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Old/new economies battle through ETFs

By Philip Scipio

The archrivals of exchange-traded funds continue to spar, and the S&P 500 SPDR continues to outpace the QQQ as the year draws to a close. At one time, the technology-heavy QQQ, which represented the new economy, was the darling of the marketplace. The S&P 500, despite adopting a slew of high technology companies, represented the old economy and was seen as stodgy in comparison.

In the two years leading up to the 2000 bear market, new economy stocks were big winners, in some cases surging more than 300% after an initial public offering. These rising stars often quickly took a prominent place in the Nasdaq 100 and QQQ emerged as one of the most direct beneficiaries of the paradigm shift from old economy stock to new economy stocks.

Launched more than six years after the S&P 500 SPDR made its debut, the QQQ was on track in 2000 to overtake the SPDR as the largest ETF. It ended 2000 with more than \$23.5 billion invested, up from a mere \$5.9 billion at the end of 1999. The SPDR finished 2000 with about \$25.5 billion, up from \$19.8 billion in 1999. 


ETF futures: Perfect hedge or perfect flop?

By Elise Coroneos

The month of November saw the launch of ETF futures on both sides of the Atlantic. Nasdaq Liffe Markets rolled out futures on the QQQ as well as on the Russell 1000, 2000 and 3000 iShares on November 8, and followed this with the QQQ1000, essentially a futures contract on 1,000 shares of the QQQ, on November 22. That day too, OneChicago launched a future on the Diamonds.

On November 18, Eurex listed Europe's first ETF futures: DAX EX, Dow Jones EURO STOXX 50 EX, Dow Jones EURO STOXX 50 LDRS, Fresco Dow Jones EURO STOXX 50 and XMTCH on SMI.

Advocates for these instruments point to their ability to provide securities traders with easier access to futures, lower margins, a better hedge and, in the case of the US-based products, physical settlement. "The real benefit is in combining the intrinsic nature and lower margins associated with futures with the absolute certainty of convergence upon expiration and the ability to carry a futures position back into the cash," says Thomas Ascher, chief executive of Nasdaq Liffe Markets.

ETF Futures in the US typically have margins of around 20%, significantly less than the current 50% stock margin for US equities, including traditional ETFs. In addition, ETF 

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Recasting iShares: A new play by BGI and FTSE

By Marsha Zapson

When Barclays Global Investors jettisoned its Bloomberg indices in favor of FTSE in mid-November, it became the first investment manager to switch index providers in midstream. A recent research report by Merrill Lynch Global Securities gives a blunt explanation for BGI's move: "The switch from Bloomberg to the new set of FTSE tradable sectors aims to address investor unease with the unfamiliar Bloomberg sector."

Many in the ETF industry who followed the progress of the iBloombergs had predicted their demise for some time. Four of the eight iBloomberg ETFs (financials, pharmaceuticals, tech and telecom) were originally launched on Euronext Amsterdam and a few days later on the London Stock Exchange in February 2001. The remaining four funds (cyclicals, industrials, resources and staples) were launched simultaneously on Euronext and the LSE in July of that year.

Although the iShares attracted a little more volume and assets on Euronext than on the LSE, they were never stellar performers, and some of them never traded at all. (Observers suggest that Euronext markets its ETFs more heavily than the LSE, which may account for the better performance.) Still, the iBloombergs ranked fourth in assets among European sector ETF providers, according to Merrill.

Bloomberg—what's that?

Many investors weren't aware that Bloomberg had indices, let alone what they were, how they were calculated or where they could be found—especially if they lacked access to a Bloomberg terminal. And Bloomberg didn't actively promote its indices or the ETFs tracking them, which was something BGI had hoped Bloomberg would do, say industry sources.

For now, BGI is cutting its losses, but what does this portend for the future?

By switching index providers, BGI underscores the importance of index selection, says Debbie Fuhr, a Morgan Stanley vice president and head of ETFs and OPALS for Europe and Asia. When European sponsors built ETFs on broad national benchmarks, such as the Cac or the Dax, they ventured down

a path of investor acceptance from the start, she says. "For investors to feel comfortable buying an ETF, they have to know and understand the index."

Concurring, Mark Roberts, head of iShares product strategy for BGI in Europe, says that the index provider is part of the value proposition behind the ETF. "It's important to figure out which baskets investors want to trade—that's the trick."

FTSE indices as benchmarks are well known in Europe and especially in the UK, says Roberts. "The new indices were virtually designed for ETFs. They're a bit narrower than the previous ones and a bit more liquid. And because an ETF's liquidity is driven not by secondary trading but by the liquidity of the underlying constituents, FTSE built these indices with an eye to more focused exposure."

As an example, Roberts points to the old iBloomberg European Resources, which was transformed into the iShares FTSE European Oil and Gas. The names give the game away: instead of a broad category like resources, BGI now focuses on oil and gas. "The economic sectors as broadly understood and reported were not always what investors wanted," he says. "It was something we had heard for some time from the market, and due to that interest, we now see some sectors within the family becoming more focussed."

According to Merrill research, the new Telecoms fund, while retaining its name, will undergo the most dramatic restructuring as it is transformed into a media fund. "While the Telecoms ETF is at present the least successful sector iShare, with only €8 million under management, telecoms in general tend to be among the more successful sector ETFs for other providers," says Merrill.

FTSE's eight new indices are capitalization-weighted and adjusted for free float, and contain a maximum of 30 stocks. The series is calculated in euros and designed to measure the performance of the largest pan-European blue chips from 15 countries: Austria, Belgium/Luxembourg, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and the UK. With the addition of the new sectors, FTSE now has 26 indices serving as the bases for

iShares performance to October 31, 2002

European ETFs. (In Europe, there are currently 116 primary listings and 183 total listings, according to Fuhr. In comparison, the US has 108.)

"The start point here is our FTSE global classification system," says Donald Keith, FTSE's deputy chief executive. "We want to keep the new sector indices as consistent with the global classification system as possible. The new FTSE sectors correlate well within the global system but do not correlate among the sectors."

And because FTSE's European and global indices are so similar, investment strategies can be implemented using both. As Merrill points out, investors can over- or underweight European exposure in the global sectors, thereby creating a world ex-Europe sector exposure or a relative value play in Europe versus the rest of the world, for example.

Although all eight recast ETFs began trading simultaneously on the LSE and Euronext, four had required more than mere name changes. BGI sought to change the investment objectives of Bloomberg's European investable resources, staples, industrials and telecom indices.

As a result, BGI received shareholder approval to change just the name on four ETFs, and the investment philosophy and the name on the remaining four. "BGI rebalanced the funds on a Friday and launched them on a Monday," says Fuhr. The new ETFs carried over the assets from the previous ones and opened with some \$10 million each, she says.

By the end of their first week, according to Fuhr, the banks had \$9.6 million; consumer cyclicals, \$27.5 million; noncyclicals, \$13.9 million; media, \$8.9 million; oil and gas, \$14.6 million; pharmaceuticals, \$13.2 million; tech, \$14.6 million; and utilities, \$10.5 million.

Concurrently with the launch, BGI lowered the expense ratios on the new FTSE iShares from 55 basis points to 40 basis points, making them the cheapest sector ETFs in Europe.

Sector investing

ETF players in Europe have been saying for some time that interest in sector investing is increasing, yet European sector-based ETFs lag substantially behind ETFs tracking national indices in assets and volume. Says Fuhr: "Sector investing is starting to pick up, and if you look at overall sector trading in Europe, you'll see an increased interest."

The new FTSE iShares will be an appealing set of indices for UK-based investors because many UK investors, such as pension plans and asset managers, are benchmarked to FTSE, says Fuhr. In addition, she says, if the index is used as a benchmark, there is a greater incentive for institutions to equitize cash with the ETF because tracking risk will be reduced. The funds are UCITS compliant, and are registered for sale in Ireland, the Netherlands, the UK and France.

Similarly, Keith says that the growth in sector investing over the last few years was a driver in the creation of the global sector indices. But whether that interest translates into an increase in assets and volume is questionable, he says.

"When does a trend start and when does it gather momentum?" says Keith. "What sectors, from a European perspective, are going to be popular and demanded and traded? Commentators may say anything is a trend and that whatever it is, is happening now. But trends take time to develop and become as widespread as many would like. They're tricky animals, aren't they, in any walk of life." ❖

A new breed of ETFs: BLDRS

By Marsha Zapson

The Nasdaq and the Bank of New York, the team that brought QQQ to market, launched a new kind of ETF in mid-November called BLDRS (pronounced "builders"), which stands for Baskets of Listed Depository Receipts. These new ETFs are the first to track indices of American Depository Receipts.

The Bldrs are first in other ways as well: They're the first ETFs sponsored by the Nasdaq to trade on that exchange, they're currently the cheapest ETFs, at 30 basis points, to offer international exposure, and they're the first to offer an emerging market ETF.

"With the growth of ADRs, we thought it a pretty good reason to create ETFs tracking them," says Jonathan Spigel, vice president of ADR product management at BONY. "We've seen trading volumes increase yearly. At the close of October, we were up 8% over last year in trading volume. In addition to heightened interest, ADRs trade throughout the US trading day, trade in US dollars rather than local currencies and are settled in the US."

Even though the products are young and new to the Nasdaq, "we had two authorized participants signed up prior to launch in all four products and committed seed capital," says John Jacobs, Nasdaq's senior vice president. "On the first

day of trading, we had 11 different market making positions in all four—and these are new kinds of products for them."

As the Nasdaq market becomes more familiar with the products, and activity increases, the spreads will shrink, he says. "Take the Asian Bldrs as an example. When we launched, Asia was closed and customer orders were developed later. As those customer orders come in, spreads will shrink. Bldrs aren't going to trade like QQQ from day one; we see these products as building over time."

BONY's ADR indices, which date back to 1998, number about 60, says Spigel. The indices are not composed exclusively of BONY issues; they also include JP Morgan and Citibank ADRs. BONY's indices are divided equally between the three banks because each index is market cap driven and many international companies have spread their business among the three players.

The initial application, which was filed in May 2001 with the Securities and Exchange Commission, requested exemptive relief for seven ETFs based on the bank's ADR indices, which means there are still three Bldrs left in the queue. Which ones will they be? "You can slice and dice indices worldwide in an infinite number of ways, but we're very focused on these four right now," says Jacobs. ❖

◀ Old/new economies battle through ETFs

But a funny thing happened on the way to becoming the largest ETF: The Nasdaq suffered a meltdown that eroded the index from a peak of more than 5,000 down to less than 1,200. The disastrous performance was chalked up to the bursting of a technology bubble, and the QQQ paid the price. While the S&P 500 index contains many of the technology stocks found in the QQQ, the majority of its components are so-called old economy stocks.

Trending up

As of November 15, both index funds were posting horrible returns; but all things being relative, the S&P 500 looked like the better bet. Year to date, the S&P 500 SPDR was down 20%, compared with a much wider 32% loss for the QQQ. Though steep, those heavy losses reflect several bull moves in the fourth quarter for both indices, which may signal the end of the aggressive bear market of the last two years.

As the market pulls out of its steep decline, assets are flowing into the S&P 500 SPDR, perhaps at the expense of the QQQ. Some have said that the shift represents institutional investors betting that a new bull market will not be driven by technology stocks as it was in the 1990s. But others blame a worthy boogiemer, hedge funds, for tipping the scale in favor of the SPDR.

As reported, the SPDR added \$983 million in the third quarter despite a trend of losses for the majority of ETFs and despite a struggling S&P 500 index (see *ETFR*, November 2002, page 1). The ETF ended the quarter with about \$30 billion, and since then has added some \$12 billion to bring assets to about \$42 billion as of November 22, a 40% increase over the end of the quarter.

The QQQ has also been trending upward since the end of the third quarter. While the fund lost \$4 billion in that three-

month period, it added more than \$5 billion by November 22, putting assets at more than \$20 billion, a 26% boost over the end of the quarter.

However, assets continue to favor the SPDR over the QQQ, in many cases coming out of the QQQ. But this is not a new trend, says Susquehanna Investment Group associate director Eric Noll. "It's not a new trend and it's still noteworthy that the QQQ is by far the number one trading equity product out there in terms of pure volume," he says.

Despite its losses and ups and downs, the QQQ has remained the undisputed heavyweight in terms of volume. And it didn't lose any steam through the summer months. In June, daily average volume was 105.0 million shares versus 26.8 million for the SPDR. In that month more than 2.1 billion shares changed hands compared to 536 million in the SPDR.

But the volume picture shows nuances that may suggest the SPDR is adding to its lead in the battle for supremacy over the QQQ. The dollar value difference is a key difference when judging the volume. On any given day, the QQQ will trade roughly twice as many shares as the SPDR. On November 25, the QQQ, trading at about \$28 a share, had a volume of about 57 million shares worth about \$1.6 billion. For its part, the SPDR, trading at \$94 a share, moved more than twice the value of the QQQ, which is its own meaty statistic.

Back to basics

"The shift into the SPDR reflects larger trends that we've seen in our economy over the last two years," says Noll. "It's a movement out of tech stocks. Tech stocks crashed; Internet stocks crashed. While the value of technology investments has fallen tremendously, the more traditional value stocks and value investments are rising in value."

Lipper analyst Don Cassidy agrees. Though he admits that he hasn't been tracking the sentiment of the Street as it relates to the two funds, he doesn't think the market will be ready to go back to technology in a big way for a long time.

"People were so badly burned in technology that I think they are looking at the SPDR over the QQQ," says Cassidy. "Personally, I would buy the SPDR and pick out the particular names in technology—why buy baskets when the sector is in such limbo."

The key thing for ETFs is that they are reflective of segments of the economy, says Noll. "Two years ago, investors were using the QQQ as a place to park cash until they found the investments they wanted. Everybody wanted to be long Nasdaq stocks, long tech stocks, long biotech stocks. The thing that represented that basket was the QQQ. Today where you want to use the cash substitute and be long the market, you won't use the QQQ; you'll use the SPDR."

State Street principal Greg Ehret has another take. He dismisses the idea that there's a bigger macro bet at work. Word on the Street, he says, is that hedge fund managers are being driven nuts by the volatility in the QQQ and are starting to jump ship. "I was told it was Delta—that they feel more comfortable in the SPDR. I'm not sure of the rationale, however." ❧

Average Daily Value Traded (\$ mil)

Data as of September 2002
Source: Standard & Poor's

◀¹ ETF futures: Perfect hedge or perfect flop?

futures can be traded through a securities account, thereby opening the futures market to equities traders who would otherwise have to go through the rigmarole of registering with the Commodity Futures Trading Commission. This ease of access is not available through index futures, the traditional way in which an equity trader may use futures after receiving CFTC approval.

"While a lot of people see futures as taboo, those who are already familiar with ETFs may feel comfortable about moving into a futures contract because it is a future in something they are already familiar with," says Patrick Lafferty, a trading advisor at Man Financial who is also a regular market commentator on CNBC.

A perfect hedge

In the US, ETF futures have another benefit over index futures: They are physically delivered rather than settled in cash. "So if you are hedging, you may find a more appropriate fit—a perfect hedge—with the QQQs than you would by using the Nasdaq-100 Index," says Lafferty.

Ascher at Nasdaq Liffe points to the QQQ1000 as an opportunity for a perfect hedge. Eight traditional QQQs traded against 10 emini-Nasdaqs is a perfect one-to-one hedge on a notional value basis. Although the exchange has obviously taken the advice of its marketing department by deciding to launch the QQQ1000 in lieu of a QQQ800, most agree that it provides larger firms with the opportunity for an almost perfect hedge.

"One of the biggest complaints from large firms was that they wanted the 1,000-share contracts because they needed to hedge bigger volumes and they didn't want to pay the commission times 10," says Lafferty.

Ground level opinion

Despite the hype, there are already protractors on the sell-side who say they do not expect to see a great demand for ETF futures. The view of some is that although the products do offer some technical benefits that can result in desirable outcomes, these outcomes are already available to ETF users via existing routes.

"My general view is that there is really not an advantage in the products, and from our side we have not seen any

demand," says Ryan Gould, who specializes in sales and research of derivative products for hedge funds at Smith Barney.

"People are just not looking for a lot of leverage in these markets," he says. "But if you are an institutional investor looking for more leverage, there are far more beneficial products and strategies that will give you better leverage like over-the-counter swap contracts on ETFs, the actual cash ETF or just doing an index future."

The benefit of being able to trade ETF futures in a securities account is of little consequence to Gould because futures do not allow him to commit capital or liquidity.

"In the pure QQQs, you can commit capital to those trades and that is why it has attracted such large volumes," he says. "So by now doing a future on the QQQ, we have taken a step backwards because there is not going to be the same capital committing ability, so you are not going to see customers gravitate toward it."

For ETF futures to harness enough liquidity to attract additional market participants such as arbitrageurs, Gould believes that some of the liquidity from an ETF will have to transfer to its corresponding future, a process he doubts many people will undertake voluntarily. "People are not going to go through that process is generally our view," he says.

Ascher rebuts any argument that the success of ETF futures can come only at a cost to the liquidity of the ETFs themselves. On the contrary, he believes that the net effect of the arrival of ETF futures will be to increase industry volumes in ETFs and other derivatives instruments.

"Between market participants that may trade ETF futures in lieu of or in addition to the existing products and the arrival of those that trade one against the other as a leg in an arbitrage, we think that, net net, more of all products will trade," says Ascher.

Like ETFs before them, the fate of ETF futures will ultimately be determined over time by the markets. Nevertheless, Nasdaq Liffe Markets and OneChicago have made it clear they intend to launch more such products in the near term. Nasdaq Liffe has already signed a licensing agreement to offer ETF futures contracts based on the eight remaining Russell iShares, and OneChicago has confirmed its intention to add to its repertoire early in the new year. ❖

ETF Futures

ETF Future	Exchange	Contract Volume to November
QQQ	Nasdaq Liffe Markets	4,140
QQQ1000	Nasdaq Liffe Markets	No trades
Russell 1000 iShares	Nasdaq Liffe Markets	152
Russell 2000 iShares	Nasdaq Liffe Markets	4,433
Russell 3000 iShares	Nasdaq Liffe Markets	302
Diamond	OneChicago	1,176
DAX EX	Eurex	19,104
DJ Euro STOXXSM EX	Eurex	No trades
DJ EURO STOXXSM 50 LDRS	Eurex	No trades
Fresco DJ Euro STOXXSM 50	Eurex	No trades
XMITCH on SMI	Eurex	33,886

Irish UCITS may now invest in US ETFs

"During October, Ireland's **Central Bank** confirmed that Irish authorized UCITS may invest in US ETFs provided such investments are made in accordance with the relevant investment limitations of **Irish UCITS Regulations**. This reverses the Central Bank's previous position that Irish authorized UCITS could not invest in US ETFs," says **Debbie Fuhr**, vice president of MSCI.

FTSE teams up with Amex to create ETFs

The **FTSE Group** and the **American Stock Exchange** have joined forces to create and promote new products based on FTSE indices. The first exchange-traded funds to launch on FTSE indices will be based on the FTSE 100, FTSE Global Sector Indexes and FTSE4Good Series of Socially Responsible Indexes. According to **Cliff Weber**, senior vice president of the ETF marketplace at the American Stock Exchange, the exchange through its **ETF Services** group, which provides turnkey ETF services, will help FTSE identify possible sponsors for the new products.

"We will sit down with FTSE and potential sponsors and see where the opportunities lie and how to exploit those opportunities," said Weber. "In particular, the FTSE4Good and FTSE 100 indices offer aspects of the market that are currently untapped."

Concurrently, the Amex plans to offer options based on FTSE indices that will coincide with the launch of the FTSE ETFs. "We have filed with the SEC and have been given approval for the ETF and the option on the ETF to trade together, which we think adds liquidity to both products," said Weber.

The FTSE 100 is the blue-chip benchmark index for the London Stock Exchange. The FTSE Global Sector Indexes provide 13 indices selected from the FTSE All-World Developed Index, and FTSE4Good is a series of eight indices in environmental sustainability, developing positive relationships with stake holders and supporting universal human rights. In the UK, more ETF assets are linked to FTSE indices than to any other provider, according to FTSE;

and in Europe, the FTSE Global Sector Indexes already have ETFs built on them.

Fresco Index Shares trade ETFs on NYSE

Fresco Index Shares began trading ETFs based on the Dow Jones STOXX 50 (FEU) and EURO STOXX 50 (FEZ) indices on the **NYSE** October 21. The STOXX 50 includes the blue chips of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK. The Euro STOXX 50 provides Eurozone exposure, including the above except Denmark, Sweden, Switzerland and the UK. **UBS Global Asset Management** launched its series of Fresco-branded ETFs in Europe in November 2001. The series of 11 ETFs had net assets of \$387 million as of July 31, 2002.

Credit Suisse launches four ETFs on Swiss Exchange

Credit Suisse Asset Management launched four new **XMTCH** ETFs on the **Swiss Exchange** on October 24. The new ETFs include one Eurozone fund and three global sector funds: XMTCH on MSCI Euro, containing 120 Eurozone stocks; XMTCH on DJ Banks Titans, containing 30 global banking stocks; XMTCH on DJ Healthcare Titans, containing 30 global healthcare stocks; and XMTCH on DJ Technology Titans, containing 30 global tech stocks. CSAM launched XMTCH on SMI in March 2001, making it the first Swiss ETF. Since then, it has become Switzerland's largest traded index fund and the third largest ETF in Europe.

BGI Canada's iREIT trades on Toronto Stock Exchange

At the end of October, **BGI Canada** launched the first Canadian real estate ETF on the **Toronto Stock Exchange**. The new **iUnits**, which tracks the S&P/TSX Canadian REIT Index, trades under XRE, and is known as the **iREIT Fund**. Only Canadian REITs listed on the TSX are included in the index, which is a constrained market capitalization-weighted index. Each REIT, in terms of market capitalization, is limited to 25% of the overall index, and the manage-

ment expense ratio is capped at 55 bps. The fund is RSP (registered savings plan) eligible.

Amex-traded FITRS track Ryan OTR Treasury Indexes

Four Treasury Fixed Income Trust Receipts (FITR) began trading on the **Amex** November 1: **Treasury 1 FITR (TFT)**, **Treasury 2 ETF (TOU)**, **Treasury 5 FITR (TFI)** and **Treasury 10 FITR (TTE)**. The new ETFs, which are sponsored by **ETF Advisors, LP**, are designed to track the returns, before fees and expenses, of the Ryan OTR Treasury Indexes.

The indices represent the characteristics and returns of the on-the-run US Treasury yield curve, with one-, two-, five- and 10-year maturities. At least 95% of the underlying assets of the FITRs are debt obligations of the US Treasury or federal agencies.

Korean exchange will offer ETFs based KOSDAQ50

Korea's **Kosdaq Stock Market** will be allowed to offer ETFs in early 2003, according to exchange officials. The exchange's benchmark KOSDAQ50 index will be the basis of new ETFs. **The Ministry of Finance and Economy** and Kosdaq plan to modify securities laws shortly to enable ETFs to be launched. Kosdaq, which was formed in 1996, is modeled on the **US Nasdaq**. Its market capitalization is KRW33 trillion (US \$32 billion) and average daily trading value is KRW728 billion.

Korea's four ETFs, which were launched October 14 on the Korea Stock Exchange, had an average daily volume through mid-November of KRW32 billion (US \$26 million). Nearly all the volume was in Kodex200 ETFs, which are based on the benchmark Kospi 200 index. Options listed by Korea Stock Exchange on this index are among the world's highest volume exchange-traded product.

BGI's South Africa fund will expand global offerings

Barclays Global Investors filed a prospectus on November 19 with the **SEC** to add the **iShares MSCI South Africa Index Fund** to its current lineup of international offerings. Institutional

investors, led by **Harvard Management Co**, spearheaded the ETFs' creation, said a BGI spokesperson.

"We're a dedicated emerging markets investor, and we wanted a pure South Africa play," said

Steve Alperin, vice president of emerging markets portfolio at Harvard. "We're committing a minimum of \$50 million to this product because we like the ETF structure, we like the fact that it's liquid, and that it's not subject to the discount issues you see in some closed end funds."

The MSCI South Africa Index is a free float-adjusted market cap index designed to measure equity performance in the country. By building and maintaining the index from the industry group up, the index (and the ETF tracking it) accurately reflects the market's economic diversity, according to MSCI.

According to the prospectus, "the index consists of stocks traded primarily on the **Johannesburg Stock Exchange**. As of September 30, the index's three largest stocks were **Anglo American PLC**, **Sasol LTD**, and **Old Mutual**; its three largest industries were diversified metals and mining, diversified chemicals, and life and health insurance."

Because the new South African ETF is before the securities commission, BGI cannot comment on it at this time. However, its other iShares tracking MSCI indices are optimized and carry expense ratios between 80 and 100 bps. These iShares currently include 19 country and two region specific ETFs, all of which are based on MSCI indices. BGI also has an emerging market iShares in registration.

Exchanges to promote US ETFs in Australia

Some ETFs listed on the **Amex**, the **NYSE** and the **Singapore Exchange** will be offered to Australian retail investors via an education program from the **Australian Stock Exchange**. The effort is part of the exchange's marketing of its **WorldLink** service that gives local brokers electronic access to more than 550 Amex, Nasdaq, NYSE and SGX securities.

Marina Gunthorpe, head of ASX WorldLink, said that more than half of Australia's adult population invests in

the stock market, and many understand the need for international diversification.

Thirty-four ETFs are offered, providing exposure to several country and US industry sectors, and including **Diamonds**, **SPDRS** and **QQQs**. While volumes have been light to date, Gunthorpe says these are "early days," and that more education and promotion will take place next year.

Taiwan may have ETFs during the first half

ETFs will be launched in Taiwan in the first half of 2003, following an agreement between the **Taiwan Stock Exchange** and **FTSE** to launch the Taiwan 50 index. The country's **Securities and Futures Commission** is expected to award licenses to launch ETFs sometime in mid-December, according to **Winnie Pun**, **State Street Global Advisors'** director, product engineering.

SSgA has signed a co-operation agreement with **Polaris Investment Trust**, one of the domestic firms seeking a license. BGI is believed to be in alliance with **Fuhwa Investment and Trust**. **Graham Colbourne**, chairman **Asia-Pacific of FTSE**, told ETFR that the Taiwan 50 index captures nearly 70% of the Taiwan Stock Exchange, which has a market capitalization of US \$240 billion. "While the Taie index is well established, it is not ideal for ETFs, having some 560 companies in the index," he said.

Indian ETF based on Sensex in the offing

India's **Prudential ICICI Mutual Fund** plans to launch an ETF based on the Bombay Stock Exchange 30-shares sensitive index (Sensex), according to the *Hindu Business Line*. The ETF will be India's second, after **Benchmark Mutual Fund's** ETF on the Nifty index, which currently has \$2 million in assets and is listed on the **National Stock Exchange**.

Each unit of the **Sensex Prudential ICICI ETF**, or SPICE, will be 1/100th of the index, or around INR30. Minimum investment into the ETF's IPO is INR25,000 (\$516).

The firm has filed a draft offer document with the **Securities and**

Exchange Board of India, and is awaiting the regulator's approval, said the paper. Prudential ICICI, which has INR8925 crore (\$1.8 billion) under management, is the largest nongovernment mutual fund in India. It is 55% owned by **Prudential Plc** in the UK, while 45% is held by **ICICI Bank**, a major Indian financial institution.

On the move

Lars Hamich has been promoted to executive director of global business development at **Dow Jones Indexes**. He will be responsible for developing new licensing opportunities globally, and will play a role in identifying strategic business initiatives. Hamich will continue to oversee the **Dow Jones European** index development as well as index technology development.

A bit of history...

In recent issues, ETFR has covered the demise of a number of ETFs, reporting—inaccurately—that the **DJ Canada 40** index was the first ETF to be liquidated. That is not the case. Several predecessor products were shuttered in the years before ETFs reached their current level of market awareness.

Herb Blank, principal of **QED International**, said that most notably "in 1997, **Deutsche Bank** liquidated its **CountryBaskets**, **Nomura** eliminated its Tokyo Stock Exchange-listed **Nikkei 300 SPDR** and **Deutsche Bank Australia** eliminated the **BATS—Benchmark Australia Trust Share**—from its belfry. The world's first ETF, the **TIPs** (Toronto I-35 Performance Shares) disappeared in March 2000 when it was merged with the **HIPS** (Toronto 100 Investment Performance Shares), itself launched in 1994, to create what is now the **S&P/TSE 60 ETF**. TIPs had been launched in 1989."

US EXCHANGE-TRADED FUNDS Week ending November 15 2002

Volume statistics reflect Amex trading only, except for QQQ, SPY and DIA.

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Major market indices										
Nasdaq-100 Index Tracking Stock	QQQ	87 804 880	743 100	19 602.98	26.44	26.39	0.19	5.5	(32.0)	(32.8)
S&P 500 SPDR	SPY	41 289 160	462 091	42 258.22	91.40	91.46	(0.07)	2.0	(19.1)	(18.9)
DJIA Diamonds	DIA	9 872 660	54 754	4 701.18	85.88	85.89	(0.01)	0.7	(12.7)	(11.7)
iShares Dow Jones series										
DJ US Basic Materials	IYM	9 060	2 100	70.71	33.76	33.67	0.27	1.7	(11.2)	(11.1)
DJ US Chemicals	IYD	4 880	350	13.85	39.40	39.58	(0.45)	2.1	(5.6)	(5.1)
DJ US Consumer Cyclical	IYC	44 460	2 950	133.02	45.02	45.09	(0.16)	3.1	(19.0)	(16.0)
DJ US Energy	IYE	40 800	2 550	99.07	38.99	38.85	0.36	(0.1)	(17.3)	(9.5)
DJ US Financial Sector	IYF	53 620	2 350	166.24	70.75	70.73	0.03	3.1	(11.1)	(7.5)
DJ US Financial Services	IYG	23 420	700	56.17	80.15	80.23	(0.10)	2.8	(11.4)	(8.1)
DJ US Healthcare	IYH	47 540	7 650	386.71	50.80	50.55	0.49	0.3	(17.8)	(17.3)
DJ US Industrial	IYJ	16 920	1 800	66.55	36.86	36.97	(0.30)	(1.3)	(26.6)	(23.3)
DJ US Internet	IYV	28 460	1 350	12.19	8.99	9.03	(0.44)	8.2	(38.1)	(34.1)
DJ US Non-Consumer Cyclical	IYK	16 180	2 200	91.39	41.41	41.54	(0.31)	0.2	(4.3)	(4.3)
DJ US Real Estate	IYR	45 640	1 800	138.85	77.34	77.14	0.26	1.2	1.2	4.3
DJ US Technology	IYW	140 540	4 250	148.41	34.96	34.94	0.06	4.2	(34.3)	(35.2)
DJ US Telecommunications	IYZ	96 160	4 650	89.14	19.30	19.17	0.68	1.0	(37.9)	(38.3)
DJ US Total Market	IYY	43 220	3 000	126.96	42.26	42.33	(0.17)	1.8	(20.4)	(18.7)
DJ US Utilities	IDU	130 760	4 750	216.84	45.71	45.65	0.13	0.4	(26.5)	(26.6)
iShares MSCI series										
Australia	EWA	8 800	8 200	76.92	9.28	9.35	(0.75)	(0.3)	(1.8)	(0.3)
Austria	EWO	4 440	2 000	16.00	7.96	7.98	(0.25)	1.3	9.3	13.7
Belgium	EWK	1 420	1 080	10.64	9.66	9.82	(1.63)	(0.9)	(12.2)	(7.9)
Brazil	EWZ	11 620	5 550	39.29	7.01	7.08	(0.99)	(4.6)	(44.8)	(37.1)
Canada	EWC	68 920	33 200	305.77	9.18	9.23	(0.54)	(1.2)	(13.6)	(13.2)
EAFFE	EFA	293 000	18 000	1 827.36	103.15	101.36	1.77	2.4	(13.5)	(14.0)
EMU	EZU	11 880	2 850	126.08	44.51	44.14	0.84	3.5	(20.5)	(18.1)
France	EWQ	14 880	3 200	48.32	15.20	15.06	0.93	4.5	(18.9)	(16.6)
Germany	EWG	53 720	7 800	83.77	10.66	10.71	(0.47)	3.0	(29.4)	(26.0)
Hong Kong	EWH	61 260	11 400	91.54	8.12	8.04	1.00	4.2	(11.5)	(9.2)
Italy	EWI	11 000	1 950	28.35	14.66	14.53	0.89	3.1	(8.9)	(7.3)
Japan	EWJ	213 020	84 000	577.08	6.95	6.87	1.16	(0.6)	(9.9)	(16.8)
Malaysia	EWM	61 800	15 000	78.30	5.27	5.22	0.96	(1.5)	1.3	17.3
Mexico	EWV	40 920	4 300	54.61	12.60	12.68	(0.63)	(2.3)	(17.0)	(7.4)
Netherlands	EWN	20 760	1 300	17.72	13.89	13.60	2.13	4.6	(18.1)	(16.9)
Pacific ex-Japan	EPP	23 360	2 200	115.15	52.90	52.23	1.28	0.6	(2.3)	0.4
Singapore	EWS	27 760	17 600	82.37	4.55	4.68	(2.78)	0.9	(10.3)	1.9
South Korea	EWY	174 380	6 700	130.99	19.77	19.55	1.13	(0.7)	11.6	29.4
Spain	EWP	16 220	1 050	18.84	17.87	17.90	(0.17)	2.6	(13.5)	(14.2)
Sweden	EWD	4 780	825	8.51	10.36	10.25	1.07	4.8	(24.4)	(21.9)
Switzerland	EWL	9 200	2 500	28.58	11.55	11.39	1.40	2.0	(7.9)	(9.8)
Taiwan	EWT	95 880	16 100	141.36	9.40	8.79	6.94	3.4	(12.8)	4.0
UK	EWU	80 120	10 400	131.14	12.75	12.60	1.19	1.3	(13.2)	(11.9)
iShares Russell series										
Russell 1000	IWB	126 980	14 800	714.84	48.20	48.30	(0.21)	1.4	(20.2)	(18.7)
Russell 1000 Growth	IWF	94 920	15 600	599.20	38.40	38.42	(0.05)	1.9	(24.3)	(24.3)
Russell 1000 Value	IWD	156 740	20 300	944.15	46.64	46.51	0.28	1.9	(14.6)	(13.1)
Russell 2000	IWM	451 560	33 350	2 568.62	76.80	77.02	(0.29)	1.8	(19.7)	(13.8)
Russell 2000 Growth	IWO	166 580	11 850	483.95	41.09	40.84	0.61	2.2	(28.2)	(22.7)
Russell 2000 Value	IWN	90 300	6 550	735.50	112.50	112.28	0.20	1.9	(11.1)	(4.9)
Russell 3000	IWV	355 140	20 550	1 037.16	50.50	50.47	0.06	1.7	(19.5)	(18.0)
Russell 3000 Growth	IWZ	8 500	2 000	61.26	30.50	30.64	(0.46)	0.8	(25.0)	(24.6)
Russell 3000 Value	IWW	5 220	1 200	71.80	59.68	59.83	(0.25)	1.4	(15.6)	(12.5)
Russell MidCap	IWR	11 420	2 850	138.88	48.67	48.73	(0.12)	2.4	(16.8)	(12.1)
Russell MidCap Growth	IWP	36 580	1 900	100.80	53.07	53.05	0.04	2.5	(26.1)	(21.4)
Russell MidCap Value	IWS	15 400	1 300	88.61	68.24	68.16	0.12	2.0	(11.4)	(6.2)

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
iShares Sectors										
Nasdaq Biotech	IBB	201 800	9 750	516.46	52.83	52.97	(0.26)	1.6	(42.0)	(40.8)
Cohen & Steers Realty Majors	ICF	21 180	2 400	195.38	81.50	81.41	0.11	0.9	1.1	3.2
Goldman Sachs Natural Resources	IGE	6 480	250	19.69	78.15	78.76	(0.77)	(1.0)	(17.2)	(10.8)
Goldman Sachs Networking	IGN	9 760	1 100	14.99	13.62	13.62	0.00	10.8	(55.6)	(61.0)
Goldman Sachs Semiconductor	IGW	44 180	1 450	56.93	39.30	39.28	0.05	5.6	(40.9)	(43.5)
Goldman Sachs Software	IGV	5 700	1 800	48.73	27.20	27.08	0.44	6.7	(40.2)	(35.8)
Goldman Sachs Technology	IGM	22 000	850	27.37	32.32	32.22	0.31	5.9	(36.2)	(36.3)
iShares S&P series										
S&P 500	IVV	226 460	45 400	4 150.01	91.46	91.42	0.04	2.0	(19.1)	(18.8)
S&P 100	OEF	25 460	4 050	173.48	46.70	46.61	0.19	1.2	(20.0)	(20.0)
S&P 500/Barra Growth	IVW	90 620	12 750	602.69	47.30	47.27	0.06	1.8	(19.7)	(19.4)
S&P 500/Barra Value	IVE	96 720	14 950	653.91	43.80	43.74	0.14	2.0	(19.8)	(18.9)
S&P MidCap 400	IJH	30 160	7 750	671.77	86.55	86.68	(0.15)	2.3	(13.9)	(8.6)
S&P MidCap 400/Barra Growth	IJK	46 980	3 850	358.28	93.00	93.06	(0.06)	1.9	(18.3)	(12.8)
S&P MidCap 400/Barra Value	IJJ	39 100	7 050	562.31	79.75	79.76	(0.01)	2.1	(11.0)	(5.0)
S&P SmallCap 600	IJR	76 320	10 800	1 056.56	98.00	97.83	0.17	1.5	(14.0)	(6.7)
S&P SmallCap 600/Barra Growth	IJT	31 000	7 600	501.98	66.20	66.05	0.23	1.9	(13.8)	(6.8)
S&P SmallCap 600/Barra Value	IJS	39 860	9 200	660.01	71.90	71.74	0.22	1.4	(15.2)	(7.3)
International										
S&P Global 100	IOO	19 400	1 050	49.04	46.25	46.24	0.02	1.2	(21.6)	(21.8)
S&P Europe 350 Index	IEV	70 900	8 800	433.58	49.76	49.17	1.20	3.0	(15.8)	(14.6)
S&P Toronto SE 60	IKC	440	50	1.87		37.57		(2.7)	(18.0)	(16.2)
S&P Latin America 40	ILF	260	200	6.92		34.68		(1.3)	(26.5)	(18.7)
S&P Topix	ITF	920	450	27.93	62.40	62.06	0.55	(1.2)	(10.5)	(16.2)
S&P Global Energy Sector	IXC	2 480	300	13.49	44.89	44.95	(0.13)	0.6	(9.3)	
S&P Global Financials Sector	IXG	31 000	200	8.94	44.35	44.69	(0.76)	1.5	(15.2)	
S&P Global Healthcare Sector	IXJ	1 600	550	23.28	42.30	42.30	0.00	0.5	(14.5)	
S&P Global Tech Sector	IXN	2 000	150	5.55	36.40	37.02	(1.67)	1.7	(34.7)	
S&P Global Telecom Sector	IXP	4 680	300	11.24	37.69	37.45	0.64	2.5	(27.0)	
iShares Fixed Income										
1-3 Year Treasury Index	SHY	46 960	10 800	883.87	81.84	81.77	0.09	(0.1)		
7-10 Year Treasury Index	IEF	98 300	7 700	656.73	85.25	85.09	0.19	(1.1)		
20+ Year Treasury Index	TLT	148 160	7 100	618.77	87.11	86.92	0.22	(1.5)		
GS InvesTop Corporate Bonds	LQD	24 320	16 700	1 777.21	106.75	106.08	0.63	(0.3)		
ETF Advisors FITRs										
Treasury 1 FITR	TFT	580	100	8.50						
Treasury 2 FITR	TOU	220	100	8.50						
Treasury 5 FITR	TFI	280	100	8.48						
Treasury 10 FITR	TTE	160	100	8.52						
Fresco										
Fresco DJ Stoxx 50	FEU	21 000	1 001	25.88						
Fresco DJ Euro Stoxx 50	FEZ	25 760	7 252	184.20						
Merrill Lynch HOLDRS										
HOLDRS Biotech	BBH	381 740	13 121	1 240.54	88.75	88.75		4.3	(31.0)	(30.6)
HOLDRS Broadband	BDH	34 040	7 443	79.34	7.95	7.95		9.2	(51.8)	(59.9)
HOLDRS B2B Internet	BHH	55 620	380	20.87	2.25	2.25		5.6	(56.1)	(46.6)
HOLDRS Europe 2001	EKH	2 560	3 880	113.22	44.45	44.45		2.6	(30.9)	(29.3)
HOLDRS Internet	HHH	31 380	13 584	46.05	26.60	26.60		6.2	(23.1)	(22.9)
HOLDRS Internet Architecture	IAH	14 620	4 033	106.86	27.20	27.20		4.7	(28.9)	(29.5)
HOLDRS Internet Infrastructure	IIH	153 460	7 585	22.53	2.23	2.23		9.9	(64.2)	(67.6)
HOLDRS Market 2000	MKH	7 060	2 372	124.68	47.25	47.25		2.0	(21.4)	(22.7)
HOLDRS Oil Services	OIH	423 720	4 620	328.91	55.30	55.30		(1.4)	(8.9)	7.0
HOLDRS Pharmaceutical	PPH	129 860	6 104	517.71	77.80	77.80		(1.4)	(19.7)	(21.0)
HOLDRS Regional Bank	RKH	75 700	3 556	429.16	104.90	104.90		3.9	(5.2)	0.3
HOLDRS Retail	RTH	113 280	786	74.43	76.10	76.10		5.0	(21.0)	(15.7)
HOLDRS Semiconductor	SMH	2 216 660	23 014	884.90	25.62	25.62		5.0	(38.8)	(39.9)
HOLDRS Software	SWH	189 880	3 674	112.89	29.09	29.09		5.1	(35.6)	(30.6)
HOLDRS TeleBras	TBH				16.90	16.90		(2.1)	(56.4)	(51.1)
HOLDRS Telecommunications	TTH	102 780	4 616	154.76	28.59	28.59		(1.6)	(34.9)	(36.4)
HOLDRS Utilities	UTH	70 160	1 256	108.07	60.05	60.05		0.8	(31.9)	(33.6)
HOLDRS Wireless	WMH	27 880	958	38.70	38.00	38.00		8.1	(34.8)	(39.0)

Statistics for shares outstanding and net assets are based on June 14 data

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
S&P Depository Receipts (SPDRs)										
S&P 400 MidCap SPDR	MDY	541 180	72 958	5 799.43	79.15	79.49	(0.43)	1.9	(14.2)	(8.9)
Consumer Discretionary	XLY	23 820	5 350	133.75	25.05	25.00	0.20	3.8	(11.7)	(5.8)
Consumer Staples	XLP	73 100	10 350	210.83	20.33	20.37	(0.20)	0.2	(18.9)	(19.5)
Energy	XLE	92 800	14 050	306.85	21.88	21.83	0.23	0.1	(16.8)	(11.8)
Financial	XLF	602 600	34 304	788.99	23.00	23.00	0.00	3.4	(11.4)	(9.8)
Health Care	XLV	30 980	5 800	160.78	27.78	27.74	0.14	0.0	3.4	7.2
Industrial	XLI	23 520	7 650	156.52	20.45	20.46	(0.05)	(0.7)	(25.7)	(22.4)
Materials	XLB	38 340	11 900	230.03	19.30	19.33	(0.16)	1.6	(8.5)	(9.8)
Technology	XLK	348 640	62 550	987.04	15.79	15.78	0.06	3.9	(34.2)	(35.4)
Utilities	XLU	190 140	23 000	418.37	18.15	18.19	(0.22)	1.3	(33.7)	(34.2)

streetTRACKS (State Street Global Advisors)

Dow Jones series

DJ Global Titans	DGT	2 100	300	15.70	52.10	52.39	(0.55)	0.9	(21.3)	(21.3)
DJ US Small Cap Growth	DSG	1 260	300	13.79	46.07	45.97	0.22	2.7	(37.2)	(31.2)
DJ US Small Cap Value	DSV	2 660	350	41.16	118.00	117.60	0.34	1.8	(6.6)	(0.6)
DJ US Large Cap Growth	ELG	6 400	400	15.66	39.40	39.16	0.61	3.4	(27.1)	(26.9)
DJ US Large Cap Value	ELV	2 180	200	20.50	101.83	102.53	(0.68)	0.4	(19.1)	(17.1)

Sectors

FORTUNE 500	FFF	17 880	1 050	69.30	66.10	66.01	0.14	1.6	(18.7)	(17.9)
FORTUNE e-50	FEF	1 460	250	5.43	21.57	21.73	(0.74)	4.4	(36.6)	(37.6)
Morgan Stanley High Tech 35	MTK	640	1 650	51.35	30.50	31.12	(1.99)	2.1	(40.3)	(39.7)
Morgan Stanley Internet	MII	1 200	700	5.52	7.74	7.88	(1.78)	1.8	(42.6)	(41.1)
Wilshire REIT	RWR	10 520	450	51.37	114.78	114.18	0.53	1.2	(0.8)	3.1

VIPERs (Vanguard)

Total Market	VTI	125 240	15 755	1 340.59	85.00	85.07	(0.08)	1.9	(18.6)	(17.1)
Extended Market	VXF	5 720	411	20.67	50.20	50.28	(0.16)	1.6	(16.3)	

EUROPEAN EXCHANGE-TRADED FUNDS

Euro denominated unless otherwise stated

Deutsche Börse

German market indices

DAX Ex	DAXEX	Data not available at press-time								
MDAX Ex	MDAXEX									
NEMAX 50 Ex	NMKXEX									
Fresco DJ German Titans										

European market indices

DJ Stoxx 50 Ex	SX5P	46 180	4 850	127.16	26.00	26.22	(0.84)	2.0	(30.6)	
DJ Stoxx 50 LDRS	EUN1	53 044	17 600	455.49	25.90	25.88	0.08	3.0	(29.6)	
DJ Euro Stoxx 50 Ex	SX5E	904 511	35 530	917.03	25.73	25.81	(0.31)	3.8	(33.1)	
Fresco Euro Stoxx 50	FRC1	135 176	5 200	132.65	25.52	25.51	0.04	4.1		
DJ Euro Stoxx 50 LDRS	EUN2	472 946	45 700	1 159.87	25.49	25.38	0.43	4.4	(33.0)	
FTSE 100	EXI4	Data not available at press-time								
Fresco DJ UK Titans 50	FRC6									
SMI Ex	SMI									

European sector indices

DJ Euro Stoxx Banks	SX7E	8 751	544	11.15	20.30	20.48	(0.88)	2.5	(25.4)	
DJ Euro Stoxx Healthcare	SXDE	8 800	250	8.71	34.50	34.83	(0.95)	(0.9)	(35.9)	
DJ Euro Stoxx Technology	SX8E	17 780	502	14.39	28.30	28.68	(1.32)	5.2	(44.3)	
DJ Euro Stoxx Telecommunications	SXKE	35 268	612	19.93	32.00	32.57	(1.75)	4.6	(33.5)	
DJ Stoxx 600 Autos	SXAP	Data not available at press-time								
DJ Stoxx 600 Banks	SX7P	1 869	657	18.79	28.40	28.62	(0.77)	0.0	(22.2)	
DJ Stoxx 600 Basic Resources	SXPP	Data not available at press-time								
DJ Stoxx 600 Chemicals	SX4P									
DJ Stoxx 600 Construction	SXOP									
DJ Stoxx 600 Cyclical Goods	SX2P									
DJ Stoxx 600 Energy	SXEP									
DJ Stoxx 600 Financial Services	SXFP									
DJ Stoxx 600 Food	SX3P									
DJ Stoxx 600 Healthcare	SXDP	3 174	503	16.92	33.50	33.64	(0.42)	0.3	(24.4)	
DJ Stoxx 600 Industrial Goods	SXNP	Data not available at press-time								
DJ Stoxx 600 Insurance	SXIP									
DJ Stoxx 600 Media	SXMP									
DJ Stoxx 600 Non-Cyclical	SXHP									
DJ Stoxx 600 Retail	SX1P									
DJ Stoxx 600 Technology	SX8P	34 992	1 735	38.45	22.00	22.16	(0.72)	6.3	(48.8)	
DJ Stoxx 600 Telecoms	SXKP	7 165	1 411	31.98	22.40	22.67	(1.19)	8.0	(36.0)	

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Deutsche Börse (continued)										
Fresco DJ Stoxx Banks	FSTEBA	Data not available at press-time								
Fresco DJ Stoxx Healthcare	FSTEHC									
Fresco DJ Stoxx Telecom	FSTETL									
Fresco DJ Stoxx Technology	FSTETM									
Unico MSCI Cons Discretionary	UNO4									
Unico MSCI Europe Cons Staples	UNO7									
Unico MSCI Europe Energy	UNO5									
Unico MSCI Europe Financials	UNO2									
Unico MSCI Europe Health Care	UNO3									
Unico MSCI Europe Telecoms	UNO6									
Global & US indices										
DJ Global Titans EX	DJGTE									
DJ Industrial Average	DJI									
Fresco DJ Industrial Average	FRC2									
Fresco DJ Japan Titans	FRC5									
Fresco DJ US Large Cap	FRC3									
Fresco DJ US Technology	FRC4									
FTSE Global Autos LDRS	LDRA									
FTSE Global Banks LDRS	LDRB									
FTSE Global Basic Industries LDRS	LDR1									
FTSE Global Cyclical LDRS	LDR									
FTSE Global Energy LDRS	LDRE									
FTSE Global Financials LDRS	LDRF									
FTSE Global Industries LDRS	LDRG									
FTSE Global Media LDRS	LDRM									
FTSE Global Non-Cyclicals LDRS	LDRN									
FTSE Global Pharma LDRS	LDRP									
FTSE Global Tech LDRS	LDRQ									
FTSE Global Telecoms LDRS	LDRT									
FTSE Global Utilities LDRS	LDRU									
Unico MSCI World	UNO1									
Euronext Amsterdam										
Dutch market index										
streetTRACKS AEX Index Fund	AEXT	68 730	2 400	83.02	34.70	34.59	0.32	1.9	(31.9)	(37.3)
European market indices										
DJ Stoxx 50 LDRS	EUN	18 160	17 600	455.49		25.88			(30.1)	(33.3)
DJ Euro Stoxx 50 LDRS	EUE	22 448	45 700	1159.87	25.57	25.38	0.75	4.97	(33.4)	(37.3)
iShares FTSE 100 (GBP)	ISFA		76 020	311.63		4.10			(21.5)	
iShares FTSE Euro 100	IERA	1 220	6 412	49.29		7.69			(30.8)	
iShares FTSE EuroTOP 100	IETA	4 794	1 040	21.37	20.29	20.55	(1.26)	2.2	(28.4)	
streetTRACKS MSCI UK	STUK	1	100	2.48	25.12	24.76	1.45	1.9	(22.0)	
European sector indices										
iShares FTSE Euro Banks	IBKS	420	1 650	9.17		5.56			(33.0)	
iShares FTSE Euro Cons Cyclical	ICYC	400	3 600	27.09	7.56	7.52	0.48	3.8	(18.8)	
iShares FTSE Euro Cons Non-Cyclical	IUSE		1 800	13.98		7.77			(16.4)	
iShares FTSE Euro Media	ISEE		2 512	8.28		3.30			(38.5)	
iShares FTSE Euro Oil & Gas	IOIL	600	1 800	14.43	8.15	8.02	1.65	2.5	(15.6)	
iShares FTSE Euro Pharm/Biotech	BIO		1 800	12.97		7.20			(25.3)	
iShares FTSE Euro Technology	ITEK	17 521	4 800	13.46		2.80			(52.6)	
iShares FTSE Euro Utilities	IUTL		1 800	10.52		5.84			(30.3)	
Global indices										
FTSE Global Autos LDRS	TGA		110	4.47		40.68				
FTSE Global Bank LDRS	TGB		510	19.28	37.64	37.81				
FTSE Global Basic Industries LDRS	TGI	6 000	200	7.21		36.05				
FTSE Global Cyclical LDRS	TGC	4 000	500	19.74	39.24	39.47				
FTSE Global Energy LDRS	TGE		300	8.81		29.35				
FTSE Global Financials LDRS	TGF	4 000	210	6.25	29.76	29.75				
FTSE Global General Industries LDRS	TGG		300	11.66		38.88				
FTSE Global Media LDRS	TGM	4 000	200	6.10		30.50				
FTSE Global Non-Cyclical LDRS	TGN	2 137	400	19.44		48.59				
FTSE Global Pharmaceuticals LDRS	TGP		200	6.87		34.37				
FTSE Global Tech LDRS	TGQ	2 000	200	4.24		21.18				
FTSE Global Telecom LDRS	TGT		100	2.61		26.07				
FTSE Global Utilities LDRS	TGU		110	3.15		28.63				
Euronext Brussels										
Belgian market index										
BEL 20 Master Unit	BEL	4 509	1 000	20.29	20.37	20.29	0.39			

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Euronext Paris										
French market index										
CAC 40 Master Unit	CAC	1 825 577	29 394	934.72	31.61	31.80	(0.60)	4.2	(30.8)	(37.3)
European market indices										
Easy ETF DJ Stoxx 50	ETE	59 013	961 001	2440.94	2.53	2.54	(0.39)	3.3	(33.9)	
DJ Stoxx 50 LDRS	EUE	8 117	17 600	455.49	25.86	25.88	(0.08)	3.7	(30.1)	(33.3)
DJ Stoxx 50 SM EX	GXN	3 400	4 850	125.65		25.91			(29.9)	
Easy ETF DJ Euro Stoxx 50	ETN	39 493	10 576	27.18	2.55	2.57	(0.78)		(30.5)	
DJ Euro Stoxx 50 LDRS	EUN	139 114	45 700	1159.87	25.30	25.38	(0.32)	3.9	(33.4)	(37.3)
DJ Euro Stoxx 50 SM EX	GXE	119 238	37 530	955.89	25.72	25.47	0.98	1.8	(32.8)	
DJ Euro Stoxx 50 Master Unit	MSE	1 492 200	26 775	682.76	25.32	25.50	(0.71)	4.1	(33.5)	
streetTRACKS MSCI Pan-Euro	ERO	7 505	4 900	378.97	78.30	77.34	1.24	3.3	(27.9)	(30.6)
SPDR Euro	SPO	750	1 850	177.97		96.20				
SPDR Euro 350	SPE	4 620	3 000	278.43		92.81				
European sector indices										
EasyETF ASPI Euro	SYV	3	112	6.46		57.64				
EasyETF Euro Stoxx Banks	SYB	202	130	26.89		207.35				
EasyETF Euro Stoxx Energy	SYE	228	56	15.71	277.70	278.87	(0.42)			
EasyETF Euro Stoxx Healthcare	SYH	11	44	15.38		347.66				
EasyETF Euro Stoxx Industrials	SYI	947	417	73.00	177.40	175.20	1.26			
EasyETF Euro Stoxx Media	SYM		123	19.02	157.00	155.07	1.24			
EasyETF Euro Stoxx Technology	SYQ	760	128	42.16	331.40	328.34	0.93			
EasyETF Euro Stoxx Telecom	SYT	801	33	9.46	285.80	284.04	0.62			
EasyETF Euro Stoxx Utilities	SYU		50	10.82	221.00	217.69	1.52			
streetTRACKS MSCI Euro Cons Disc	STV	154	850	27.06		31.83			(31.8)	
streetTRACKS MSCI Euro Cons Stap	STS	652	600	27.71	46.41	46.19	0.48	1.1	(11.8)	
streetTRACKS MSCI Euro Energy	STN	43	400	23.28		58.20			(18.2)	
streetTRACKS MSCI Euro Financials	STK	340	700	26.38		37.68			(30.1)	
streetTRACKS MSCI Euro Healthcare	STW	396	450	19.50	43.64	43.33	0.72	2.1	(21.7)	
streetTRACKS MSCI Euro Industrials	STQ	421	900	34.60		38.44			(30.0)	
streetTRACKS MSCI Euro IT	STZ	1 420	750	22.28	29.60	29.70	(0.34)	8.0	(51.4)	
streetTRACKS MSCI Euro Materials	STP	1 440	400	21.66		54.16			(18.0)	
streetTRACKS MSCI Euro Telecom	STT	1 028	350	10.30	29.36	29.42	(0.20)	8.3	(32.4)	
streetTRACKS MSCI Euro Utilities	STU	431	600	22.04	36.54	36.73	(0.52)	1.1	(18.8)	
US/Global indices										
Easy ETF DJ Global Titans	ETT	6 131	2 661	54.36	20.65	20.43	1.08		(32.9)	
DJIA Master Unit	DJE	26 463	3 028	257.24	84.40	84.94	(0.64)	0.6	(26.5)	(30.0)
MSCI US Tech Master Unit	UST	36 303	12 261	63.76	5.11	5.20	(1.73)	3.9	(43.0)	
Finland										
HEX 25										Trading commenced Feb-11-2002
OM Sweden (SEK denominated)										
XACTOMX	XACT	42 170	11 400	621.00	54.80	54.48	0.59	4.4	(36.4)	(35.6)
Switzerland (CHF denominated)										
XMTCH	XMSMI	126 677	28 159	1 446.00	50.28	50.29	(0.02)	4.8	(21.7)	(24.2)
SMI EX	SMIEX	6 300	490	25.52	49.92	0.1	(24.9)	(23.8)		
Fresco DJ Euro Stoxx 50	FSEU50	8 100	5 200	202.61	25.38	25.51	(0.51)	3.2	(34.2)	(31.9)
Fresco DJ Industrial Average	FDUSIA	2 224	1 350	175.44	124.25	1.0	(27.8)	(24.5)		
Fresco DJ Japan Titans 100	FDJ100	23 594	600	26.57	43.60	1.0	(25.0)	(28.8)		
Fresco DJ UK Titans 50	FDUK50	650	26.87	39.30	0.0	(27.8)	(26.5)			
Fresco DJ US Large Cap	FDUSLC	1 400	1 150	69.68	58.30	1.3	(34.4)	(33.6)		
Fresco DJ US Tech 40	FDUSTC	1 578	850	46.77	50.60	3.6	(43.8)	(43.0)		
Euro denominated										
DJ Stoxx 50 LDRS	EUN	19 395	17 600	442.99	25.93	25.17	3.02	3.7	(29.8)	(28.8)
DJ Euro Stoxx 50 LDRS	EUNE	168 165	45 700	1114.17	25.38	24.38	4.10	3.6	(33.5)	(32.0)
XMTCH MSCI Euro	XMMSE	710 792	2 165	241.71	73.4			4.3	2.6	2.6
USD denominated										
XMTCH DJ Technology Titans	XMTTE		99	17.58	111.00				8.1	8.1
XMTCH DJ Healthcare Titans	XMTHC		49	7.32	102.00				(2.4)	(2.4)
XMTCH DJ Banks Titans	XMTBK		49	7.32	101.25				1.5	1.5
<i>YTD and 12-month return is since inception for products with less than 12-month's trading</i>										
United Kingdom (GBP denominated)										
UK market indices										
iShares FTSE 100	ISF	1 403 613	76 020	312.75	4.13	4.11	0.39			
iShares FTSE TMT	ITMT	100	1 820	5.97	3.27	3.28	(0.31)			
European/US market indices										
DJ Stoxx 50 LDRS	EUN		17 600	281.09	1645.00	1597.08	3.00	2.81	(30.00)	
DJ Euro Stoxx 50 LDRS	EUE	3 360	45 700	706.96	1615.00	1546.95	4.40	3.26	(30.15)	

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1Yr
United Kingdom (continued)										
iShares FTSE Euro 100	IEUR	3 802	6 412	31.19	4.81	4.87	(1.25)			
iShares FTSE Eurotop 100	IEUT	511	1 040	13.52	13.00	13.02	(0.12)			
iShares S&P 500	IUSA	36 990	7 500	43.34	5.74	5.77	(0.67)			
European sector indices										
iShares FTSE Euro Banks	IBKS	11 313	1 650	5.78	3.40	3.51	(3.02)			
iShares FTSE Euro Cons Cyclical	ICYC	652	3 600	17.10	4.76	4.75	0.17			
iShares FTSE Euro Cons Non-cyclical	IUSE	10	1 800	8.81	4.96	4.90	1.27			
iShares FTSE Euro Media	ISEE	3 715	2 512	5.27	2.10	2.10	0.06			
iShares FTSE Euro Oil and Gas	IOIL	5 959	1 800	9.14	5.11	5.08	0.58			
iShares FTSE Euro Pharm/Biotech	IBIO	625	1 800	9.14	4.61	4.59	0.46			
iShares FTSE Euro Technology	ITEK	4 029	4 800	8.61	1.82	1.79	1.47			
iShares FTSE Euro Utilities	IUTL	7	1 800	6.62	3.65	3.68	(0.75)			
Virt-X (Euro denominated)										
European market indices										
LDRS Stoxx 50	EUN	6 966	17 600	470.62	25.74			1.43		
LDRS EURO Stoxx 50	EUNE	61 500	45 700	1206.02	25.33			3.39		
FRESCO EURO Stoxx 50	FSEU50	3 806	5 200	138.31	25.66			4.65		
iShares FTSE 100	ISF		76 020	504.92	6.40					
iShares FTSE Euro 100	IEUR		6 412	50.94	7.43					
iShares FTSE Eurotop 100	IEUT		1 040	22.00	20.08					
SPDR Europe 350	SPE		2 990	288.40	92.80					
SPDR Euro	SPO		1 850	185.52	96.10					
US/Global market indices										
FTSE Global Autos LDRS	FTGA		110	4.64	40.49					
FTSE Global Banks LDRS	FTGB		510	20.24	37.31					
FTSE Global Basic Ind LDRS	FTGI		200	7.24	35.73					
FTSE Global Cyclical LDRS	FTGC		500	20.17	39.22					
FTSE Global Energy LDRS	FTGE		300	9.18	28.87					
FTSE Global Fin LDRS	FTGF		210	6.54	29.53					
FTSE Global Gen Ind LDR	FTGG		300	12.08	38.74					
FTSE Global Media LDRS	FTGM		200	6.31	30.15					
FTSE Global Non-Cycl LDRS	FTGM		400	19.28	48.29					
FTSE Global Pharma LDRS	FTGP		200	6.98	34.38					
FTSE Global Tech LDRS	FTGQ		200	4.57	20.86					
FTSE Global Utilities LDRS	FTGU		100	2.72	25.78					
FTSE Global Telecoms LDRS	FTGT		110	3.15	28.41					
iShares S&P 500	IUSA		7 500	70.04	8.83					
US market indices (USD denominated)										
Fresco DJIA	FDUSIA	1 273	1 350	120	85.35			0.9		
Fresco DJ US (Large Cap)	FDUSLC		1 150	48	39.59			0.0		
Fresco DJ US Technology	FDUSTC	3 000	850	32	34.55			(2.0)		
INTERNATIONAL EXCHANGE-TRADED FUNDS										
Australia (AUD denominated)										
streetTRACKS ASX S&P 200 Index	STW		10 204	310.50	30.46	30.43	0.10	(0.0)	(9.3)	(6.8)
streetTRACKS ASX S&P 50 Index	SFY		803	25.15	31.03	31.32	(0.93)	0.2	(10.3)	(7.9)
streetTRACKS ASX S&P 200 Property	SLF		3 400	49.78	14.67	14.64	0.20	0.9		
Canada (CAD denominated)										
Canadian market indices										
iUnits S&P/TSE 60	XIU	792 396	88 404	3 114.00	36.65	36.57	0.22	2.7	(17.0)	(14.3)
iUnits S&P/TSE Capped 60	XIC	6 468	5 651	220.00	40.45	40.44	0.03	2.7	(17.4)	(14.5)
iUnits S&P/TSE Canadian MidCap	XMD	15 861	1 777	70.00	41.65	41.59	0.14	1.6	(14.4)	(8.6)
TD S&P/TSX Composite	TTF	1 025	5 776	124.96	21.05	21.64	(2.73)	1.1	(14.5)	(10.8)
TD S&P/TSX Capped Composite	TCF	50	2 848	71.46	24.75	25.09	(1.36)	1.1	(14.5)	(10.8)
TD Select Canadian Growth	TAG	0	2 057	12.30	5.65	5.98	(5.52)			
TD Select Canadian Value	TAV	0	1 457	21.62	14.70	14.84	(0.94)			
Canadian sector indices										
iUnits S&P/TSE Canadian Energy	XEG	25 276	1 774	52.00	28.95	29.00	(0.17)	(0.9)	4.7	11.8
iUnits S&P/TSE Canadian Financials	XFN	15 947	2 134	52.00	25.50	25.40	0.38	2.6	(8.6)	(6.1)
iUnits S&P/TSE Canadian Gold	XGD	48 303	3 574	141.00	45.60	45.66	(0.13)	1.4	28.8	38.8
iUnits S&P/TSE Canadian IT	XIT	63 981	8 378	29.00	4.11	4.08	0.64	9.6	(58.5)	(55.6)
iUnits S&P/TSX Canadian Real Estate	XRE	14 459	1 271	12.00	9.75	9.63	1.25			
Fixed income										
iUnits Canada 5-year Govt Bond	XGV	20 547	4 207	112.00	28.60	28.56	0.12	(0.5)	4.2	1.4
iUnits Canada 10-year Govt Bond	XGX	11 576	2 842	78.00	27.40	27.38	0.06	(0.7)	5.2	2.2
US/Global indices										
iUnits S&P500 RSP	XSP	45 138	7 794	109.00	14.65	14.54	0.74	5.0	(21.1)	(19.5)
iUnits MSCI International Equity RSP	XIN	6 609	3 344	51.00	17.20	17.06	0.83	2.7	(16.7)	(17.1)

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Hong Kong (HKD denominated)										
TraHK	2800.HK	4 990 000	2 672 992	26 484.11	9.90	9.91	(0.08)	1.0	(13.5)	(12.0)
iShares MSCI China Tracker (2801)	2801.HK	Data not available at press-time								
India (INR denominated)										
Nifty Benchmark Exch-Traded Scheme	Trading commenced Jan-8-2002									
Israel (ILS denominated)										
TALI 25	TALI	138	496	355.41	718.27	716.53	0.24	(0.2)	(26.2)	(15.9)
Mexico (MXP denominated)										
NAFTRAC	Trading commenced Apr-16-2002									
Japan (JPY denominated)										
Tokyo Stock Exchange										
Nikkei 225	iShares	1329	206	813	57.46	7 800	8 512	(8.37)	0.0	(25.7) (22.7)
	Nikko	1330	156 478	11 206	793.48	8 510	8 529	(0.23)	(2.1)	(18.6) (18.7)
S&P/Topix 150	iShares	1315	0	4 501	27.84	745				
Topix	Daiwa	1305	109 240	122 080	858.62	848	847	0.10	(2.3)	(15.2) (18.8)
	iShares	1307	60	15 091	105.56	843				
	Nikko	1308	2 012 800	1 093 298	7 655.71	845	843	0.18	(2.3)	
	Nomura	1306	783 140	893 887	6 281.20	847	846	0.07	(2.6)	(17.9) (18.6)
Topix Core 30	Daiwa	1310	680	2 413	12.36	605	617	(1.95)	(4.7)	
	Nomura	1311	400	5 000	25.62	603	617	(2.30)	(5.0)	
Topix Sectors	Banking: Daiwa	1612	5 600	10 200	13.66	162	161	0.41	(9.5)	
	Banking: Nomura	1615	191 180	30 048	40.11	162	161	0.75	(8.0)	
	Elec App: Daiwa	1610	140	1 024	11.29	1 309	1 328	(1.47)	(3.2)	
	Elec App: Nomura	1613	2 980	3 000	33.12	1 302	1 330	(2.08)	(5.6)	
	Transport: Daiwa	1611	0	1 014	11.61	1 362	1 379	(1.23)	(0.7)	
	Transport: Nomura	1614	40	2 000	22.90	1 350	1 379	(2.13)	0.0	
Osaka Stock Exchange										
Nikkei 225	Daiwa	1320	Data not available at press-time							
	Nomura	1321								
*Net assets in USD, other values in JPY										
New Zealand (NZD denominated)										
NZSE10 Index Fund	TNZ	111 371	89 420	79.68	0.87	0.89	(2.37)	0.1	(0.2)	4.9
NZ Mid Cap Index Fund	MDZ	3 268	14 832	27.75	2.04	1.87	9.09	(1.0)	0.4	3.4
Australian 20 Leaders Index Fund	OZY	46 323	57 014	114.53	2.46	2.01	22.51	1.3	(14.1)	(15.5)
AMP Investments' World Index Fund	WIN	134 320	409 595	484.41	1.28	1.18	8.23	1.7	(41.4)	(48.3)
Singapore (SGD denominated)										
streetTRACKS Straits Times Index	Launched Apr-17-2002									
South Africa (ZAR denominated)										
SATRIX 40	STX40	Data not available at press-time								
SATRIX Industrial Index	STXIND									
SATRIX Financial Index	STXFIN									

Volume shows average daily volume for the week ending Nov-15-2002; **Shares** shows the number of outstanding shares; **Net assets** are approximations, shown in millions of the appropriate currency unit (unless otherwise stated); **Price** shows the closing price on Nov-15-2002. **Sources include** Wiesenberger/Thomson Financial, fund managers, MAR research and other sources.



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