0.96	-19	24	0
	Scot Amic Asia Pacific	Medium	+3%	0.96	-15	28	2
	Scot Mutual Far Eastern	Medium	-2%	0.95	-26	18	-3
	Scot Wid. Pacific	Medium	+1%	0.93		21	-1
Buy	Solus Eastern Enterprise	Medium	+7%	0.88	-2	39	0
	Stan Life Asian Pacific	Medium	-0%	0.92		22	1
	Threadneedle Asia Growth	Medium	+3%	0.95		24	-1

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Aberdeen New Dawn	Medium	+16%	0.85	28	50	6
Buy	Aberdeen Asian Small Co	Low	+21%	0.64	56	52	5
	Edinburgh Dragon Trust	Very High	+4%	0.88	20	43	1
	Fidelity Asian Values	Very High	+0%	0.87	-29	27	-6
Avoid	Govett Asian Inc & Gth	Very High	-17%	0.40		62	17
	Govett Singapore Gth	Very Low	-2%	0.50	-26	7	-5
	Henderson TR Pacific	Very High	+3%	0.88	-22	32	-2
	Invesco Asia	Very High	+0%	0.82	-27	22	-8
	JPMF Asian	High	+2%	0.86	-16	40	6
	Pacific Assets	Very High	+3%	0.87	-21	45	0
Buy	Pacific Horizons	High	+14%	0.81	14	47	6
	Schroder Asia Pacific	Very High	+5%	0.85	-13	46	1
Buy	Scottish Oriental Sm Co	Low	+24%	0.64	77	38	-2

UNITED KINGDOM BASED INVESTMENT TRUSTS - SPLIT CAPITAL

Avoid	BFS Asian Assets - Inc	Very Low	-9%	0.29	-42	16	-4
Avoid	BFS Asian Assets - Cap	Low	-50%	0.07	-87	-68	-2

FAR EASTERN / PACIFIC (INCL JAPAN)

AUSTRALIAN BASED UNIT TRUSTS

Avoid	BT Asian	Very High	+2%	0.85	-21	24	2
Avoid	Commonwealth Asia Pacific	High	-8%	0.80	-43	11	-3
Avoid	Invesco Asian Growth	Very High	-8%	0.84	-42	11	-7

NEW ZEALAND BASED UNIT TRUSTS

	BTIS Pacific Basin	Low	+3%	0.75	-11	26	9
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UNITED KINGDOM BASED UNIT TRUSTS

	Aberdeen Asia Pacific	Medium	+6%	0.93	-3	30	2
	Jupiter Far Eastern	Medium	-5%	0.90	-31	16	-2
	L & G Far East	Medium	-1%	0.93	-22	27	-2
Buy	Lincoln Far East	Medium	+9%	0.83	2	22	1
	S & W Far Eastern	Medium	-5%	0.93	-32	21	-2
	Schroder Far Eastern	Medium	-5%	0.95	-34	16	-2
	Scot Life Pacific	Medium	-5%	0.94	-34	17	-2
	St James's Far East	Medium	+1%	0.93	-14	25	2

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	F & C Pacific	High	-3%	0.83	-27	22	-2
	Govett Asian Recovery	Medium	+3%	0.76	-10	30	-5
Buy	Henderson Far East Inc.	Medium	+18%	0.81	41	25	-1
	Martin Currie Pacific	Very High	+5%	0.84	-12	49	3

HONG KONG / CHINA REGION

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Gartmore China Opportunities	High	+17%	0.72	-2	63	7
	HSBC Splst Hong Kong Gth	Medium	+4%	0.90	-33	25	4
Buy	Invesco Perp HK and China	High	+10%	0.80	-21	30	1
Buy	Investec HK & China	Medium	+10%	0.92		34	2

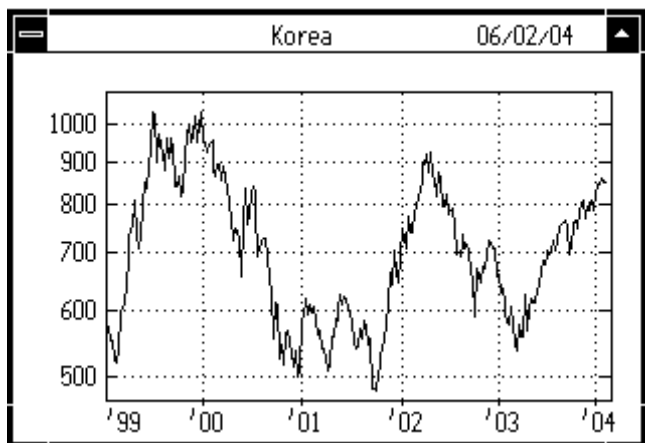
UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	JPMF Chinese	Very High	+22%	0.71	-19	48	-2
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KOREA

UNITED KINGDOM BASED UNIT TRUSTS

	Baring Korean	Medium	+6%	0.90	21	13	1
	Schroder Seoul	Medium	+5%	0.91	17	14	1



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

THAILAND

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	Aberdeen New Thai IT	Medium	+15%	0.69	105	87	-6
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INDIA

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	JPM Fleming Indian	Medium	+18%	0.79	12	83	12
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JAPAN

AUSTRALIAN BASED UNIT TRUSTS

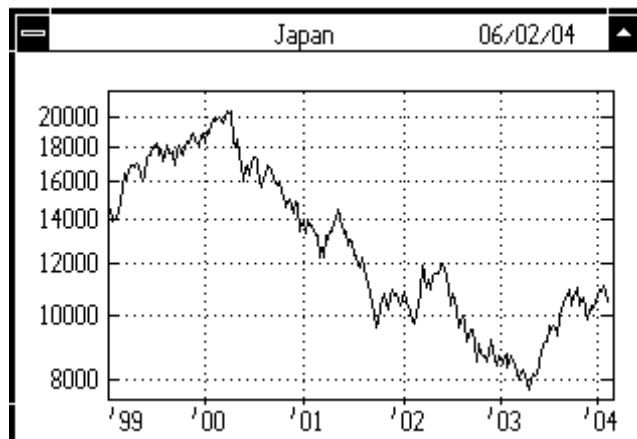
	Dresdner Japan Growth	Medium	-1%	0.76	-39	12	-9
	Perpetual Fid. Japan	Very High	+5%	0.72	-39	34	-9
Buy	Platinum Japan	Low	+9%	0.48		24	-3

UNITED KINGDOM BASED UNIT TRUSTS

Avoid	AXA Japan Growth	Very Low	-7%	0.77	-44	13	-3
	Aberdeen Japan Growth	Very Low	-5%	0.74		6	-3
	Allianz Dres Japan	Low	-4%	0.74	-40	15	-7
	BG Japan	Low	-3%	0.77	-40	25	-3
	Baring Japan Growth	Medium	-0%	0.77	-37	27	-6
	Britannic Japan	Medium	-2%	0.89	-39	20	-4
	CS New Japan	Low	+6%	0.65		18	-9
	Canada Life Japanese	Low	-6%	0.78	-47	11	-6
	DWS Japan Growth	Low	-2%	0.80	-39	18	-6
	Fidelity Japan	High	+3%	0.90	-40	29	-5
	First State Japanese Growth	Low	-6%	0.84	-47	11	-5
Buy	Framlington Japan & General	Low	+8%	0.37	-27	78	-4
	Gartmore Govett Japanese Opps	Low	+6%	0.52	-17	30	-10
	HSBC Japan Index	Low	-4%	0.85	-42	15	-5
Avoid	HSBC Splst Japan	Low	-9%	0.77		4	-6
	Henderson Japan	Low	+1%	0.46	-34	16	-5
	Insight Japan	Low	-6%	0.81	-48	5	-11
	JPMF Japan Growth	Medium	-4%	0.84		17	-5
	L & G (Barclays) Japan	Low	-3%	0.78	-39	15	-5
	L & G Japan Index	Low	-3%	0.86	-41	16	-5
	L & G Japanese	Low	-2%	0.79	-36	23	-6
Avoid	Lazard Japanese	Very Low	-10%	0.73	-50	3	-7
Avoid	Lincoln Japan	Low	-9%	0.86	-46	8	-6
	M & G Japan & General	Low	-5%	0.82	-46	17	-2
	Martin Currie Japan	Low	-0%	0.88	-1	15	-4
	Merrill Lynch Japan	Low	-4%	0.85	-43	14	-6
	NPI Japan	Low	-2%	0.81		16	-5
	New Star Japan A	Low	-1%	0.82	-35	8	-9
	Newton Japan Growth	Low	-0%	0.73	-32	27	-7
	Old Mutual Japanese Select	Medium	+0%	0.84		21	-6
	Prudential Japanese	Low	-6%	0.85	-46	13	-4
	Royal London Japan Growth	Low	-5%	0.86	-43	10	-6
Buy	SChroder Japan Alpha Plus	Very Low	+7%	0.63		28	-4
	Schroder Tokyo	Very Low	-1%	0.77	-28	8	-4
	Scot Amic Japanese	Low	-5%	0.85	-45	12	-4
Avoid	Scot Mutual Japanese	Low	-4%	0.87	-44	13	-5
	Scot Wid. Japanese	Low	-7%	0.84	-49	9	-8
	Soc Gen Japan Growth	Low	-2%	0.81		17	-2
	Solus Japan	Medium	-3%	0.90	-45	17	-5
Avoid	Stan Life Japanese	Low	-7%	0.76		11	-6
	Threadneedle Japan Growth	Low	-5%	0.83		13	-5

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	JPMF Japanese	Very High	+7%	0.75	-38	30	-7
	Martin Currie Japan	Medium	+1%	0.60	-40	28	-2
	Perpetual Japan	Medium	+4%	0.48	-38	16	-8
	Schroder Japan Growth	Medium	+4%	0.65	-31	11	-10



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

JAPAN SMALLER COS

UNITED KINGDOM BASED UNIT TRUSTS

	BG Japan Small	Very Low	+1%	0.46	-24	29	-6
	Fidelity Japan Sp Sits	Very Low	+0%	0.56	-30	24	-8
	HSBC Splst Japan Small Cos	Very Low	+6%	0.32		45	-5
	Henderson Japan Capital Gth	Low	+0%	0.59	-32	24	-5
	Invesco Perp Japan Small Coys	Very Low	-3%	0.25	-32	29	-4
	M & G Jap Small Cos	Low	+4%	0.55	-27	41	-2
	Threadneedle Japan Small Cos	Very Low	-2%	0.52		15	-9

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

Buy	B Gifford Shin Nippon	Low	+7%	0.38	-20	43	-5
	Baillie Gifford Japan	Medium	+5%	0.51	-32	49	-6
	Fidelity Japan Values	Medium	+4%	0.32	-28	38	-8
	Invesco Japan	Very Low	-2%	0.17	-34	33	-2
Buy	JPM Fleming Japan Small	Medium	+7%	0.48	-31	50	-12

SOUTH AFRICA

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	Old Mutual South Africa	Very Low	+2%	0.07	-23	23	3
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TECHNOLOGY

AUSTRALIAN BASED UNIT TRUSTS

	CFS Global Health Biotech	Very Low	-6%	0.40	-50	5	-3
	CFS Tech & Comms	Low	+3%	0.68	-57	19	-4
Buy	Platinum Intl Technology	Low	+10%	0.52		35	5

UNITED KINGDOM BASED UNIT TRUSTS

Buy	Abbey Nat'l Technology	Medium	+8%	0.78		14	-7
	Aegon Technology	Medium	-1%	0.87	-71	19	-4
	Britannic Global Healthcare	Very Low	-6%	0.32		2	2
	Britannic Global Technology	Medium	+3%	0.83		24	-3

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

Buy	CF Bio-Tech	Medium	+14%	0.62	-50	17	-2
Avoid	First State Gbl Health/Biotech	Very Low	-8%	0.65		4	-1
	Framlington Biotech	High	+3%	0.75		41	6
Buy	Framlington Health	Low	+10%	0.82	-42	28	4
Buy	Framlington NASDAQ	Medium	+7%	0.88	-60	35	-2
	Framlington Netnet	High	-1%	0.90	-70	33	-4
	Framlington New Leaders	Low	-4%	0.90	-59	15	1
	Franklin Biotech	Low	+2%	0.67	-50	24	3
	Henderson Global Technology	Medium	-1%	0.87	-72	17	-4
	Jupiter Global Technology	Medium	-3%	0.95	-67	19	2
Buy	L & G Global Technology	Medium	+7%	0.87		23	-2
	Lincoln Internet Tollkeeper	Medium	+0%	0.79	-66	15	-5
	M & G Euro Tech	High	-3%	0.84		38	7
	M & G Global Media & Com.	Low	-2%	0.80		32	3
	M & G Global Technology	Medium	-4%	0.89	-72	26	3
Avoid	M & G Innovator	Medium	-11%	0.81	-79	33	7
Avoid	New Star Technology Ret A	Very High	-17%	0.86	-85	44	0
	Newton Global Innovation	Medium	+0%	0.93	-62	20	-1
	Old Mutual Global Technology	Medium	+1%	0.92		19	-5
Avoid	Rathbone Technology	Medium	-8%	0.94	-75	23	-3
	Schroder Medical Discovery	Very Low	-4%	0.44	-38	-1	2
	Soc Gen Technology	High	+6%	0.88	-62	23	-3

UNITED KINGDOM BASED LISTED INVESTMENT TRUSTS

	3i Bioscience	High	+5%	0.74	-64	34	4
	3i Euro Technology	Very High	+2%	0.87	-82	85	12
Avoid	Amerindo Internet Fund	Very High	-7%	0.72	-83	15	-7
Buy	Close Fin Eurotech	Very High	+27%	0.79	-65	117	16
Buy	Finsbury Life Sciences	Very High	+9%	0.74	-62	64	11
Buy	Finsbury Technology	Very High	+23%	0.89	-61	59	8
Buy	Finsbury W/wide Pharm.	Medium	+18%	0.77	-33	26	5
Buy	Herald Investment Trust	Very High	+26%	0.76	-43	84	3
	International Biotech	High	+0%	0.78	-72	45	-1
Avoid	Invesco TechMARK	Medium	-14%	0.50	-79	33	6
Avoid	Merrill New Energy Tech	High	-11%	0.55	-78	47	5
Buy	Polar Cap Technology	High	+8%	0.85		34	-2
	Private Equity Investor	Very Low	-2%	0.35	-60	-12	-18

Best Managed Funds

Advance Developing Markets plc (code ADD) is a £138 million emerging markets listed investment trust that invests in other listed investment funds.

One of the main *disadvantages* of this type of "fund of funds" is that there is a double layer of expenses in management fees and other operating expenses. Advance Developing Markets pays its manager a 1% management fee, a performance bonus (if applicable), plus other costs of operating the trust and maintaining a stock exchange listing. The trust invests in *other* listed investment trusts that have the same operating costs.

The *advantage* is that the Manager *may* be able to add value to the portfolio through careful selection of the listed trusts. Specifically it may be able to achieve this by investing in other listed trusts that trade at a significant discount to net asset value.

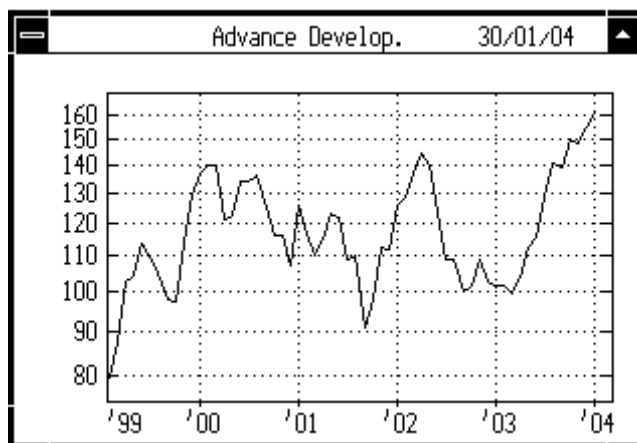
Advance Developing Markets earns a *Superiority Rating* of +8% and has outperformed most other emerging markets funds over the last three years. That strong performance, however, may have been the result of the weak performance of stockmarkets over that period. Advance Developing Markets is *unleveraged* and, given its investment strategy, may tend to hold small cash holdings at times. In a declining market it would therefore tend to outperform (i.e. decline in value by a smaller amount) than a slightly leveraged investment trust. The depressed stockmarket conditions would also tend to increase discounts in some funds, so the trust would have move opportunity to profit from

buying investment trusts at a large discount and encouraging them to take action to close the discount.

The shares currently trade at a 10% discount to their own net asset value and, at 156-158½ pence, are quoted at a low 2% spread.

Summary

While this fund rates well in our survey and *may* be worth consideration, we remain concerned about the certainty of double operating costs that can erode long term returns. We prefer to make a *direct* investment in a trust like **Templeton Emerging Markets plc** or **F & C Emerging Markets plc** rather than invest in these funds *indirectly* through a trust like Advance Developing Markets.

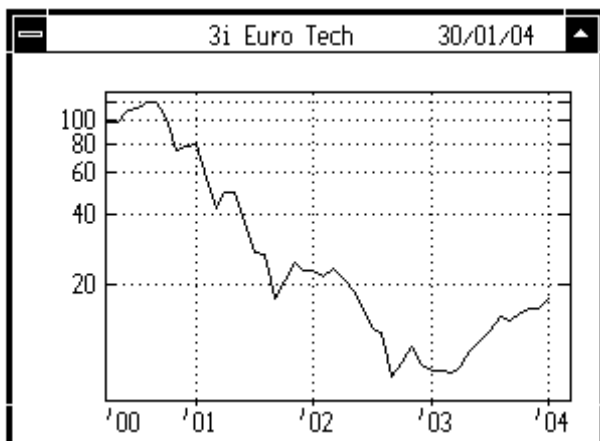


(Continued on Page 8)

Best Managed Funds (Continued from Page 7)
Close Finsbury EuroTech Trust plc (code CFB) and **3i European Technology Trust plc** (code TTT) have both appreciated very strongly in value over the last year and by far outperformed other Technology funds.

3i European Technology Trust has a £67 million portfolio of *smaller* UK and European companies providing technology products and services. It excludes life science, biotechnology and media companies. The trust was launched in early 2000 (i.e. at the peak of the Technology boom) and promptly lost around 90% of its value over the next 2½ years! Presumably at that stage its shares were being priced as if all these technology companies were about to go bust. From those lows, share valuations have almost *doubled* over the last year - but initial investors in this trust are now down about 80%.

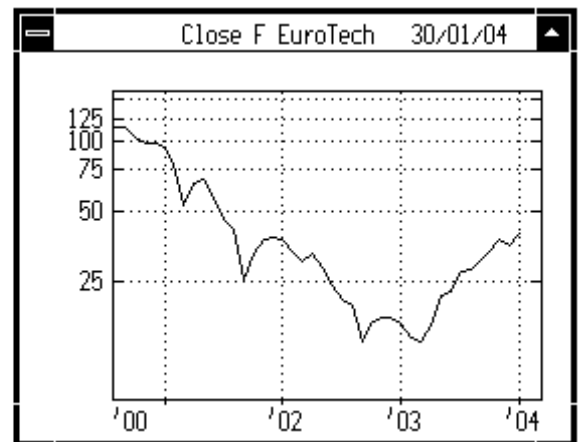
The portfolio is well diversified, with the ten largest investments making up just 34.3% of the portfolio. The shares currently trade at an 11% discount to net asset value. Market-makers quote the shares at a relatively wide 5% spread of 16¾-17½ pence (i.e. you pay 17½ pence to buy, but would only get 16¾ pence if selling), but are actively traded with a “normal market size” of 50,000 shares (i.e. the market-makers are happy to buy or sell up to 50,000 shares - possibly more - at those quoted prices).



Close Finsbury EuroTech Trust is a small £16 million trust investing in UK and European technology, media and telecommunications companies. Launched in *late* 2000 (i.e. missing *all* of the boom and the start of the bust) the trust succeeded in losing no more than about 85% of its value over the next two years. Since then it has *more than doubled* - so initial investors are still down about 60%.

The portfolio is well diversified, with investments in 79 companies and only 28.5% invested in the ten largest

shareholdings. The shares trade at a 12% discount to net asset value. The quotes here are 40-42 pence (a 5% spread) and the “normal market size” is just 1000 shares (although usually you can buy or sell several times that amount without problems).



Summary

Either trust *maybe* worth considering by very high risk investors looking for further recovery and growth by Technology shares - but the recent strong performance of both trusts is probably the result of *extremely* depressed shares bouncing off their lows. These share values are likely to remain volatile, so if Technology shares continue to recover then these two funds would continue to perform strongly.

These are very high risk, very volatile investments - but, of course, the maximum loss is always limited to 100% while there is no limit on possible gains.

Of the two trusts, we favour **3i European Technology Trust** as a speculative investment owing to its exposure to more volatile smaller companies and its investment in specialist *technology* companies, rather than media and telecommunication companies. This trust is also more actively traded than the smaller Close Finsbury EuroTech Trust.

Next Issue

The next issue of *International Investor* will be posted in four weeks time on Tuesday March 9, 2004 (and delivered in most areas on Wednesday 10).

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