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Trading ETFs the multicurrency way

By Marsha Zapson

At a time when stock exchanges worldwide are seeking a competitive edge and looking for products that will lure investors to their platforms, many are turning to the American Stock Exchange and its ETF business as a model to copy. So too has virt-x Exchange Ltd, the new London-based European exchange. Launched in June 2001, it began by trading Europe's blue chips: first UK and Swiss stocks, then the Stoxx 50 and EuroStoxx 50, and finally the remaining pan-European blue chip equities.

At launch, virt-x was trading some €2 billion (\$1.9 billion) a day, and by year's end its volume had increased to some €3 billion (\$2.9 billion) a day with a pan-European market share of 9.2%, according to Lee Hodgkinson, director of business development for virt-x. The exchange has the fourth largest blue chip equity market in Europe, and is the fifth largest, just behind Italy, in overall trading, he says.

Although there's a natural affinity between virt-x and ETFs—they're both young and emphasize sectoral investing—virt-x waited nearly a year before taking on the ETF challenge. "We felt it was important to develop our core equity business first," says Hodgkinson. In May 2002, virt-x launched 23 ETFs: Stoxx and EuroStoxx 50 LDRS, 13 FTSE Global LDRS, four iShares and four Frescos.

virt-x considers itself the first pan-European electronic trading platform that allows investors to trade equities in multiple currencies. Rather than having to deal with myriad rules and settlement systems across Europe's 16 national equity markets, virt-x members have a single platform for trading all of Europe's blue chips and some of its ETFs. ▶

Broker coverage: A good omen for ETFs

By Philip Scipio

With an almost unanimous voice, the primary marketplace for exchange-traded funds and their sponsors are excited about Morgan Stanley's decision last month to begin coverage of ETFs. The move by Morgan Stanley was followed by a decision by Morningstar Inc, the leading source of research information on mutual funds, to list ETF data on its Morningstar Advisor Workstation, a set of online investment planning tools for investment professionals.

"It's definitely a plus for the industry," says Robert Tull, executive director, ETF services at the American Stock Exchange. Morgan Stanley has been doing equity research for a long time and has a strong reputation, he says. The research on ETFs, which will be in the hands of its brokers, has the potential to reach a large audience of people who might not have been considering the products. Research on ETFs on the order of what's currently being done in the equity market will also bring in investors who traditionally invest only in products backed by brokerage research. ▶

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Finally, stateside fixed income ETFs

By Philip Scipio

Although it had been widely expected that the Securities and Exchange Commission would give Barclays Global Investors and John Nuveen Co's Nuveen Investments Inc unit simultaneous okays to launch fixed income ETFs, the regulatory agency in June gave BGI the green light and is holding the Nuveen application in limbo. However, nothing sinister should be read into the action, or inaction, regarding the Nuveen funds, according to sources close to the process.

Gary Gastineau, the key force behind the ETF program at Nuveen, left the firm to join ETF Advisors as managing director in May, and the ETFs Nuveen filed have been transferred to the new firm. The process of changing the ownership of those applications at the SEC in addition to other administrative issues may be the primary reason for the delay in approving the Nuveen funds, according to sources.

The Nuveen applications were transferred to ETF Advisors because Nuveen believed the products would best be brought to market by a smaller firm. In exchange for transferring the filings to ETF Advisors, Nuveen will receive part of the proceeds from the future sale of the funds. (The financial terms of the deal were not disclosed.)

Furthermore, according to industry sources, the applications filed by Barclays and Nuveen were also different from one another, with the Nuveen filings departing from the routine exemption request, particularly as it relates to the fund management aspects.

But whatever the reasons for holdup of the Nuveen filings, the SEC action gives BGI the distinction of being first to market with fixed income ETFs. If history is any indicator, the first ETFs to exploit a sector typically take the lion's share of the business. Besides being first to market, size may also tip the scales in Barclays' favor. The ETF Advisors filings, formerly of Nuveen, may not have the financial backing of Nuveen, while the fixed income iShares will have Barclays' marketing juggernaut behind them.

This distinction may prove critical when coupled with Barclays' choice of index provider. The firm has based its funds on Lehman Brothers' well-known indices, whereas the former Nuveen filings are based on indices formulated by Ryan Labs.

Fixed focus

It took about 18 months for the SEC to give Barclays the go-ahead. The initial filing included five ETFs that replicate the Lehman 1-3 Year Treasury Index, Lehman 7-10 Year Treasury Index, Lehman 20+ Year Treasury Index, Lehman Treasury Index and the Lehman Government/Credit Bond Index. Last month, BGI proposed two additional ETFs, one tracking the Lehman Credit index and another tracking the Goldman Sachs Investment Grade index.

If there are no requests for a public hearing on BGI's proposed US ETFs within 25 days of approval, BGI could begin

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ETF Advisors
will not
have a problem
finding an audience

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selling the new products as early as July. It already offers bond ETFs in Canada that track indices of that country's five- and 10-year bonds (*see article on page 3*).

ETF Advisors is awaiting approval on four funds that will track Ryan Labs indices. The funds will be known as fixed-income trust receipts, or FITRs. The funds include the Treasury 1 FITR, Treasury 2 FITR, Treasury 5 FITR and Treasury 10 FITR. Each fund is composed of the “on-the-run” or most recently auctioned Treasuries of the maturity specified in the ETF name. The Treasury 2 FITR, for exam-

ple, will track an index composed of the on-the-run two-year Treasury, and Treasury 5 FITR will track an index composed of the on-the-run five-year Treasury. The Treasury 1 FITR will track an index with a two-thirds weighting in the most recently auctioned six-month T-bill, and a one-third weighting in the most recently auctioned two-year Treasury note.

The upstart

ETF Advisors was created to take over the filing from Nuveen for the four funds. If and when the SEC finally grants approval for these funds, the upstart firm will be the smallest ETF sponsor, competing with multibillion corporate entities such as State Street, Barclays, Merrill Lynch and Vanguard. The obvious disadvantage for a small firm going up against these giants—initially only Barclays is a direct competitor—is in the ability to finance marketing. But according to Gastineau, the young firm “will not have a problem finding an audience or getting its products in front of the right people.” He declined to comment on how much marketing support, if any, the new products can expect from Nuveen.

Nuveen, which offers a group of closed-end fixed income funds it calls ETFs, says it doesn't have any other open-end ETFs that are on the market or in the filing stage. Nuveen has declined to comment on whether Gastineau's departure will cause the firm to withdraw from further ETF development.

Although its initial batch of ETFs hasn't been approved by the SEC, ETF Advisors is planning to file application to launch a “silent index fund” as well as an actively managed ETF, according to Gastineau. A silent index can be a unique index; or it can be an index with many of its rules and its stock universe similar to those of a popular benchmark index, but with a different set of rules for timing index transitions, modifications and rebalancings.

A simple example of a silent index fund might be a fund based on index rules similar to the Russell 2000, but using an undisclosed index reconstitution date some months away from the summer chaos of the Russell rebalancing (*see update on page 10*). Such an index fund might easily add 100 basis points or more to the average return of the Russell benchmark simply by timing its reconstitution and rebalancing differently from the Russell standard. The concept keeps the market from anticipating the moves of the manager and replicating or capitalizing off those trades. ❧

A future in fixed income

By Elise Coroneos

iUNITS CANADA GOVERNMENT BONDS

Ticker		5-year bond	XGV
		10-year bond	XGX
Launch date		November 23, 2000	
Net assets		XGV	C\$100 million
		XGX	C\$76 million
Shares outstanding (000)		XGV	3,597,882 units
		XGX	2,842,450 units
Avg daily trading volume		XGV	14,180
		XGX	8,792
Expense ratio		0.25%	
<i>(All data as of June 11, 2002)</i>			
		52-Week	
		High	Low
Price	XGV	29.05	26.55
	XGX	27.90	25.20
NAV	XGV	29.01604	26.59643
	XGX	25.22363	27.83397
Premium/discount to NAV		N/A	
Sector focus		Fixed income	
Portfolio structure		Mutual fund trust	
No of stocks in fund		Each fund holds a single bond	
Options/futures available		No	
Minimum trade size		1 unit	
Distribution frequency		Semi-annual	
Benchmark		No underlying index	
		2001	YTD
Income	XGV	C\$1.761648	C\$0.789422
	XGX	C\$1.508820	C\$0.678700
Capital gains	XGV	C\$0.013398	N/A
	XGX	C\$0.086264	N/A
Trustee		Barclays Global Investors Canada Ltd	
Custodian		Royal Trust	
Index provider		N/A	
Distributor		N/A	

After considering Barclays Global Investor's application to launch fixed income ETFs in the US for nearly a year and a half, the Securities and Exchange Commission recently approved the firm's request. It is understood that BGI plans to start selling the new products as early as July. The fixed income-based ETFs originally proposed by BGI in the US include five funds tracking Lehman bond indices, four of which would track US Treasury bond indices, and one that would track an index of government and corporate bonds.

The time and wrangling involved in the leadup to the now-imminent launch of fixed income ETFs in the US belie the ease with which fixed income ETFs were launched in Canada; virtually no fuss preceded their introduction. Trading since November 23, 2000, the iUnits Canada 5-year Government Bond (XGV) and the iUnits Canada 10-year Government Bond (XGX) represented the simplest way for BGI's Canadian chapter to build fixed income into its ETF offerings.

"Our strategy for BGI in Canada was to offer a family of ETFs that would represent all of the major asset classes then allowing people to build a balanced portfolio covering the key asset classes," says Steve Rive of BGI Canada. "Obviously that meant the missing piece of the puzzle was the fixed income side, which is an important part of any balanced portfolio."

Single underlying bond

These two Canadian fixed income ETFs are perhaps the only ones in existence that are not in fact based on an index. Each of the funds holds only one bond at a time, which is sold periodically in order to buy into the new five- and 10-year Government of Canada bonds. The funds, which are listed on the Toronto Stock Exchange, seek to replicate to the extent possible the return of a bond issued by the Government of Canada with a five- and 10-year term to maturity. In order to achieve this objective, the funds invest in the Government of Canada bond selected by Barclays that has a time to maturity that closely matches the benchmark bond maturity. The funds also invest in bond futures contracts in order to provide market exposure for cash held.

Despite not being based on a traditional index, the products have many index-like properties in that they are based on bonds that are close to the benchmark of the Canada government bonds, which means that the returns are reported regularly and are quite visible.

"It is also similar to an index where there is a committee and an index provider that adheres to certain rules when taking stocks in and out of the index," says Rive. "It is a transparent, rules-based portfolio, and in that sense it resembles an index, but it is not in fact an index."

BGI attempts to maintain a target maturity while balancing the demands of trading. "As a tradeoff between frequency of trading and trying to hold the target maturity, we felt trading once a year was appropriate to bring us back up to the correct maturity," says Rive.

When a bond is sold, there is the potential for the fund to trigger capital gains. Last year saw a capital gain of C\$0.013398 on the five-year bond and C\$0.086264

◀3 on the 10-year bond, while 2002 capital gains will be distributed only at the end of the year.

Retail focus

The greatest value proposition for individual investors of fixed income ETFs is the ability of the funds to provide access to wholesale pricing. Because bonds are traded over the counter as opposed to on an exchange, there is no established price for each unit or payable commission. Instead, an investor's commission is factored into the price paid for the bond. Trading smaller retail amounts will not result in as attractive a price as when trading is in larger amounts.

"So if the fund is trading \$100 million worth at a time and is getting access to that wholesale pricing and is able to pass that benefit along to the unit holders, that is the chief value proposition," says Rive.

Given that the products' chief benefit is access to wholesale pricing, the fact that institutions can access such pricing themselves means that funds are virtually totally retail products. Evidence of the products' popularity with retail investors can be seen in the dominance of the five-year fund over the 10-year fund by about two to one. The five-year ETF has net assets of C\$100 million and an average daily trading volume of 14,180. This compares with C\$76 million in net assets for the 10-year ETF and an average daily trading volume of 8,792.

Rive believes that investors prefer the fund with the shorter maturing bond because its duration is typical of a bond mutual fund's duration and because investors see it as being potentially less volatile. It is generally the case that long-term debt securities are more susceptible to changes in interest rates, and so the value of a 10-year bond may be more volatile than that of a five-year bond.

In line with this expectation, the price of the five-year product experienced a smaller margin over the last 52-week period, with a high of \$29.05 and a low of \$26.55. This is compares with a high of \$27.90 and a low of \$25.20 for the 10-year product.

Interest rate impact

Interest rates do affect the underlying bond, having the same inverse relationship that would result from holding a bond directly. If interest rates go up, then the price of the bond being held will go down, leading to a reduction in the net asset value. Therefore, with a turnaround in the current bear market anticipated, some industry analysts have questioned the popularity of future fixed income ETFs among investors.

Despite these concerns, a number of firms in addition to BGI are moving forward with plans to launch fixed income ETFs. In the US, ETF Advisors LLC, which was recently formed by Gary Gastineau, is still awaiting SEC approval of five bond ETFs originally filed by John Nuveen Co. It is proposed that these ETFs will track indices of US Treasury securities compiled by Ryan Labs Inc. Nuveen transferred these applications to ETF Advisors because it believed the products would best be brought to market by a smaller firm.

Not to be left behind, the European market recently saw the Deutsche Börse list its first fixed-income ETF, the Xavex SICAV Dynamic Bond Portfolio Fund. The new fund is issued by Xavex SICAV, based in Luxembourg, with Deutsche Bank as the sponsor. Xavex SICAV is an actively managed ETF benchmarked against the iBoxx Euro Overall Index. iBoxx Ltd, which comprises more than 1,000 sovereigns, subsovereigns, and collateralized and corporate bonds, was established in August 2001 as a joint venture by ABN AMRO, Barclays Capital, BNP Paribas, Deutsche Bank, Dresdner Kleinwort Wasserstein, Morgan Stanley, UBS Warburg and DBAG.

While some argue that fixed income ETFs will be used by institutions to sell short as a hedge against interest rate rises, Rive does not think this is a particularly large part of the Canadian funds' activity. "I don't really get the sense that people are using it for short-term interest rate exposure or short term plays on interest rates. Most typically, the fund is for a long-term buy-and-hold as part of a core asset allocation strategy," says Rive. ❖

NAV: iUnits Canada Government Bonds

◀1 Broker coverage: A good omen for ETFs

Of the 119 existing ETFs traded in the US, Morgan Stanley will initially rate 25 funds tracking US equity indices and five funds tracking international indices. The firm is tracking eight funds in the major market category, six funds in the style category, 11 funds in the sector category and five funds in the international category.

Morgan Stanley will use the same basic rating system for ETFs that it uses for stocks and closed-end funds, assigning each fund one of the three ratings: overweight, equal-weight and underweight, the firm says. According to Paul Mazzilli, the analyst who leads Morgan Stanley's five-member ETF research staff, the announcement follows a long period of research on various exchange-traded funds.

Of the eight ETFs that track major market indices, Morgan Stanley assigned the aggressive "overweight" rating to only two funds, the S&P MidCap 400 Depositary Receipts and iShares S&P SmallCap 600 Index Fund. Twelve other funds received an "overweight" rating, including the iShares DJ US Consumer Cyclical fund and the Energy Select Sector SPDR. The Nasdaq-100 Index Tracking Stock, which is trading at the bottom of its 52-week range, was given a rating of "underweight."

A good beginning

It's a good start, says State Street Global Advisors managing director Greg Ehret. But he wonders why Morgan Stanley doesn't initiate coverage of all the 119 funds. "Currently it doesn't rate the entire asset class," says Ehret. "All funds deserve to have that depth and breadth of research to add the most value."

Indeed, the largest ETFs are based on indices, such as the S&P 500, the S&P 400, the Dow Jones Industrial Average and the Nasdaq 100, which are well covered and recognized by investors across the spectrum. The smaller funds that track specialized sectors are not as well known, and would benefit more from detailed research.

Each of the initial 30 funds tracked by Morgan Stanley has been trading for more than one year and has assets of more than \$75 million. These criteria will initially exclude Barclays' iShare EAFA fund, for example. The fund has amassed close to \$2.5 billion in assets in its first six months of trading.

Barclays, too, views the move by Morgan Stanley as a positive step that will benefit the industry. "It has the potential to put the same type of research information available on mutual fund in front of investors," says Barclays' Tom Taggart. The sentiment is echoed by Tull. Morgan Stanley's deciding to cover ETFs comes as the asset class is gaining momentum.

Despite, or perhaps because of, the bear market that's gripping equity markets, ETFs have continued to add assets and win converts. In the aftermath of Enron and Tyco and similar stock meltdowns, investors are weary of being caught holding the

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It's definitely
a plus
for the
industry

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wrong stock, says Tull. "Those who don't want risk associated with holding a specific stock have been increasingly drawn to ETFs," he says. The funds have given investors the ability to focus on sectors they want to be in without the fear of owning the next Enron, he says.

And unlike mutual funds, ETFs are transparent, allowing investors to know exactly which stocks are in a fund and trade like stocks. "There's no surprise at the end of a quarter," says Tull, noting a propensity of some mutual funds for style drift.

More coverage

With nearly 80,000 registered users, Morningstar could bring a bumper crop of new investors to ETFs. The Morningstar Advisor Workstation combines daily updates of stock, mutual fund, variable annuity/life and ETF data, daily alerts, portfolio analysis, asset allocation, goal planning tools, hypothetical illustrations, client management and report processing capabilities. Advisors will now be able to search the database to find the right ETF for a client and use the service's portfolio capabilities to analyze how that new investment will affect other holdings.

"ETFs have become an important tool for advisors as they strive to reduce their clients' taxes and fees," says Geoff Balzano, product manager for Morningstar Advisor Workstation. MorningstarAdvisor.com offers Morningstar Reports on more than 40,000 stocks, mutual funds, exchange-traded funds and closed-end funds.

In addition to research by Morgan Stanley and new coverage by Morningstar, AG Edwards and Prudential are planning to introduce wrap products using ETFs, which will undoubtedly add even more research to the marketplace, says Tull. "Momentum is moving in favor of ETFs," he says.

That view was echoed by Lipper, which recently reported that "ETFs will continue to grow steadily and under the right conditions are poised to challenge conventional index based close-end funds in many venues."

The report, "Exchange-Traded Funds: Impacts on the Conventional Funds Business," penned by Lipper senior analyst Don Cassidy, notes that ETFs are offering "attractive direct competition with existing close-end funds." The report also noted the extraordinary growth potential for ETFs should the SEC allow ETFs to invest in bond portfolios. In June, that became a reality as the SEC gave Barclays the green light to launch seven fixed income ETFs.

And that's just the beginning, says Tull. "The SEC is still reviewing comments for actively managed ETFs and leveraged products as well as applications for other fixed income products," he says. These pending actions by the SEC as well as growing use of ETFs to gain exposure to international and emerging markets may have prompted Morgan Stanley, as well as Morningstar, to formally initiate ETF coverage and others may follow. ✚

◀ Trading ETFs the multicurrency way

Sectoral trading

Because virt-x believes sectoral trading across borders is increasing, it has made the cost of crossborder trading low, says Hodgkinson. "If you're a Swiss participant, for example, using your connection to virt-x you can obtain European exposure by buying ETFs and settling the trade in SIS (SegaInterSettle Segaintersettle AG) as cheaply as a Swiss equity, which is about 40 Swiss cents (US \$0.26)."

As Hodgkinson and others point out, until the advent of virt-x, it was much cheaper for investors to trade within their national boundaries—which is one reason why ETFs list and trade on multiple exchanges. (There are currently 92 ETFs in Europe with 154 crosslistings, according to London-based Morgan Stanley.) For investors that trade outside their national borders on the local market, the costs can be six to 10 times higher, says Hodgkinson.

But virt-x—and this is what makes the exchange unique—offers integrated and straight-through processing of transactions to three central securities depositories: CrestCo, Euroclear and SIS. In most cases, each virt-x trade triggers an automatic settlement instruction that is routed through to either SIS, the Swiss national CSD; CrestCo, the UK national CSD; or Brussels-based Euroclear.

These three CSDs are collaborators as well as competitors. As such, they support what is called "the horizontilization of Europe's securities industry," says Hodgkinson. As he explains it, a UK investment house, for example, can buy or sell a French security on virt-x and settle that stock in Euroclear using its existing Crest account. "This means that investors can transact and settle crossborder trades at domestic cost."

In addition to its trading and settlement capabilities, virt-x has an unusual corporate structure. The Swiss Exchange holds 38.8% of its stock, a consortium of investment banks holds 38.9% and the remaining 21.3% is held by the public, says Hodgkinson.

"We have 150 members that are domiciled in Switzerland, the UK and some in Germany, France, the Netherlands and Ireland," he says. "As we expand our membership, the cost benefit for intermediaries using virt-x will be self evident."

Like its public investors, the consortium of 11 investment banks is pan-European, including the likes of UBS and Merrill Lynch. "At launch, we had a loan arrangement with the consortium in which they advanced £13 million into the company," says Hodgkinson. "These loans can be reclaimed against trading fees; and that's a compelling reason for shareholders-as-members to use virt-x."

And finally, virt-x's relation with SWX is unique among exchanges. SWX provides the technology and trading platform for virt-x, and both virt-x and SWX benefit from the union: SWX can now offer two trading platforms for ETF issuers, and virt-x can leverage SWX's ETF initiative. SWX, which was the third European exchange to list and trade the products, has nearly a two-year track record (*see ETFR, January 2002, page 3*).

Because virt-x has outsourced its technology to SWX, it doesn't have the cumbersome staff—and hence the overhead—of the average exchange. virt-x has 52 employees; in comparison, the London Stock Exchange has between 400 and 500 employees, excluding its technocrats, says Hodgkinson.

Dual platforms

Clemens Reuter, vice president of SWX, says that the Swiss Exchange offers its ETF issuers two platforms: one in Switzerland, regulated by the Swiss Federal Banking Commission, and another in the UK, regulated by the Financial Services Agency. However, one legal difference between the two is that virt-x does not have a listing authority; therefore, all ETFs traded on virt-x have only permission to trade, he says.

In order to receive permission to trade, an ETF issuer needs a primary listing on a European exchange and the right to dis-

virt-x Corporate Structure

* ABN AMRO, American Century, Archipelago, Credit Suisse First Boston, Deutsche Bank, Dresdner Kleinwort Wasserstein, Instinet, JP Morgan, Merrill Lynch, Morgan Stanley, UBS Warburg

Source: virt-x

Are ProFund's ETFs really actively managed?

By Marsha Zapson

ProFund's new cadre of ETFs currently before the Securities and Exchange Commission are the first funds to offer investors returns other than that of indices they follow. But are they actively managed? "That," says a ProFund spokesman, "is the \$64 million question."

At the beginning of June, ProFund Advisors LLC, the Bethesda, Maryland mutual funds company, filed a registration statement with the SEC for eight ETFs designed to offer investors leveraged or short exposure to the S&P 500, the Nasdaq-100, the Dow and the S&P MidCap 400.

Although at one point ProFund considered offering a separate share class for its ETFs, as Vanguard did with its Vipers, it ultimately decided to create a new series of funds.

In brief, ProFund filed for four leveraged and four short-biased ETFs. The four leveraged funds—Ultra500, Ultra 100, Ultra30 and Ultra 400—are designed to profit when their respective indices rise, providing twice the daily performance of those benchmarks. Similarly, the four ETFs designed to profit when their respective indices fall—UltraShort500, UltraShort100, UltraShort30 and UltraShort400—provide twice the inverse of the benchmarks' daily performance. Daily performance is key here, as the registration document states, because mathematical compounding prevents these ETFs from tracking their indices' returns long term.

But nowhere in the filing is it stated that these funds are actively managed. Nor has the SEC said that these ETFs would be considered actively managed. Yet, neither would the SEC concede that they are merely index funds.

In its registration statement, ProFund says its ETFs will be "managed using a passive, mathematical approach to investing . . . [and will] pursue its objective regardless of market conditions, trends or direction." To do so, the ETFs "may invest in securities not included in the indices" and other instruments, such as equity caps, collars, floors and swaps.

But the funds will not "conduct conventional stock research or analysis, or forecast stock market movement or trends." Nor will ProFunds invest in stocks or financial instruments based on fundamental research, or "adopt defensive positions by investing in cash or other instruments in anticipation of an adverse climate for the benchmarks."

Interim measure

Kathleen Moriarty, an attorney with Carter, Ledyard & Milburn wonders whether at the conclusion of the approval process, anyone will characterize the new funds as the first active ETFs. "I think most people in the ETF industry, regardless of the SEC's technical definition, would probably not regard them as actively managed," she says. "I suspect sponsors and investors are looking for something more than an index with a couple of bells and whistles."

Most people close to the matter say these funds will probably be available early in the third quarter of 2002. The brevity of the registration process—from filing to probable launch—is itself an indication that these ETFs are not actively managed. Because they are transparent and managed on a quantitative model rather than by stock selection, they fall into a category other than actively managed, says the ProFund spokesman.

ProFund's products have enough special features—such as the use of leverage, swaps and futures—to make them different from standard ETFs. But ProFund's ETFs aren't any more actively managed than Vanguard's, for example, which is what ProFund has always argued, says Moriarty. "Finally, we all agreed to stop debating whether these funds are actively managed or just index funds. Which was fine; it was expedient to do so and ultimately productive."

How, then, would Moriarty characterize these funds? They will probably be considered an interim step on the actively managed continuum, she says. ❖

tribute in the UK, says Reuter. Those ETFs trading on SWX must meet not only UK distribution requirements, but also the Swiss Federal Banking Commission's full listing requirements and its distribution requirements for Switzerland, he says.

"SWX really wants to focus on the Swiss retail investor trading in Swiss francs," says Reuter. "We have 10 ETFs on SWX, eight of which are listed in Swiss francs. The virt-x site offers 23 that trade in euros or US dollars. That site attracts the institutional investor who wants to buy, for example, the Dow Jones Industrial Average, not in a foreign currency, but in US dollars."

Interestingly, SWX itself offers about five instruments in two currencies. "We've found, however, that dual currencies may be too cumbersome for some banks trading on SWX," says Reuter. "It's really a distribution issue. We've discussed it with ETF issuers, and they would like to see their ETFs trading in multiple currencies. But while banks can select the security, some can't select the currency; and that's a bank technology

issue we cannot force."

As an example, Reuter says that EuroStoxx 50 trades in Swiss francs and in euros on SWX. But on virt-x, those who wish can buy the entire EuroStoxx 50 index as well as the ETF in euros. "The benefit there is that we've widened the distribution channel for the issuer—and therefore for the market," he says. And as many point out, one added benefit is that arbitrage opportunities increase.

"The countries showing interest in virt-x are those with a more developed regulatory structure, of which Switzerland and the UK are good examples," says Hodgkinson. "To obtain exposure to European sectors without virt-x is an expensive business. Liquidity isn't fragmented in Europe, infrastructure is, and that's what makes crossborder trading so expensive."

Within the broader European landscape, virt-x and its ETF initiative is another venue for disseminating and vetting ETF information. Sponsors leverage their coverage at no cost to themselves; and investors have a cheap and easy means of trading. ❖



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FTSE Group and Joburg bourse launch index series

London-based **FTSE Group** and Johannesburg-based **JSE Securities Exchange South Africa** have converted the **JSE Actuaries Index Series** to an enhanced design methodology. As such, it has become part of the **FTSE/JSE Africa Index Series** and measures South Africa's domestic market. The new series, which includes updated versions of existing JSE indices and gold, platinum and diamond sector indices, is designed to integrate South Africa into the global financial markets. The new indices will adopt free float, introduce total return indices and apply FTSE's calculation methodology. All JSE stocks have been reclassified using FTSE's **Global Classification System**.

To date, the **FTSE All-World South Africa Index** is up nearly 30.0% through June 24; in comparison, the **FTSE All-World USA Index** is down 13.5% for the same period, says FTSE. (Performance is calculated in US dollars with dividends reinvested.) FTSE and the JSE will jointly develop new indices for the series in response to market demand.

Amex says it is considering China ETF listing

Amex's chief executive **Salvatore Sodano** told Chinese journalists recently that the exchange plans to list ETFs on China stocks, according to a report in the *South China Morning Post*. The **FTSE-Xinhua Index** committee, of which Sodano is a member, is developing the product, said the report. No time frame was given.

FTSE-Xinhua Index is a joint venture between FTSE, a UK-based index provider, and **Xinhua Financial Network**, a Chinese government-owned media organization. The joint venture launched the **FTSE/Xinhua China 25 Index** in April 2001. It is designed for ETFs, index-linked funds and derivatives, according to the firm.

Deutsche Börse lists its first fixed income ETF

Deutsche Börse recently listed its first fixed income ETF. **Xavex SICAV Dynamic Bond Portfolio Fund** was offered with automatic dividend rein-

vestment (WKN: 541 613) and dividend distribution (WKN: 541 614). The new fund is issued by **Xavex SICAV**, based in Luxembourg; **Deutsche Bank** is the sponsor.

Xavex SICAV is an actively managed ETF benchmarked against the **iBoxx Euro Overall Index**, which comprises more than 1,000 sovereigns, subsovereigns, collateralized and corporate bonds. **iBoxx Ltd** was established in August 2001 as a joint venture by **ABN AMRO, Barclays Capital, BNP Paribas, Deutsche Bank, Dresdner Kleinwort Wasserstein, Morgan Stanley, UBS Warburg** and **DBAG**.

DBAG's XTF segment has over 50% of Europe's ETF market share, according to the bourse. At present, it trades 43 passive and 14 actively managed ETFs; of those, the most actively traded ETF during May was DAX EX, with €848 million (\$797 million) in turnover.

Borsa Italiana to launch ETFs on new trading platform

The **Italian Stock Exchange's** new ETF trading platform has gone live. Now, the bourse plans to issue a request for proposal to create an ETF on the new S&P mid-45 index. **Merrill Lynch** has already registered its Stoxx and EuroStoxx LDRS for sale in Italy, as have the following sponsors: **Credit Lyonnaise, Société Générale** and **Unico**. September appears to be the current target to trade ETFs.

SEC approves ETF-based securities futures trading

The **Securities and Exchange Commission** recently approved securities futures trading based on ETFs, and has agreed to issue a joint order with the **Commodity Futures Trading Commission** to allow futures contracts based on ETFs, closed-end funds and trust-issued receipts. Regulators approved the order provided the underlying instruments are liquid and actively traded.

Last year, Congress approved US trading in single-stock and narrow-based stock index futures. However, trading is still on hold as SEC and CFTC regulators continue to issue necessary rules.

Instinet has agreed to buy Island ECN

Instinet has entered into a definitive agreement to acquire **Island ECN** in an all-stock transaction. Together, the two companies serve customers across a range of market segments including ETFs, small to large cap over-the-counter securities and other securities listed on US, European and Asian exchanges. This move is likely to result in the combined company's creating more trading competition with the **American Stock Exchange** for ETF volume.

Instinet expects to pay a \$1 per share cash dividend to Instinet stockholders. Island's stockholders will own approximately 25% of Instinet common stock, representing a total estimated transaction value of \$508 million after taking into account the special dividend and based on the \$7.05 closing price of Instinet stock on June 7, 2002.

Eurex to harmonize trading hours for futures

Eurex announced that as of June 17 it will harmonize trading hours for futures on the STOXX 50 Index and the sector indices STOXX Banks and Euro STOXX Banks with the 20:00 close for Euro STOXX benchmark futures. This means that all STOXX futures accepted for trading in the US will be tradable until 20:00.

At present, 61 Eurex participants trade directly from the US. Of Eurex's benchmark products, 25% are traded from the US. During the first four months of 2002, Eurex turned over some 25 million STOXX contracts, more than twice the number traded during the same period in 2001.

AXA Investment Managers cuts fees on all EasyETFs

Management fees on all **EasyETFs** have been cut to a total expense ratio of 0.45% per year. This is a reduction of over 50% for some products. Since introducing the EasyETF range a year ago, **AXA Investment Managers** has created 12 products including EasyETF EURO STOXX 50, EasyETF STOXX 50 EUROPE, EasyETF GLOBAL TITANS 50, EasyETF ASPI Eurozone and eight EasyETF Euro Sectors that track banking, insurance, energy, health, 

◀ media, technology, telecoms and utilities.

Over the past year, EasyETF trading volumes have expanded from an average of €2 million per month in the second quarter of 2001 to more than €40 million per month for 2002. Assets under management have also grown, from an initial €30 million to almost €300 million. The eight EasyETF Euro Sectors products are ranked second on Euronext in terms of volume. They expected volume of nearly €50 million in May.

Deutsche Börse goes to free-float calculations

In June, **Deutsche Börse** began calculating all of its equity indices based on free-float. With this changeover, company weightings in an equity index are now measured by the freely tradable shares; previously it was based on total shares traded. Also, SDAX and NEMAX 50 indices will rebalance based on free-float criteria, and the number of SDAX constituents are limited to 50.

Nomura's ETF passes ¥1t benchmark for first time

In mid-June, the ETF managed by Tokyo-based **Normura Asset Management Co** tracking the TOPIX, topped ¥1 trillion (\$8.2 billion) for the first time, according to *The Nihon Keizai Shimbun*. The only other Japanese equity fund to top ¥1 trillion was also managed by Normura, although it lost half its value in February 2000.

One reason for the increase is that the **Bank of Tokyo-Mitsubishi** and 20 corporate clients invested over ¥350 billion (\$2.8 billion) in cross-shareholdings to the ETF; and last November, BOT-Mitsubishi contributed some ¥400 billion (\$3.3 billion) in stockholdings.

ETFs were introduced to Japan in July 2001, and now total 17 with a combined net worth of just over ¥1.7 trillion (\$139.5 billion).

Goldman, Sachs adds 70 bonds to GS \$ InvesTop Index

Goldman, Sachs & Co has expanded the composition of its **GS \$ InvesTop Index**, from 30 to 100 investment-grade bonds and added two industry categories for a total of four. The

increase in the number of bonds will reduce tracking error against the broad corporate market's return, Goldman Sachs said.

The InvesTop Index will now also allow the inclusion of multiple bonds—one bond per maturity range—with a maximum of three from a single issuer. Bonds now have to carry investment grade ratings from both **Moody's Investor Service** and **Standard and Poor's**.

In addition, the market sampling structure of the index will expand to a four-by-three matrix, consisting of four broad industry sectors—consumer, finance, industrial/utility and telecom/technology—and three maturity ranges: five years, 10 years and 30 years.

In the previous two-by-three matrix, companies were categorized as financial or nonfinancial.

The **GS \$ InvesTop Index**, which started in 1999, is an index of a fixed number of the most liquid bonds in the investment grade corporate market.

CFTC extends rules for trading non-US indices

At the end of May, the **Commodity Futures Trading Commission** extended an agreement to continue the trading of certain foreign securities on US markets. The rule, which was set to expire at the end of June, classified some foreign security index futures, such as the **Eurotop 100** and the **FTSE 100**, as broad-based. By so doing, the derivatives based on these indices will be regulated by the CFTC. Had the rule not been extended, a few of these indices may have been reclassified as narrow-based and would then have needed joint oversight by the CFTC and the SEC, which, according to *The Wall Street Journal*, could have resulted in market confusion.

Frank Russell reconstitutes its 1000 and 3000 indices

Once again, the **Frank Russell Co** gets ready to rebalance and the market braces itself for a flurry of activity. The company has posted its preliminary list of additions and deletions to the broad-based **Russell 3000**. Final membership will be effective July 1 and last for one year.

Yearly, the Russell takes the 3,000 largest US stocks at the end of May and ranks them by market cap. The largest 1,000 become the **Russell 1000**, and the balance, the **Russell 2000**. Last year, the Russell added 609 companies and shed 431. The preliminary additions for 2002 include 66 IPOs compared with 148 in 2001, and 317 in 2000. Russell says that 397 companies will probably be added to the **Russell 3000**, down from the 10 year average of 495. The market value of the index is likely to reach \$12.1 trillion, some \$300 billion less than last year.

Swedish fund XACT enjoys volume increases in Q2

XACT, the Swedish ETF, has recently seen its volume increase. Turnover during the second quarter been stronger than that during the first quarter as small and medium sized institutions have become more active investors. At mid-June, Xact's average daily volume was 66,000, whereas at mid-March, it was 28,000.

The drop in the telecom sector reshaped the index and, in its rebalanced state, made it more evenly distributed across industries and more attractive to investors. XACT OM has also updated its Web site, which is now available on www.xact.se. The composition of the newly weighted index is detailed there.

Euronext's two SPDR funds see an increase in activity

Mid-June, **SPDR Euro** and **SPDR Euro 350**, trading on Euronext Paris, increased their activity and bumped the exchange's total volume to a high of €476 million. At the end of May, the exchange had some 59 ETFs from seven issuers, garnered 48.6% of the European monthly market share, and reached €5.7 million (US \$5.5 billion) in assets under management.

On the move

The Bank of New York has appointed **Marc Russell-Jones** as European product manager for Exchange-Traded Funds from **FTSE International**, where he was regional director for France and Switzerland.

US EXCHANGE-TRADED FUNDS

Week ending June 14 2002

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	106 089 540	694 100	19 157.16	27.62	27.60	0.07	(2.4)	(29.0)	(35.2)
S&P 500 SPDR	SPY	26 067 540	277 235	28 081.13	101.40	101.30	0.10	(1.9)	(11.0)	(15.9)
DJIA Diamonds	DIA	4 786 620	37 453	3 557.66	95.00	94.98	0.02	(1.3)	(4.2)	(9.6)
<i>Volume includes trading on all listing entities</i>										
iShares Dow Jones series										
iShares DJ US Basic Materials	IYM	21 840	1 450	57.25	39.53	39.48	0.13	(2.0)	2.9	2.1
iShares DJ US Chemicals	IYD	4 280	250	10.71	41.85	42.83	(2.29)	(5.0)	(0.6)	(1.0)
iShares DJ US Consumer Cyclical	IYC	36 220	4 000	205.28	51.40	51.32	0.16	(3.1)	(7.6)	(13.5)
iShares DJ US Energy	IYE	8 900	2 150	97.59	45.50	45.39	0.24	(1.6)	(4.3)	(15.4)
iShares DJ US Financial	IYF	17 720	1 500	114.68	76.53	76.46	0.09	(2.1)	(4.7)	(6.2)
iShares DJ US Financial Services	IYG	8 120	650	56.63	87.12	87.13	(0.01)	(2.2)	(4.8)	(5.5)
iShares DJ US Healthcare	IYH	40 940	4 350	226.03	52.05	51.96	0.17	(1.8)	(16.1)	(17.4)
iShares DJ US Industrial	IYJ	14 660	1 750	75.62	43.35	43.21	0.32	(1.3)	(14.0)	(18.3)
iShares DJ US Internet	IYV	9 420	1 300	11.30	8.70	8.69	0.12	(6.3)	(40.1)	(51.7)
iShares DJ US Non-Consumer Cyclical	IYK	36 100	2 800	131.52	47.07	46.97	0.21	(1.0)	8.1	17.0
iShares DJ US Real Estate	IYR	30 640	1 300	111.22	85.43	85.55	(0.14)	(1.3)	8.6	11.9
iShares DJ US Technology	IYW	36 860	3 500	134.37	38.30	38.39	(0.23)	(2.5)	(28.0)	(33.3)
iShares DJ US Telecommunications	IYZ	29 420	2 400	48.65	20.14	20.28	(0.69)	(7.0)	(35.9)	(43.0)
iShares DJ US Total Market	IYY	17 960	2 400	112.68	47.02	46.95	0.15	(2.0)	(12.0)	(15.9)
iShares DJ US Utilities	IDU	31 260	2 500	147.53	59.18	59.01	0.29	(0.3)	(6.9)	(23.6)
iShares MSCI series										
iShares MSCI Australia	EWA	136 360	8 600	86.77	9.97	10.08	(1.09)	(5.0)	5.5	2.7
iShares MSCI Austria	EWO	13 120	2 100	18.40	8.81	8.79	0.23	(3.1)	21.0	10.6
iShares MSCI Belgium	EWK	9 640	1 000	10.98	10.80	11.02	(2.00)	(6.6)	(1.8)	1.2
iShares MSCI Brazil	EWZ	287 960	19 100	196.35	10.25	10.26	(0.10)	(7.7)	(19.3)	(25.7)
iShares MSCI Canada	EWC	180 480	4 000	42.12	10.68	10.50	1.71	(3.8)	0.6	(7.4)
iShares MSCI EAFE	EFA	228 840	33 200	3 774.18	115.06	113.89	1.03	(3.5)	(3.6)	
iShares MSCI EMU	EZU	18 500	2 000	102.64	50.88	50.24	1.27	(3.8)	(9.1)	(15.7)
iShares MSCI France	EWQ	26 540	3 200	54.85	17.15	17.19	(0.23)	(3.4)	(8.5)	(11.2)
iShares MSCI Germany	EWG	32 680	7 800	105.07	13.50	13.51	(0.07)	(5.5)	(10.6)	(17.8)
iShares MSCI Hong Kong	EWH	182 460	12 825	117.61	9.08	9.17	(0.98)	(5.3)	(1.0)	(8.4)
iShares MSCI Italy	EWI	3 260	1 950	30.46	15.60	15.69	(0.57)	(1.5)	(3.1)	(13.7)
iShares MSCI Japan	EWJ	921 340	84 000	701.40	8.33	8.35	(0.24)	(5.1)	8.0	(17.6)
iShares MSCI Malaysia	EWM	304 280	16 350	97.61	5.95	5.97	(0.34)	(0.8)	14.4	45.2
iShares MSCI Mexico	EWV	226 180	8 900	135.73	14.93	15.24	(2.03)	(2.2)	(1.6)	(9.5)
iShares MSCI Netherlands	EWN	13 560	1 300	21.13	16.34	16.31	0.18	(3.6)	(3.7)	(14.9)
iShares MSCI PacRim ex-Japan	EPP	8 920	1 600	91.41	57.99	57.08	1.59	(3.3)	7.1	
iShares MSCI Singapore	EWS	32 980	16 800	88.37	5.24	5.26	(0.38)	(2.6)	3.4	(2.0)
iShares MSCI South Korea	EWY	45 400	4 600	107.32	23.07	23.33	(1.11)	0.6	30.3	56.8
iShares MSCI Spain	EWP	1 640	1 275	24.52	19.40	19.31	0.47	(3.3)	(6.1)	(14.5)
iShares MSCI Sweden	EWD	17 480	825	9.21	11.20	11.18	0.18	(1.9)	(18.3)	(17.3)
iShares MSCI Switzerland	EWL	17 540	2 750	35.28	12.69	12.87	(1.40)	(5.0)	1.2	(8.1)
iShares MSCI Taiwan	EWT	102 700	16 100	169.21	10.45	10.51	(0.57)	3.0	(3.1)	(1.2)
iShares MSCI UK	EWU	30 620	9 200	122.82	13.59	13.36	1.72	(4.2)	(7.5)	(11.8)
iShares Russell series										
iShares Russell 1000	IWB	79 200	8 500	454.50	53.46	53.47	(0.02)	(2.5)	(12.1)	(15.7)
iShares Russell 1000 Value	IWD	122 780	15 550	822.60	52.95	52.90	0.09	(2.1)	(4.1)	(8.0)
iShares Russell 1000 Growth	IWF	81 940	11 250	467.55	41.68	41.57	0.26	(1.9)	(18.1)	(23.0)
iShares Russell 2000	IWM	522 380	35 900	3 278.03	91.50	91.31	0.21	(2.2)	(4.9)	(6.6)
iShares Russell 2000 Value	IWN	118 560	6 900	923.70	133.85	133.87	(0.01)	(2.4)	4.7	8.0
iShares Russell 2000 Growth	IWO	128 540	9 000	434.79	48.00	48.31	(0.64)	(3.2)	(16.4)	(22.2)
iShares Russell MidCap Growth	IWP	63 820	1 200	71.51	59.45	59.59	(0.23)	(3.6)	(17.3)	
iShares Russell MidCap	IWR	21 000	1 200	66.73	55.72	55.61	0.20	(2.8)	(5.4)	
iShares Russell Midcap Value	IWS	34 280	900	71.25	79.18	79.17	0.01	(2.2)	1.9	
iShares Russell 3000	IWV	363 360	20 250	1 139.67	56.34	56.29	0.09	(2.4)	(11.1)	(15.2)
iShares Russell 3000 Value	IWW	14 120	1 200	81.91	68.23	68.26	(0.04)	(2.2)	(4.5)	(7.4)
iShares Russell 3000 Growth	IWZ	6 160	1 200	40.02	33.40	33.34	0.18	(2.0)	(18.2)	(22.8)

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
iShares Sectors										
iShares Nasdaq Biotech	IBB	249 260	6 400	322.62	50.49	50.41	0.16	(1.8)	(44.5)	(49.2)
iShares Cohen & Steers Realty Majors	ICF	14 820	1 300	118.96	91.45	91.51	(0.07)	0.5	10.1	15.3
iShares GS Natural Resources	IGE	220	250	23.68	93.67	94.73	(1.12)	(2.4)	(1.8)	
iShares GS Networking	IGN	9 220	2 500	42.85	17.20	17.13	0.41	(3.7)	(44.0)	
iShares GS Semiconductor	IGW	16 660	1 000	52.67	52.50	52.67	(0.32)	(3.9)	(21.1)	
iShares GS Software	IGV	18 780	1 600	45.38	28.35	28.36	(0.04)	(3.2)	(37.7)	
iShares GS Technology	IGM	4 800	900	32.34	35.25	35.93	(1.89)	(5.2)	(30.5)	(36.2)
iShares S&P series										
iShares S&P 500	IVV	83 600	39 450	3 995.50	101.47	101.28	0.19	(1.7)	(11.0)	(16.0)
iShares S&P 100	IEF	20 160	2 250	113.33	50.16	50.37	(0.42)	(0.8)	(13.8)	(18.7)
iShares S&P 500/Barra Growth	IVW	116 040	9 100	462.83	50.92	50.87	0.10	(1.5)	(14.0)	(14.9)
iShares S&P 500/Barra Value	IVE	111 320	14 600	730.00	49.97	49.99	(0.04)	(2.3)	(9.3)	(17.5)
iShares S&P MidCap 400	IJH	24 240	6 200	615.23	99.37	99.22	0.15	(2.4)	(1.6)	(1.6)
iShares S&P MidCap 400/Barra Growth	IJK	114 740	3 800	398.62	104.83	104.90	(0.07)	(2.9)	(8.0)	(9.3)
iShares S&P MidCap 400/Barra Value	IJJ	81 300	6 250	580.44	92.56	92.87	(0.33)	(2.8)	2.5	5.0
iShares S&P SmallCap 600	IJR	211 960	12 100	1 376.62	113.64	113.77	(0.11)	(2.7)	(0.6)	3.6
iShares S&P SmallCap 600/Barra Gwth	IJT	37 740	3 300	241.03	72.94	73.04	(0.14)	(2.3)	(5.2)	(1.0)
iShares S&P SmallCap 600/BarraValue	IJS	154 220	7 050	621.53	88.25	88.16	0.10	(2.7)	3.5	7.5
International										
iShares S&P Global 100	IOO	16 700	800	39.86	49.57	49.87	(0.60)	(2.6)	(16.0)	(21.4)
iShares S&P Europe 350 Index	IEV	33 020	10 800	581.47	54.60	53.97	1.17	(4.2)	(7.6)	(13.5)
iShares S&P Toronto SE 60	IKC	300	150	6.37	42.55	42.30	0.59	(5.4)	(3.9)	(10.9)
iShares S&P Latin America 40	ILF	3 600	250	10.89	43.30	43.48	(0.41)	(2.9)	(9.2)	
iShares S&P TOPIX	ITF	500	450	33.86	74.78	75.31	(0.70)	(4.7)	7.3	
iShares S&P Global Energy Sector	IXC	20 700	300	15.18	50.80	50.64	0.32	(2.4)	2.7	
iShares S&P Global Financials Sector	IXG	360	200	10.03	49.94	50.19	(0.50)	(3.8)	(4.5)	
iShares S&P Global Healthcare Sector	IXJ	2 600	350	14.93	42.77	42.69	0.19	(2.6)	(13.6)	
iShares S&P Global Tech Sector	IXN	200	150	6.07	40.10	40.46	(0.89)	(1.2)	(28.1)	
iShares S&P Global Telecom Sector	IXP	3 420	300	10.92	36.10	36.44	(0.93)	(6.1)	(30.1)	
Merrill Lynch HOLDRS										
HOLDRS B2B Internet	BHH	90 100	380	20.87	2.88			(8.6)	(43.9)	(47.6)
HOLDRS Biotech	BBH	1 084 760	13 121	1 240.54	82.96			(2.8)	(37.1)	(37.4)
HOLDRS Broadband	BDH	61 520	7 443	79.34	9.32			(3.1)	(43.5)	(53.1)
HOLDRS Europe 2001	EKH	4 840	3 880	113.22	49.00			(6.0)	(24.4)	(32.2)
HOLDRS Internet	HHH	14 100	13 584	46.05	25.16			(1.5)	(27.2)	(40.1)
HOLDRS Internet Architecture	IAH	17 280	4 033	106.86	26.99			(4.7)	(29.6)	(35.9)
HOLDRS Internet Infrastructure	IIH	10 280	7 585	22.53	2.64			(6.7)	(57.6)	(74.7)
HOLDRS Market 2000	MKH	21 960	2 372	124.68	49.00			(2.6)	(19.2)	(26.1)
HOLDRS Oil Services	OIH	522 600	4 620	328.91	66.00			(1.3)	8.5	(19.8)
HOLDRS Pharmaceutical	PPH	89 900	6 104	517.71	79.40			(1.5)	(18.8)	(20.6)
HOLDRS Regional Bank	RKH	9 620	3 556	429.16	115.43			(1.1)	3.6	3.0
HOLDRS Retail	RTH	41 160	786	74.43	90.14			(2.3)	(6.6)	(3.5)
HOLDRS Semiconductor	SMH	1 560 140	23 014	884.90	33.44			(3.6)	(20.1)	(26.7)
HOLDRS Software	SWH	73 760	3 674	112.89	29.85			(2.9)	(34.0)	(41.1)
HOLDRS TeleBras	TBH				24.43			(8.9)	(38.9)	(49.1)
HOLDRS Telecommunications	TTH	89 660	4 616	154.76	30.47			(4.9)	(31.1)	(37.7)
HOLDRS Utilities	UTH	10 980	1 256	108.07	81.90			1.2	(8.8)	(21.4)
HOLDRS Wireless	WMH	24 480	958	38.70	35.60			(3.9)	(39.2)	(39.3)
Morgan Stanley BOXES										
Biotech BOXES	BXB									Trading commenced Mar-20-2002
Pharmaceutical BOXES	RXB									Trading commenced Nov-21-2001
S&P Depository Receipts (SPDRs)										
S&P 400 MidCap SPDR	MDY	784 220	74 405	6 770.11	91.00	91.00	0.00	(2.8)	(1.8)	(2.1)
SPDR Basic Industries	XLB	169 960	14 750	333.06	22.63	22.58	0.22	(1.8)	6.0	3.3
SPDR Consumer Services	XLV	49 960	6 000	167.16	27.81	27.85	(0.14)	(5.1)	3.2	(3.6)
SPDR Consumer Staples	XLP	51 700	13 350	314.66	23.61	23.58	0.13	(1.5)	(6.8)	(5.9)
SPDR Cyclical/Transportation	XLY	82 880	6 550	183.27	28.00	27.98	0.07	(1.0)	(2.1)	4.2
SPDR Energy	XLE	89 980	13 700	353.19	25.81	25.77	0.16	(2.2)	(3.0)	(19.3)
SPDR Financial	XLF	792 040	14 803	369.48	24.93	24.95	(0.08)	(2.1)	(4.9)	(8.5)
SPDR Industrial	XLI	31 900	8 950	213.01	23.84	23.80	0.17	(1.2)	(13.9)	(19.5)
SPDR Technology	XLK	434 680	51 800	872.83	16.84	16.85	(0.06)	(3.0)	(29.8)	(36.3)
SPDR Utilities	XLU	11 940	6 250	156.81	25.01	25.09	(0.32)	(0.7)	(10.8)	(17.5)

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
streetTRACKS (State Street Global Advisors)										
Dow Jones series										
DJ Global Titans	DGT	1 700	400	22.56	56.47	56.38	0.16	(1.9)	(15.6)	(19.4)
DJ US Large Cap Growth	DSG	4 860	400	21.89	54.70	54.73	(0.05)	(3.4)	(25.4)	(27.6)
DJ US Large Cap Value	DSV	16 880	400	53.96	134.50	134.91	(0.30)	(2.3)	5.8	11.5
DJ US Small Cap Growth	ELG	8 900	400	16.86	42.30	42.15	0.36	(1.5)	(21.8)	(28.9)
DJ US Small Cap Value	ELV	1 840	350	39.83	113.87	113.79	0.07	(1.5)	(10.0)	(11.9)
Sectors										
FORTUNE 500	FFF	9 260	1 000	73.12	72.97	73.12	(0.21)	(1.7)	(10.9)	(15.1)
FORTUNE e-50	FEF	3 620	300	6.69	22.31	22.31	0.00	(4.0)	(34.4)	(40.5)
MS Internet	MII	9 860	500	4.00	8.03	7.99	0.50	(3.3)	(40.4)	(59.1)
MS High Tech 35	MTK	5 940	1 650	58.26	35.32	35.31	0.03	(2.4)	(30.9)	(35.0)
Wilshire REIT Index Fund	RWR	5 200	250	32.13	128.50	128.51	(0.01)	0.7	8.3	13.1
VIPERs (Vanguard)										
VIPERS Total Stock Market	VTI	34 480	13 920	1 317.39	94.48	94.63	(0.16)	(2.3)	(10.1)	(14.1)
VIPERS Extended Market	VXF	2 880	302	17.11	56.60	56.61	(0.02)	(2.5)	(5.7)	

EUROPEAN EXCHANGE-TRADED FUNDS

Euro denominated unless otherwise stated

Deutsche Börse

German market indices

DAX Ex	DAXEX		12 943	547.95	42.57			(3.1)	(8.8)	(17.8)
MDAX Ex	MDAXEX		1 942	78.41	40.50			(1.4)	(2.9)	(7.3)
NEMAX 50 Ex	NMKXEX		9 863	61.92	6.52			(0.8)	(4.9)	(8.6)

European market indices

DJ Stoxx 50 Ex	SX5P	57 629	3 848	116.39	30.61			(1.6)	(6.7)	(10.8)
DJ Stoxx 50 LDRS	EUN1	90 136	11 600	351.49	30.03			(1.8)	(7.0)	(11.1)
DJ Euro Stoxx 50 Ex	SX5E	1 016 552	20 739	641.56	31.19			(1.7)	(7.3)	(12.0)
Fresco Euro Stoxx 50	FRC1	82 801			30.77			(1.5)		
DJ Euro Stoxx 50 LDRS	EUN2	315 792	30 500	943.89	30.77			(1.7)	(7.4)	(12.4)
FTSE 100	EXI4		51	2.37	77.33			0.88		
Fresco DJ UK Titans 50	FRC6				33.22			0.00		
SMI Ex	SMI		506	29.86	40.57			(1.98)	(2.80)	

European sector indices

DJ Euro Stoxx Banks	SX7E	3 156	392	10.36	26.58			(1.4)	(0.8)	
DJ Stoxx 600 Banks	SX7P	8 595	1 806	61.53	33.97			(3.4)	(1.6)	
DJ Euro Stoxx Technology	SX8E	19 293	901	26.51	30.39			(1.8)	(20.6)	
DJ Stoxx 600 Technology	SX8P	8 536	1 051	24.48	24.08			(1.3)	(18.9)	
DJ Euro Stoxx Healthcare	SXDE	4 000	150	5.90	39.79			(1.4)	(14.3)	
DJ Stoxx 600 Healthcare	SXDP	62	602	21.69	36.68			(2.4)	(6.5)	
DJ Euro Stoxx Telecommunications	SXKE	3 538	362	10.80	30.19			(1.7)	(18.2)	
DJ Stoxx 600 Telecommunications	SXKP	5 312	1 711	34.71	20.50			(0.9)	(14.6)	
Unico MSCI Cons Discretionary	UNO4		228	95.42				0.0		
Unico MSCI Europe Cons Staples	UNO7		123	111.14				0.0		
Unico MSCI Europe Energy	UNO5		155	21.10	154.74			0.0		
Unico MSCI Europe Financials	UNO2		413	100.78				(9.7)		
Unico MSCI Europe Health Care	UNO3		205	99.77				0.0		
Unico MSCI Europe Telecom	UNO6		634	61.80				0.0		

Global & US indices

DJ Global Titans EX	DJGTE		650	15.20	23.97			(0.44)	(6.67)	
DJ Industrial Average	DJI		217	20.26	99.60			(1.70)	(15.78)	
Fresco DJ Industrial Average	FRC2			99.02				(2.41)		
Fresco DJ US Tech	FRC4				41.30			0.70		
FTSE Global Autos LDRS	LDR A		200	10.50	58.20			0.00		
FTSE Global Banks LDRS	LDR B		2 900	132.78	46.88			0.00		
FTSE Global Cyclical LDRS	LDR C		500	47.60				0.00		
FTSE Global Energy LDRS	LDR E		1 300	62.20	53.44			0.00		
FTSE Global Financials LDRS	LDR F		2 400	40.73				0.00		
FTSE Global Industries LDRS	LDR G		800	39.96				(2.52)		
FTSE Global Basic Indus LDRS	LDR I		300	51.52				0.00		
FTSE Global Media LDRS	LDR M		600	21.52	41.31			0.00		
FTSE Global Non-Cyclicals LDRS	LDR N		900	62.35				0.00		
FTSE Global Pharmaceuticals LDRS	LDR P		700	25.48	36.89			(1.73)		
FTSE Global Tech LDRS	LDR Q		1 900	47.73	28.69			0.00		
FTSE Global Telecoms LDRS	LDR T		1 500	26.65				(1.46)		
FTSE Global Utilities LDRS	LDR U		2 300	83.64	39.36			0.00		
Unico MSCI World			11 246	107.51	9.78			(0.7)		

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Euronext Amsterdam										
Dutch market index										
streetTRACKS AEX Index Fund	AEXT	26 427	1 200	54.04	43.83	45.03	(2.66)	(5.2)	(11.3)	
European market indices										
DJ Stoxx 50 LDRS	EUN	27 863	30 500	943.98	30.72	30.95	(0.74)	(5.4)	(18.7)	(28.7)
DJ Euro Stoxx 50 LDRS	EUE	28 818	11 600	351.48	30.34	30.30	0.13	(4.8)	(18.2)	(27.4)
iShares FTSE 100	ISFA		52 220	249.84		4.78			(8.4)	
iShares FTSE Euro 100	IERA	300	6 152	56.39	9.26	9.17	1.03	(3.7)	(17.5)	
iShares FTSE EuroTOP 100	IETA	1 046	780	18.40	23.74	23.59	0.63	(4.5)	(17.8)	
streetTRACKS MSCI UK	STUK		100	2.92		29.21			(8.0)	
European sector indices										
iBloomberg European Cyclical	IBCA		2 850	24.61		8.64			(6.8)	
iBloomberg European Financials	IBF	50	2 250	15.83	7.09	7.03	0.79	(5.3)	(15.1)	(25.4)
iBloomberg European Industrials	IBIA	300	2 400	19.13	8.05	7.97	1.01	(3.3)	(5.0)	
iBloomberg European Pharmaceuticals	IBP	4 208	2 400	19.78	8.20	8.24	(0.50)	(5.0)	(14.5)	(20.9)
iBloomberg European Technology	IBQ		2 400	9.41		3.92			(33.7)	(53.6)
iBloomberg European Resources	IBRA		2 400	23.02		9.59			0.9	
iBloomberg European Staples	IBSA		2 400	21.69		9.04			(2.7)	
iBloomberg European Telecoms	IBT	4 000	3 262	10.56		3.24			(39.6)	(57.1)
Global indices										
FTSE Global Autos LDRS	TGA	161	200	10.51		52.55				
FTSE Global Bank LDRS	TGB		2 900	132.85		45.81				
FTSE Global Basic Indus LDRS	TGI		300	14.79		49.31				
FTSE Global Cyclical LDRS	TGC		500	22.02		44.03				
FTSE Global Energy LDRS	TGE		1 300	62.31		47.93				
FTSE Global Financials LDRS	TGF		2 400	85.66		35.69				
FTSE Global Gneral Industries LDRS	TGG	2	800	30.92		38.65				
FTSE Global Media LDRS	TGM		600	21.52		35.87				
FTSE Global Non-Cyclical LDRS	TGN		900	51.64		57.38				
FTSE Global Pharmaceuticals LDRS	TGP	2	700	25.52		36.46				
FTSE Global Tech LDRS	TGQ		1 900	47.86		25.19				
FTSE Global Telecom LDRS	TGT		1 500	40.71		27.14				
FTSE Global Utilities LDRS	TGU	1 345	2 300	83.67	36.29	36.38	(0.25)	(0.9)		
Euronext Paris										
French market index										
CAC 40 Master Unit	CAC PA	1 490 868	17 941	711.92	39.03	39.68	(1.64)	(4.9)	(13.7)	(27.2)
European market indices										
Easy ETF DJ Stoxx 50	ETE	27 143	12 119	36.96	3.10	3.05	1.64	(4.9)	(20.2)	
DJ Stoxx 50 LDRS	EUN	52 063	30 500	943.98	30.97	30.95	0.06	(4.6)	(18.7)	(28.7)
DJ Stoxx 50 SM EX	GXN	21 250	4 348	137.74		31.68			(14.3)	
Easy ETF DJ Euro Stoxx 50	ETN	7 855	17 421	51.91	3.09	2.98	3.69	(3.1)	(19.5)	
DJ Euro Stoxx 50 LDRS	EUE	160 472	11 600	351.48	29.81	30.30	(1.62)	(6.5)	(18.2)	(27.4)
DJ Euro Stoxx 50 SM EX	GXE	323 022	21 089	684.35	31.12	32.45	(4.10)	(4.4)	(14.4)	
DJ Euro Stoxx 50 Master Unit	MSE	1 030 363	17 271	546.78	31.00	31.66	(2.08)	(5.5)	(16.2)	
streetTRACKS MSCI Pan-Euro	ERO	7 495	1 800	166.72	90.40	92.62	(2.40)	(4.5)	(13.7)	
SPDR Euro	SPO	274 479	1 800	208.89	115.45	116.05	(0.52)	(5.2)		
SPDR Euro 350	SPE	373 297	2 800	303.07	107.40	108.24	(0.78)	(5.6)		
European sector indices										
EasyETF ASPI Euro		10 841	262	17.53		66.88				
EasyETF Euro Stoxx Banks	SYB	20	32	8.32		262.66				
EasyETF Euro Stoxx Energy	SYE	410	35		315.47					
EasyETF Euro Stoxx Healthcare	SYH	2	18		389.67					
EasyETF Euro Stoxx Industrials	SYI	72	67	17.19	255.80	255.97	(0.07)			
EasyETF Euro Stoxx Media	SYM		55	11.55		211.44				
EasyETF Euro Stoxx Technology	SYQ		33		290.70					
EasyETF Euro Stoxx Telecom	SYT		21		291.31					
EasyETF Euro Stoxx Utilities	SYU		32		271.08					
streetTRACKS MSCI Euro Cons Disc	STV		200	8.34		41.69			(10.7)	
streetTRACKS MSCI Euro Cons Stap	STS	11 604	350	18.80	52.25	53.72	(2.74)	(3.3)	2.6	
streetTRACKS MSCI Euro Energy	STN	2 946	350	25.13	69.95	71.80	(2.58)	(4.2)	0.9	
streetTRACKS MSCI Euro Financials	STK	436	200	9.73	46.85	48.64	(3.68)	(7.1)	(9.7)	
streetTRACKS MSCI Euro Health Care	STW	6 273	50	2.37	46.85	47.47	(1.31)	(3.7)	(14.2)	
streetTRACKS MSCI Euro Industrials	STQ	50	1 050	56.56	51.95	53.87	(3.56)	(4.9)	(2.0)	
streetTRACKS MSCI Euro IT	STZ	2 914	500	16.32	31.60	32.64	(3.19)	(6.2)	(46.6)	
streetTRACKS MSCI Euro Materials	STP	303	100	6.88		68.77			4.2	
streetTRACKS MSCI Euro Telecom	STT	444	350	9.65	26.70	27.58	(3.19)	(4.0)	(36.6)	
streetTRACKS MSCI Euro Utilities	STU	730	450	19.87		44.15			(2.4)	
US/Global indices										
Easy ETF DJ Global Titans	ETT	74 145	3 761	86.77	23.00	23.07	(0.30)	(4.8)	(24.2)	
DJIA Master Unit	DJE	90 670	1 117	111.81	99.70	100.08	(0.38)	(2.6)	(13.4)	
MSCI US Tech Master Unit	UST	137 329	1 700	10.01	5.96	5.89	1.19	(3.2)	(35.5)	

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Finland										
HEX 25	Trading commenced Feb-11-2002									
OM Sweden (SEK denominated)										
XACTOMX	XACT	66 070	11 550	721.00	62.00	62.39	(0.63)	(3.1)		
Switzerland (CHF denominated)										
XMTCH	XMSMI	150 645	19 660	1 239.00	59.30		0.35	(5.4)	(7.7)	(21.5)
SMI EX	SMIEX	5 226	1 100	44.65	59.90		0.35	(4.9)	(7.1)	(8.4)
Fresco DJ Japan Titans 100	FDJ100	4 538	900	50.23	57.00		1.05	(5.2)	(2.0)	(5.0)
Fresco DJ UK Titans 50	FDUK50	34 633	550	17.39	44.70		0.49	(4.9)	(17.8)	(17.7)
Fresco DJ Industrial Average	FDUSIA	2 673	850	82.77	146.50		0.32	(1.0)	(14.8)	(9.6)
Fresco DJ US Large Cap	FDUSLC	36 294	1 150	52.70	68.50		0.73	(2.4)	(22.9)	(20.6)
Fresco DJ US Tech 40	FDUSTC	3 758	800	31.47	58.00		0.39	(4.1)	(35.5)	(34.0)
Fresco DJ Euro Stoxx 50	FSEU50	7 054	2 550	82.27	45.45		0.43	(3.9)	(19.6)	(16.5)
<i>NB: 12-month return is since launch for products with less than 12 months trading</i>										
Euro denominated										
DJ Stoxx 50 LDRS	EUN	90 298	11 600	351.48	30.00	30.30	(0.99)	(6.6)	(18.8)	(28.2)
DJ Euro Stoxx 50 LDRS	EUNE	48 369	30 500	943.98	30.53	30.95	(1.36)	(6.2)	(20.0)	(30.1)
United Kingdom (GBP denominated)										
UK market indices										
iShares FTSE 100	ISF	913 704	52 220	241.75	4.64	4.64	0.00			
iShares FTSE TMT	ITMT	3 973	1 820	8.25	4.53	4.54	(0.22)			
European/US market indices										
DJ Stoxx 50 LDRS	EUN		11 600	225.62	19.40	19.45	(0.26)	(5.4)	(17.5)	
DJ Euro Stoxx 50 LDRS	EUE	1	30 500	606.04	19.80	19.87	(0.35)	(5.5)	(14.4)	
iShares FTSE Euro 100	IEUR	72 338	6 150	36.02	5.90	5.85	0.85			
iShares FTSE Eurotop 100	IEUT	868	780	11.78	15.23	15.09	0.93			
iShares S&P 500 ETF	IUSA	10 273	6 500	42.00	7.01	7.01	0.00			
European sector indices										
iBloomberg Euro Cyclical	IBEC	1 868	2 850	15.69	5.55	5.52	0.54			
iBloomberg Euro Financials	IBEF	1 715	2 250	10.12	4.48	4.51	(0.67)			
iBloomberg Euro Industrials	IBEI	130	2 400	12.19	5.11	5.10	0.20			
iBloomberg Euro Pharmaceuticals	IBEP	3 049	2 400	12.66	5.29	5.29	0.00			
iBloomberg Euro Resources	IBER	2 246	2 400	14.75	6.14	6.15	(0.16)			
iBloomberg Euro Staples	IBES	1 772	2 400	13.86	5.79	5.78	0.17			
iBloomberg Euro Telecoms	IBET	989	3 260	6.76	2.07	2.07	0.00			
iBloomberg Euro Technology	IBQQ	9 953	2 400	6.05	2.53	2.53	0.00			
INTERNATIONAL EXCHANGE-TRADED FUNDS										
Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Australia (AUD denominated)										
streetTRACKS ASX S&P 200 Index	STW	122 135	4 301	146.02	33.71	33.79	(0.24)	(0.0)	(0.0)	
streetTRACKS ASX S&P 50 Index	SFY	38	803	27.69	34.50	34.22	0.82	(0.0)	(0.0)	
streetTRACKS ASX S&P 200 Property	SLF	2 228	2 600	14.82	14.72	0.68	0.68%	(0.0)		
Canada (CAD denominated)										
Canadian market indices										
iUnits S&P/TSE 60 Index	XIU	1 528 143	96 952	3 963.00	40.90	40.88	0.05	(3.0)	(7.4)	(10.9)
iUnits S&P/TSE Capped 60 Index	XIC	2 867	5 549	251.00	45.25	45.25	(0.01)	(2.8)	(7.7)	(10.7)
iUnits S&P/TSE Canadian MidCap Index	XMD	7 846	1 596	76.00	47.80	47.59	0.43	(3.1)	(1.8)	(3.1)
SSgA DJ Canada 40	DJF	3 550	4 607	193.23	41.70	41.94	(0.57)	(3.2)	(8.4)	(41.3)
TD TSE 300 Index Fund	TTF	3 831	6 596	160.41	25.24	24.32	3.78	(3.0)	(5.1)	(7.1)
TD TSE 300 Capped Index Fund	TCF	690	2 821	79.50	28.00	28.18	(0.64)	(3.0)	(4.7)	(6.0)
Canadian sector indices										
iUnits S&P/TSE Canadian Energy	XEG	10 324	1 722	54.00	31.55	31.59	(0.14)	0.3	14.1	7.9
iUnits S&P/TSE Canadian Financials	XFN	10 498	2 134	60.00	28.05	28.00	0.17	11.5	0.5	1.3
iUnits S&P/TSE Canadian Gold	XGD	109 996	2 236	112.00	50.39	50.29	0.20	(4.9)	42.3	51.5
iUnits S&P/TSE Canadian IT	XIT	96 732	6 683	33.00	4.80	4.87	(1.40)	(5.0)	(60.5)	(51.5)
TD Select Canadian Growth	TAG	260	1 974	14.61	7.50	7.40	1.35			
TD Select Canadian Value	TAV	1 035	1 415	22.63	16.00	15.99	0.06			
Fixed income										
iUnits Canada 5-year Govt Bond	XGV	13 685	3 598	101.00	28.20	28.17	0.12	0.9	2.7	1.1
iUnits Canada 10-year Govt Bond	XGX	11 678	2 842	77.00	27.00	26.94	0.21	1.3	3.6	1.5

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Canada (continued)										
US/Global indices										
iUnits S&P500 RSP	XSP	19 234	7 062	111.00	15.70	15.76	(0.38)	(1.0)	(15.4)	(15.4)
iUnits MSCI International Equity RSP	XIN	4 801	2 285	43.00	19.10	18.86	1.27			
Hong Kong (HKD denominated)										
TraHK	2800	3 190 000	2 457 993	27 176.56	11.10	11.06	0.39	(2.2)	(3.1)	(16.9)
iShares MSCI China Tracker	2801	97 113	23 000	393.99	17.25	17.13	0.70	(0.3)	3.3	
India (INR denominated)										
Nifty Benchmark Exch-Traded Scheme	Trading commenced Jan-8-2002									
Israel (ILS denominated)										
TALI 25	TALI	718	496	1 921.52	798.65	795.14	0.44	3.8	(14.2)	(8.7)
Mexico (MXP denominated)										
NAFTRAC	Trading commenced Apr-16-2002									
Japan (JPY denominated)										
Tokyo Stock Exchange										
Nikkei 225										
iShares	1329	28	835	73.32	11 700	10 962	6.73			
Nikko	1330	226 986	7 515	659.83	11 900	10 962	8.56	(4.6)		
S&P/Topix 150										
iShares	1315	40	4 501	33.72		935				
Daiwa	1305	139 860	142 010	1 206.42	1 117	1 061	5.32	(4.0)		
Topix										
Nomura	1306	381 900	943 322	8 019.14	1 115	1 061	5.06	(4.3)		
iShares	1307	0	15 091	128.19	1 100	1 061	3.72			
Nikko	1308	36 200	19 993	169.76	1 120	1 060	5.66	(3.3)		
Topix Core 30										
Daiwa	1310	7 480	2 413	14.98	836	775	7.90	(4.5)		
Nomura	1311	4 360	5 000	30.95	829	773	7.29	(4.3)		
Topix Sectors										
Banking: Daiwa	1612	26 200	10 200	17.65	213	216	(1.38)	(4.8)		
Banking: Nomura	1615	157 080	20 007	34.34	213	214	(0.61)	(5.3)		
Elec App: Daiwa	1610	3 160	1 024	14.56	1 970	1 775	10.98	(3.2)		
Elec App: Nomura	1613	15 000	3 000	42.64	1 959	1 774	10.41	(3.4)		
Transport: Daiwa	1611	1 760	1 014	11.75	1 621	1 446	12.09	0.2		
Transport: Nomura	1614	3 880	2 000	23.08		1 441		(1.2)		
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	76 784	94 768	89.23	0.94	0.94	0.00	(0.4)	14.6	7.4
NZ Mid Cap Index Fund	MDZ	5 120	14 232	29.69	2.04	2.09	(2.39)	(0.2)	13.6	17.7
Australian 20 Leaders Index Fund	OZY	59 379	58 514	133.37	2.28	7.89	7.89%	2.6	1.7	(11.7)
AMP Investments' World Index Fund	WIN	98 766	455 583	706.13	1.55	7.10	7.10%	(3.1)	(30.5)	(48.9)
Singapore (SD denominated)										
streetTRACKS Straits Times Index	Launched Apr-17-2002									
South Africa (ZAR denominated)										
SATRIX 40	STX40	174 894	364 492	3 889.36	10.70	10.64	0.57	(0.9)	(2.4)	15.2
SATRIX Industrial Index	STXIND	323 083	99 288	729.77	7.35	7.37	(0.33)	(1.7)	4.7	
SATRIX Financial Index	STXFIN	367 063	207 737	785.24	3.78	3.74	0.99	(3.0)	12.5	

Volume shows average daily volume for the week ending June-14-2002; **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 May-17-2002. **Sources include** Wiesenberger/Thomson Financial, fund managers, MAR research and other sources.



Managed Account Reports, LLC
1250 Broadway, 26th Floor
New York, NY 10001
United States of America
Tel: +1-212-213-6202
Fax: +1-212-213-1870
http://www.marhedge.com

President
Greg Newton
Tel: +1-646-274-6262
gnewton@marhedge.com

Editorial
Editor in Chief
Michael Ocran
Tel: +1-646-274-6228
Managing Editor
Michael Fischer
Tel: +1-646-274-6220
Associate Editors
Elise Coroneos
Tel: +1-646-274-6221
Philip Scipio
Tel: +1-646-274-6227
Marsha Zapson
Tel: +1-646-274-6225

Associate Editor (Europe)
Patricia Ward
Tel: +44-20-7556-6035
Data operations
Indira Peters-DiDio
Tel: +1-646-274-6226
Aniece Jones
Tel: +1-646-274-6223
Claudette Ledgister
Tel: +1-646-274-6229
Production Manager
Karyn Fry
Tel: +1-646-274-6222

Conferences
Vice President/Conferences
Lora Ballato
Tel: +1-646-274-6210
Conference Coordinator
Jennifer Newman
Tel: +1-646-274-6214
Conference Officer
Jeannie Lee
Tel: +1-646-274-6213
Subscriptions
Marketing Manager
Gina Dzurenda
Tel: +1-646-274-6268

Customer service/Inquiries
Keisha Morgan
Tel: +1-646-274-6224
European Operations
International Business Manager
David Setters
Tel: +44-20-7827-9977
Email: dsetters@fow.com

Subscription rates
\$545 US-Canada
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Email
MAR staff can be reached by email using the initial of the person's first name, followed by the last name @marhedge.com e.g. fblogs@marhedge.com