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## ETFs lose \$12 billion in 3Q

By Philip Scipio

Exchange-traded funds faced one of the toughest markets ever in the third quarter, and lost close to \$12 billion in market capitalization, largely because of the market meltdown following the terrorist attacks in New York and Washington DC on September 11. The total amount of money invested in ETFs, including HOLDRs, at the end of the third quarter was \$67.8 billion, down about 15% from the \$79.7 billion in invested assets at the end of the second quarter.

The S&P 500 SPDR and the Nasdaq-100 Index Tracking Stock, or QQQ, took the hardest hits in the quarter. The two biggest and most liquid ETFs lost more than \$11 billion in market cap combined. The SPDR lost \$5.2 billion, more than 17% of its total assets, to finish the quarter with about \$25.9 billion. The QQQ gave up \$6.2 billion, nearly 26% of assets, to end the period with \$18.1 billion. The S&P MidCap SPDR lost about 5% of its assets, or \$222 million, ending the quarter with \$4.0 billion.

Perhaps as a testament to Barclays Global Investors' marketing prowess, the iShares S&P 500 fund actually gained assets. The fund added \$51 million to end the quarter with \$2.6 billion, again becoming the fourth largest ETF. A tug-of-war has gone on between the iShares S&P 500 and the DJIA Diamonds for the number four spot among the top five largest ETFs. The Diamond had reclaimed the spot in the second quarter after losing it to the iShares S&P 500 in the first quarter. The Diamond gave up \$105 million, slightly less than 4% of assets, to end the quarter with \$2.6 billion. **8►**

## Spiders land in Europe

By Marsha Zapson

The Standard & Poor's Depository Receipts (ticker: SPY), launched in 1993 and based on the S&P 500, is the oldest, the largest and one of the best known ETFs in the world. Until recently, the Spider name had remained firmly within the boundaries of the US.

In October, Standard & Poor's and Paris-based Crédit Lyonnais Asset Management announced that they had teamed up to launch a new line of products on Euronext Paris called Spider Europe. The first two European Spider products, slated to go live at the end of the fourth quarter, will track the S&P Europe 350 and one of its subindices, the S&P Euro. S&P and Crédit Lyonnais also have plans to launch a larger set of products based on the S&P Europe 350 Index, including sectors and style splits.

The S&P Europe 350, which was created in 1998, includes 16 pan-European markets with 350 companies, and covers about 70% of market capitalization. Its three subindices are the S&P Euro, covering 11 euro zone countries and some 160 companies; the S&P Euro Plus; and the S&P UK.

### Leveraging the name

When European investors hear that Spiders are trading in Europe, they may well think SPY is trading on a European exchange, says Debbie Fuhr, vice president of ETFs at Morgan Stanley & Co International. Fuhr, who is based in London, says European investors associate Spiders with the S&P 500, as opposed to a family of products. "But perhaps awareness of the S&P 500 will prompt investors to pick up the phone and purchase European Spiders, which would be beneficial to ETFs in general and to US and European Spiders in particular," she says.

There's no doubt that S&P is leveraging the Spider name in these new funds. And **9►**

## Marketing is a key issue in cross-listing

By Elise Coroneos

The cross-listing of American Stock Exchange-listed ETFs on the Singapore Exchange in May heralded the beginning of what promises to become a global marketplace for exchange-traded funds. The trading of a single product on a number of exchanges creates increased liquidity, a quality not as easily gained by the listing of separate products based on the same index on several different exchanges.

However, a true cross-listing resulting in the ability to directly trade products on partner exchanges will not be as easily achieved in other regions. Besides the Singapore Exchange, the Amex has announced memorandums of understanding with Euronext and the Tokyo Stock Exchange, and is currently engaged in talks with other non-US exchanges with a view to developing agreements for cross-listing ETFs.

As time progresses toward early 2002, when the cross-listings of Amex ETFs on Euronext are expected to take place, many market participants are speculating about what structure these products will take. "As we continue to get the details in place, obviously the market doesn't wait for anybody," says Weber.

### Institutional vs retail

In Europe, for example, the different requirements governing the marketing of products to retail as opposed to institutional investors will play a major role in determining whether US products will be directly cross-listed or registered in the home market.

"There are more strict requirements to market a product to retail investors than for the product to be marketed solely to institutions, based on the assumption that institutions are more sophisticated investors," says Cliff Weber, head of product development at the Amex.

On the one hand, there is no major legal reason to structure a locally registered product that will be marketed to European institutional investors, making direct cross-listing an option. "Institutional investors can always trade ETFs even if these products are not registered in their home country," says Marianne Demarchi, head of ETFs at the Euronext in Paris. "You just need an entry point and then institutional investors will know about it."

This already occurs with ETFs listed on the CAC 40 and the DAX. "They are not registered in other countries other than France and Germany. But it does not prevent institutional investors in other countries from trading them," says Demarchi.

On the other hand, current regulations require ETFs marketed to European retail investors to be registered in the country in which they are traded. "Basically, you cannot market, advertise or sell to the retail network directly if you haven't registered your fund in the relevant country," says Demarchi.

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The players involved in deciding whether an ETF will be marketed to retail or institutional investors, according to Weber, are primarily the issuers, sponsors and exchanges. "We at the Amex are very much interested and involved in deciding which investors to target for a particular ETF," he says. "We also sponsor a number of products, so we are interested from that standpoint as well."

With Euronext, however, deference is generally paid to the issuer of a product in deciding the strategy for a new product, says DeMarchi. "Unlike in the US, where the Amex is the issuer of the Spider, Euronext cannot be the issuer or sponsor of an ETF. So, depending on the underlying index and the strategy of the asset manager, we will promote more towards either the professional or retail audience," she says.

An indication of which ETFs are likely to be directly cross-listed, she says, may be derived from a general expectation that broader ETFs will be marketed to retail investors, while sector-specific products will be reserved for institutions.

### Putting the pieces in place

The relative ease with which Amex ETFs were cross-listed in Singapore, as compared to Europe, was the result of a number of significant changes in the legislative arena. These included the amendment of local legislation to allow direct cross-listing of ETFs into Singapore, an undertaking unlikely to be repeated in Europe in the near future.

The Amex-listed Spider, iShares S&P 500 Index Fund, Diamond, iShares Dow Jones US Technology Sector Index Fund and iShares MSCI Singapore Index Fund all began trading directly on the Singapore Exchange on May 4 this year.

The Singapore legislation involved giving authority for ETFs to the minister of finance, who in turn delegated it to the monetary authorities, Singapore's regulator for securities, says Leonard Schuman, president SGX America.

In addition to this change, ETFs were exempted from a requirement to have an investment advisor in order to list a stock or security issue on an exchange. Further, the matter of investor protection, which is at the core of the debate in Europe, was addressed by allowing the various sponsors to work through legal representatives to form a "wrapper" around current disclosure agreements. This ensures that Singapore investors have the same rights as those in the US.

Also key to the success of the direct cross-listing of Amex ETFs on the Singapore Exchange are the nuts and bolts of the process. The CDP, or Central Depository of the Exchange, has an account at the DTCC (the Depository Trust & Clearing Corp) in New York.

This allows all shares that are cross-listed always to remain in the US. "All we do is then transfer them back and forth from accounts that are in the CDP to the DTCC," says Schuman. "So the cross-listings are always either in the CDP or in our account at the DTCC. That is what makes it viable." ❖

## Smaller ETFs gaining ground

By Philip Scipio

Though the growth of exchange-traded funds has been driven by a few strong products, a dramatic reversal of fortunes in US equity markets is casting a spotlight on smaller ETFs in sectors and strategies that have been gaining favor with investors. But whether investors coming into these funds seeking a safe harbor from the beaten-up technology sector will stay committed remains to be seen.

"We are in a net growth environment, and people are still learning about ETFs," says Lee Kranefuss, chief executive of Barclays Global Investors' Individual Investor Group. "The trend so far, however, is that the growth in a product will slow but not shrink."

### Defensive focus

Whereas technology funds were once the darling among ETFs, funds structured with large positions in Internet, telecommunications and networking stocks were the biggest casualties of the end of the bull market cycle. As those once high-flying stocks faltered, funds focused on undervalued small and midcap stocks—including real estate—began to outperform.

Wisely, ETF players from State Street, Vanguard and Barclays to Merrill Lynch and its HOLDRs are positioned to take advantage of shifting investor sentiment. The launch of Vanguard's VIPERs Small Cap, Growth and Value funds seems especially timely, given the focus on those strategies.

StreetTRACKS DJ US Smallcap Growth and DJ US Smallcap Value and the StreetTRACKS Wilshire REIT Index fund are also well positioned. The SPDR Consumer Staples fund has wedged in among the most actively traded ETFs, landing in the five most active lists several times.

Barclays has 68 funds in the US. Its aim is to offer coverage for just about any segment of the market, including various styles and market caps. "We've always anticipated the value of having products in various sectors," says Kranefuss. "It's natural that as markets change people would want to move around. "Right now, there's not a whole lot of interest in Internet funds, ours or anybody else's; but over the past year, you've seen a general move toward noncyclicals as investors look for more defensive plays and interest-yielding stocks like REITs."

Since the September 11 attacks in New York and Washington, there has been a small increase in that bias, says Kranefuss, noting that Barclays has seen some inflow activity into its smaller funds, skewed toward defensive, better yielding sorts of investments.

While funds attached to broader indices were down significantly, the StreetTRACKS DJ US Smallcap fund was among the best performing ETFs, up 0.8% year to date through October 22. Although the iShares DJ US real estate fund had lost 1.7% and the StreetTRACKS Wilshire fund had lost 1.3% year to

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We won't see  
billion a day  
in the Russell  
small cap  
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date, the SPDR was down 16.6% and the QQQ was down 41.0%.

"We have seen an across-the-board pickup in volume, with some of the more esoteric funds surging to 10 times average volume in the first sessions after the September 11 attack," says State Street Global Investors' principal Gus Fleites. "There was a definite pickup in people looking at those smaller funds, primarily because it was the best way for people to deal in those exposures."

During times of market stress, as well as under normal conditions, dealing in less liquid securities can be difficult. ETFs that focus on small and midcap securities made it easier for investors to move in and out of these areas, which helped facilitate using them as a defense against slides in the broader market.

Despite the interest in these products, Fleites cautions that they will never have the following that the S&P and the QQQ have. "I don't think we're going to ever see a day when there's \$1 billion in turnover in the Russell or Dow Jones small cap funds," he says. "By definition, they won't have to depth to handle that volume."

### Esoterica

Investors have been moving into other funds, as evidenced by the increase in volume following the September market shock, says Fleites. While that volume has subsided in the "esoteric" products, "these products are definitely on a different plane than they were three months ago," he says.

Not all investors all looking for defensive equity plays, says ETF investor Robert Levitt, of Levitt Capital Management in Boca Raton, Florida. Indeed, some aren't looking for any equity plays at all. "We are not very bullish, so we are not adding a lot of long equity exposure in any category," says Levitt, who was among the first investors in the iShares Russell 1000 Value fund.

But undeniably, many investors are looking at other sectors. And more funds are coming to market that will offer a wide range of alternatives to the broader equity indices.

At the end of October, Barclays unveiled plans to launch four new funds, one of which, the Goldman Sachs Natural Resource Fund, plays into the general alternative investment theme. The fund will have a large component of gold stocks, says Kranefuss.

"We have continued to broaden out the product line. But we see it as modular as opposed to reacting to trends in the market. If you have a good modular line that covers all the bases, there will be times when money is flowing more quickly into those funds than in the past."

But it's best not to try to guess what's hot today because it won't be hot tomorrow, says Kranefuss. "Looking at the total universe of stocks and taking a modular approach you tend to find that you have the themes that people care about." ❧

## Fortune makes indexing its business

By Elise Coroneos

### STREETTRACKS FORTUNE 500 (FFF)

### STREETTRACKS FORTUNE E-50 (FEF)

Current market capitalization	
FFF	\$27,023,500
FEF	\$11,628,000 as of October 19, 2001
Launch date	
FFF	October 10, 2000
FEF	October 10, 2000
Average daily volume	
FFF	11,233.61
FEF	3,945.00
Average value of daily trading	
FFF	\$988,350.79
FEF	\$236,830.81
Listing price	
FFF	\$95.77
FEF	\$80.50
Each share as of October 19, 2001	
FFF	\$77.21
FEF	\$29.07
<b>Service Providers</b>	
Trustee	State Street Bank & Trust Company
Custodian	State Street Bank & Trust Company
Investment advisor	State Street Global Advisors
Index provider	Fortune Indexes
Distributor	State Street Capital Markets LLC
Expense ratios	
FFF	0.20%
FEF	0.20%
Shares outstanding	
FFF	350,000
FEF	400,000

Fortune Indexes began operations in December 1999 under the company's general umbrella of "new business ventures." The functions of Fortune Indexes—broken up into index marketing, research and development, and index administration—are similar to those of Dow Jones and Standard & Poor's. But taking on the dual functions of publishing and indexing is not a first in the marketplace: Dow Jones, the publisher of *The Wall Street Journal*, is a prominent presence in both arenas.

The major catalyst for embarking on the development of financial products was a growing recognition within the firm that the *Fortune* 500 List, which was instituted in 1955, could be used as the basis of an index, says Matthew Wooldridge, general manager of Fortune Indexes. "With an already established credible brand presence, we knew it would have a lot of appeal to retail investors," he says.

The brand name and general cachet of the *Fortune* name had led a number of banks and trust companies to approach the firm about working toward the development and distribution of index products, says Wooldridge. "We went with State Street, because we knew they were committed to ETFs as products and they had confidence in what our indexes could do for them," he says.

### Product appeal

The ETF products that resulted from the partnership between Fortune and State Street were the StreetTRACKS Fortune 500 (ticker: FFF) and the Fortune e-50 (ticker: FEF), which were launched on October 10, 2000. Not the first financial instruments to be released by Fortune Indexes, the ETFs were preceded by the launch of futures on the Fortune e-50 index at the Chicago Mercantile Exchange by only a month.

The Fortune 500 index (ticker: FFX) is a broad-based capitalization-weighted index, representing the 500 largest domestic, US incorporated companies ranked by total operating revenues. The Fortune e-50 index (ticker: FEX) is a modified capitalization-weighted index, measuring the performance of US traded securities in the Internet economy.

Component selection for the Fortune 500 ETF is a two-part process that starts with the compilation of the *Fortune* 500 List. "That is an ongoing process, with teams of reporters and analysts gathering data, putting it together and releasing the list in April each year," says Wooldridge.

Once a list is established, the second part of component selection involves ensuring that the companies meet certain eligibility criteria in order to be included in the index. This first requires that a stock be traded on the NYSE, the Amex or the Nasdaq. Although the universe of stocks for the index is 500, the number of stocks is immediately reduced to about 450 because approximately 50 stocks are not publicly traded, says Joe Vignone, a principal of ETFs at State Street Global Advisors.

Out of the remaining universe of 450 stocks, about 10 are removed because they fail to meet trading volume and market capitalization requirements. These criteria of the stock selection process require a stock, during the 25 consecutive trading days preceding initial inclusion, to have a minimum last

reported sale price of \$5, a minimum average daily trading volume of 100,000 shares and a minimum market capitalization of \$100 million.

The Fortune 500 index, according to Vignone, requires little to no maintenance in that there are no replacements—with only a few exceptions, such as when a private company goes public. “For example, we expect Prudential to be added to the Fortune 500 index sometime in the near future,” he says.

“The Fortune 500 index is transparent and turnover is low because the companies that do produce revenue seem to be able to recreate that scenario time and time again,” says Wooldridge.

The above selection criteria outlined for the Fortune 500 also hold for the e-50 index with a few additions. Stocks included in the e-50 index must generate a minimum of 10% of their total revenue from broadly defined Internet activities. Given the relative infancy of the Internet economy and the lack of an exact objective yardstick with which to measure that economy, each stock is assigned an Internet Revenue Factor, a proprietary factor that allows Fortune to estimate this minimum percentage.

The broadness of what are considered Internet activities is illustrated by the inclusion of larger companies such as UPS, which perform most of the fulfillment for orders placed on the Internet. In such instances, the Internet Revenue Factor scales down the market capitalization in order to isolate the amount benchmarked to the Internet.

A company in the e-50 index must also have its principal operations in the US and be US registered.

## Strategic investment focus

The performance of the Fortune e-50 ETF has, unfortunately, reflected the fortunes of the sector it represents. Its listing price of \$80.50 had declined to \$29.07 as of October 19, 2001. Its year-to-date return was down 51.6%, reflecting performance similar to that of the Nasdaq 100 (ticker: QQQ), which was down 51.7% for the same period.

“It is unfortunate that its performance is where it is, but I think that speaks to the fact that it is a benchmark,” says Wooldridge.

Although the performance of the Fortune 500 ETF has also

reflected the general downturn in the equity market, it has gained support as an alternative vehicle for strategic investors. According to a Bear Sterns Quantitative Analysis report released on September 17 titled “Exchange Traded Funds for Defense,” the Fortune 500 is the best ETF for strategic investors who are seeking exposure similar to that of the S&P 500.

The research, which involved matching various characteristics of the Fortune 500 index with the Spider, argued that while the correlation of the two funds was similar, the returns and volatility characteristics of the Fortune 500 ETF were superior. At the time of the report’s publication, the total return for the Spider was -13.5% in 2001, versus -10.2% for the Fortune 500 ETF.

The standard deviation, which was calculated from weekly data starting from the beginning of 1998, showed a figure of 17.5% for the Spider versus a lower 15.5% for FFF. The report cited the lower number of stocks in the Fortune ETF as a significant factor contributing in this outcome.

In fact, the report states, “our theory is that the more rigorous approach to indexing used by Fortune has helped it outperform the SPX.”

This research is supported by investor behavior, according to Greg Erher, a principal at State Street. “We are seeing a lot of people using tax swap strategies out of S&P 500-type funds, and into the Fortune 500 for the remainder of the year,” he says.

Furthermore, volume has accelerated significantly in just the last six months, with the average 20-day volume at the end of September being 24,000 shares, compared to 2,700 at the end of March. Erher says this volume increase is also a result of some fairly significant advertising on CNBC and CNN in recent months.

Since the launch of the ETFs, the markets have also seen the launch of options on each. And Fortune Indexes is not planning to stop there. “We are basically looking at how we can leverage the existing indexes into other markets as well as looking into additional indexes,” says Wooldridge.

Although he is not willing to be drawn out on the shape of additional indexes, Wooldridge says they will need to be a good fit in terms of the content of *Fortune* magazine and its readership. “We really do want to make sure that this is something that makes sense.” ❖

### **Top 10 holdings as of September 28, 2001: StreetTRACKS Fortune 500 Index Fund (FFF)**

Stocks	Weightings (%)
General Electric Co	4.20
Microsoft Corp	3.12
Exxon Mobil Corp	3.07
Pfizer Inc	2.88
Wal-Mart Stores Inc	2.51
American International Group Inc	2.32
Citigroup Inc	2.32
Johnson + Johnson	1.91
International Business Machines	1.82
SBC Communications Inc	1.81
<b>Top 10 Stocks</b>	<b>25.96</b>

### **Top 10 holdings as of September 28, 2001: StreetTRACKS Fortune e-50 Index Fund (FEF)**

Stocks	Weightings (%)
AOL Time Warner Inc	7.96
Microsoft Corp	7.62
Cisco Systems Inc	7.21
Oracle Corp	6.80
Intel Corp	6.72
SBC Communications Inc	4.54
International Business Machines	4.50
Texas Instruments Inc	4.37
Worldcom Inc/Worldcom Group	3.06
Dell Computer Corp	3.03
<b>Top 10 stocks</b>	<b>55.81</b>

## Sectors on the rise in Europe

By Marsha Zapson

Europe-based exchange-traded funds are on the rise as product development shifts to Europe. Over the last quarter, ETFs in Europe increased from 33 discrete funds with 45 listings on six exchanges to 47 funds with 67 listings on six exchanges. This quarter, seven StreetTRACKS have launched on Euronext, 13 Merrill Lynch LDRS are planned, and two Spider Europe products are in the offing (*see cover story*).

All but two of the ETFs that were recently launched or are in the fourth quarter pipeline have been sector based. Observers suggest that investors in Europe today are seeking product families to construct balanced portfolios, and that the launch of StreetTRACKS on MSCI sectors went a long way toward increasing investor awareness of the allocation possibilities.

### Regional vs sector

"It seems to us from our contacts with investors that sector investing is certainly on the rise today," says Alex Ypsilanti, assistant vice president for Merrill Lynch in London. Ypsilanti and his team in the equity derivative strategy department, recently published their "European Equities Derivatives Weekly," which focused on upcoming ETF launches through year-end.

"There are very few investors who are not allocating money, or at least have their internal breakdowns in terms of sectors," he says. "Everyone is looking at allocating to sectors rather than regions or countries."

Yet the country indices—such as the CAC, the DAX and the FTSE 100—still garner assets and attention in Europe. These are broad-based but country-bound indices investors buy mostly by tradition, says Ypsilanti. "A lot of activity we see in futures, which is one method of gaining sector exposure, are not particularly liquid. In addition, futures do not exist for all the indices. What we have seen are futures on single or regional indices; but we expect that to change. Whether the ETF is based on a European, euro zone or a global index doesn't matter."

Prior to the recent StreetTRACKS launch, there were few ways to trade sectors in Europe, according to JF Schock, managing director of State Street Global Advisors in Brussels. SSgA views StreetTRACKS sector funds as institutional or professional money market tools. "We have increasingly seen the large brokerage firms, such as the Merrill Lynchs, Morgan Stanleys and Goldmans, offer sector-based research in recent months," he says.

Because these firms have promoted sector investing, Schock hopes that their clients will implement that research by buying sector ETFs. SSgA now offers StreetTRACKS MSCI Pan-Euro (with 14 countries and some 192 companies), which encompasses all of Europe, including those countries not in the euro zone. In addition, its lineup includes sector ETFs that have been sliced out of the Pan-Euro.

The StreetTRACKS sectors (which offer between a high of

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There’s more interest  
in Europe for global  
sector ETFs than for  
European sectors  
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16 countries and a low of seven countries) permit investors—particularly institutional investors—to underweight or overweight those sectors in their portfolios, says Schock. Hedge funds, funds of funds and pension funds, all of which seek this kind of investment flexibility, often want to shift their asset allocations quickly. In these scenarios, ETFs will be a viable tool.

The seven recent StreetTRACKS are still new, which means volumes are hard to predict (the last three went live in mid-October). Yet in mid-October, the MSCI Pan-Euro had a turnover of \$40 million, which almost matched the CAC 40 Mastershare, typically the most active ETF on Euronext's Next Track.

In StreetTRACKS, institutional investors now have a brand name offering a plethora of options to play with—exactly what these investors have been clamoring for, according to observers. Also, the MSCI indices on which the StreetTRACKS are based are considered by many to be the Europe's institutional benchmark of choice. All of which should lend credence to an investing public still shy of sector investing.

### Global sectors gain attention

The 13 LDRS, or Listed Diversified Return Products, that Merrill Lynch plans to launch this quarter, and which are very near regulatory approval, are based on FTSE indices. "The global sectors were something we developed earlier this year, and we worked quite closely with Merrill Lynch," says Donald Keith, managing director for FTSE Europe.

Simultaneously with the indices' development, and in preparation for the expected LDRS launch, Merrill Lynch offered many derivative products, such as warrants and OTC products, based on the indices. Building recognition and liquidity in the market cannot but help the LDRS listing, he says.

Practitioners in Europe agree that investment trends are shifting from country to region to sectors. "And that's been born out by trading volumes on any sector ETF already listed in Europe," says Keith. "Certainly, one of the bets that Merrill Lynch is taking with its LDRS—and they are not alone by any means—is on sector investing in Europe."

And echoing others, he says: "The reaction we've received is that there is a lot more interest in Europe for global sector ETFs than for European sectors, which are viewed as too narrow." The global FTSE sectors include the biggest companies across the world in those sectors, whether it is autos, banks, energies or financials. "It's obviously sector investing, but you're capturing a global sector rather than a percentage," he says.

The European ETF market is still only about 18 months old past the first ETF launched in Europe; as a result, Europe lacks the depth and breadth of the US ETF market. "Investors use sectors now, and the need will increase in the future; it's just a question of when," says Ypsilanti. Investors with whom Ypsilanti and his team speak often comment that ETFs are useful, but quickly add that sector ETFs are really useful, he says. ❖



## ETFs lose \$12 billion in 3Q

### Falling assets

While the losses in the S&P 500 SPDR and QQQ are the largest in terms of absolute value, ETFs across sectors posted sweeping asset declines in the latest third quarter. Merrill Lynch's HOLDRs were again the hardest hit, losing \$997 million, or 21% of assets, in the quarter and falling to \$3.7 billion from \$4.7 billion in the second quarter.

The Semiconductor and Biotech HOLDRs showed the most dramatic declines in the HOLDR lineup. The semiconductor product lost \$243 million in assets, or 38% of its value, to end the quarter with \$396.4 million under management. The Biotech fund lost \$237 million, ending the period with \$1.3 billion under management, down from \$1.5 billion in the second quarter.

Not surprisingly, the many high tech HOLDRs saw substantial asset erosion in the latest quarter. The Internet HOLDR's assets under management were savaged, falling some 48% to end the quarter with \$117.5 million. The Internet Architecture HOLDR lost \$80.4 million in the quarter, more than 46% of assets, to end the quarter with \$91.6 million.

The Internet Infrastructure HOLDR lost more than 62% of its value in the quarter to end the period with \$37.1 million under management. The Internet B2B HOLDR, gave up 58% of assets, or \$54.2 million, to end the quarter with \$38 million. The beleaguered fund suffered a similar percentage loss in the first quarter when it gave up \$166.6 million to end that period with \$92.7 million.

It wasn't all bad news for HOLDRs: A few products showed only small losses in the period. The only product in the lineup that actually added assets, however, was the Pharmaceutical HOLDR, which finished the quarter with \$529.1 million, up \$16.7 million.

The Total Asset Select SPDR product line lost nearly \$299 million in the third quarter, falling to \$2.6 billion from \$2.9 billion at the end of the second quarter. The SPDR-Financial fund lost 17.3%, or \$127.9 million, ending the quarter with \$611.4 million. The SPDR-Technology fund lost nearly 27%, or \$313.8 million, finishing with \$858.3 million. Gains in other products helped to pare losses in the product line. The SPDR-Consumer Staples, Energy and Utilities funds all added assets in the quarter as investors looked for defensive equity positions.

Among funds that were able to hold on to their assets in the tumultuous quarter were ETFs outside of large cap high tech sectors (see story on page 3).

The iShares S&P MidCap 400, MidCap 400/BARRA Growth and MidCap 400/BARRA Value all added assets in the quarter. The Select Sector SPDR-Basic Industries, Consumer Services held up relatively well from quarter to quarter. The StreetTRACKS Wilshire REIT lost about 4%, while the iShares Cohen & Steers Realty Majors lost a little more than 1%. The iShares DJ US Energy, Healthcare and US Non-Consumer

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iShares  
added  
\$676.9 million  
in the quarter  
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Cyclical all added assets. A number of the iShares international funds were also able to retain or add assets in the third quarter.

Products in the StreetTRACKS lineup were relatively stable throughout the quarter with a few exceptions, including the DJ Morgan Stanley High Tech and Internet funds. The DJMS High Tech fund lost \$22 million, or 30% of its value, to end the period with \$50.7 million, while the DJMS Internet fund lost more than 50% of its value. The DJ US Small Cap

Growth Fund lost \$14.2 million, or 72% of its assets.

The Fortune products also took a big hit in the quarter, losing \$28.8 million. The StreetTRACKS Fortune 500 lost some 45% of its value in the quarter, while the smaller StreetTRACKS Fortune e-50 Index lost 36% of its value (see review on page 4). Combined, the funds have about \$38.6 million in assets.

### iShares juggernaut

The iShares juggernaut kept rolling through the third quarter. Thanks in large part to capital raised for new funds, the product line added \$676.9 million in assets to finish the quarter with \$11.8 billion up from \$11.1 billion in the second quarter.

But the iShares product line had its share of pain in the period, with losers outnumbering winners by two to one. Among the biggest losers were the iShares Goldman Sachs GSTI Index Fund, which lost \$74 million. The MSCI Japan fund lost \$70.1 million, while the iShares S&P Global 100 Index Fund lost \$76 million. The S&P 500/BARRA Value Index fund lost \$66.7 million. The Russell 100 Index fund and the S&P 100 Index fund gave up \$62.1 million and \$61.6 million, respectively.

Assets added in some established iShares funds, however, in addition to assets in the seven new funds, were enough to give Barclays a positive the third quarter in terms of asset gathering.

The iShares Russell series of funds added \$772.1 million in the quarter. Among the biggest winners was the iShares Russell 2000 Index, which added \$531 million in the quarter to push the fund's assets to \$1.5 billion. The Russell Value Index Fund added nearly \$97 million in the quarter, bringing assets to \$504 million, up about 24% above the second quarter. The Russell Value Index Fund added \$90 million.

The iShares S&P series grew by \$148 million in the quarter, while the iShares MSCI series added \$84 million. The seven new funds that began trading added more than \$385 million to the total assets in the quarter. The standout among these new products was the highly anticipated iShares MSCI EAFE Index Fund, which raised more than \$268 million.

The Vanguard Vipers also made a strong contribution in the quarter, helping offset the \$11 billion crater left by the S&P 500 SPDR and the QQQ. The Vipers, though still relatively new, added \$155.2 million in assets. ✚

## ◀<sup>1</sup> Spiders land in Europe

why not? With some \$27.5 billion in assets at the end of September and daily average assets of about \$1.5 billion year-to-date, the first ETF ever launched has steadily attracted investors.

Robert Shakotko, US-based managing director of Standard & Poor's Index Services, says that Spiders have been arguably one of the most successful ETF families. At present, they have about a 45% combined market share of ETF assets worldwide, he says. (The US Spider family includes the nine Select Sector SPDRs, the MidCap SPDR and SPY.)

Yet many observers suggest that investors outside the US are not benchmarked to S&P indices, and that in Europe, most institutional investors look to MSCI; and benchmarking, they say, is what really drives the market. Mark Sinsheimer, chief financial administrator at Crédit Lyonnais, admits that the S&P Europe 350 may currently lack some brand name recognition, but says that the Spider name will quickly make up the deficit.

"If an ETF is to be successful, it needs to be more or less a commodity," he says. And if Crédit Lyonnais were to aggressively create a market for these new ETFs, it would want to capitalize on the S&P brand, which would be a cost-effective way to gain investor confidence. Crédit Lyonnais looks to Spider's brand recognition to maintain the ETF's characteristic low margins as it begins its marketing campaign.

"Our plan is to start out at 35 basis points, which is competitive in the French market," says Sinsheimer, who is based in Paris. However, if the construction of a Spider tracking the S&P 500 is compared with one tracking S&P Europe 350, the latter is more complicated, he says. "We have 16 different settlement markets, with 16 different tax issues and authorizations from 16 different legislatures."

European investors, especially institutions, who have invested in US Spiders will already be familiar with the product and will be able to make a smooth transition to Spider Europe ETFs, says Shakotko. "We think investors are looking for broader European exposures, or the equivalent of the S&P 500," he says.

Shakotko says that S&P has talked with a number of institutional investors and investment banks, almost all of which are seeking broader exposure. "There's a tendency now to broaden the index base and thereby diversify," he says. "These new products offer Europe in one bite."

While S&P is a seasoned ETF trooper, these two new products mark the entrance of Crédit Lyonnais into a growing European ETF market. "Right now, we see interest in both Europe and the euro zone," says Sinsheimer. "When asset allocation is approached from the European perspective, the question becomes, how do you reconcile the traditional home bias with the new home bias."

Previously, asset managers allocated to a home bias, then to a Europe ex-home bias and finally to an international ex-Europe bias. "With the advent of the euro zone, the need to provide protection in terms of asset liability for domestic equity decreased, and as a result, there has been a gradual

shift toward a broader European mandate," he says.

### Global trading

Spider Europe products will be structured as Irish funds and domiciled in Ireland. Crédit Lyonnais is currently seeking approval from both Irish and French regulators. The Bank of New York, in collaboration with Allied Irish Bank of Dublin, will be custodian. Interestingly, Bank of New York is now the largest asset administrator in Ireland.

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"We will act as custodian, accounting agent, trustee and transfer agent," says Joe Keenan, vice president of worldwide ETF product management at the Bank of New York. "These will be Irish-registered UCITS, initially for distribution in Europe. In the future, though not in the near term, Crédit Lyonnais plans to list on other exchanges, as well as to participate in the cross-listing initiative between the Amex and other exchanges worldwide."

Referring to the Spider Europe launches, Cliff Weber, vice president of new product development at the American Stock Exchange, says, "This is the first part of what will be a whole series of products rolling through our joint effort with Euronext." (The Amex is currently allied with Euronext and the Singapore Stock Exchange; see *ETFR*, June 2001, page 1.)

Spider Europe may be one model—and perhaps the most expedient—on which future cross-listed ETFs are based. Because of regulatory concerns in the US and Europe, cross-listing is a challenge. "If it's a Europe-based product trading in Europe, it certainly makes sense for that product to be based in Europe," says Weber. "Already there are cases where European products—although not identical—trade on indices on which US products already exist. I think that's the way the process has started; where it will be one or two years from now, I don't think anyone can say."

Interestingly, the S&P Europe 350 index already has a US-based ETF tracking it—the iShares S&P Europe 350 Index Fund (ticker: IEV). The fund is currently down 30.6%, cumulatively, since inception in July 2000.

However, from launch through the end of September, IEV, which trades on the Amex, has attracted \$198.5 million in assets, says Feng Ding, senior portfolio manager of Barclays Global Investors' US Equity Portfolio Management Group. While IEV and the soon-to-be launched Spider Europe will be similar products, "IEV's construction is slightly optimized," says Feng. "It tracks the index extremely closely, but it doesn't have 350 names; it has 330."

Feng points out that investors have been seeking diversity for at least a decade, and funds that offer broad exposure—whether it be country, continent or industry—are popular, both in the US and Europe. Investors on both continents are opting for diversified exposure; in Europe, where there is a dearth of broad European and euro zone ETFs, one reasonable solution will be Spider Europe. ✚

### BGI in final authorization for China Tracker

Barclays Global Investors currently has an Investment Trust filing under review with regulators in Hong Kong to launch an iShare. The proposed iShares MSCI China (Free) Tracker, which will trade on the Hong Kong exchange, tracks the MSCI China (Free) Index. Launch date and ticker await regulatory approval.

According to sources in Hong Kong, BGI remains committed to the China Tracker despite current conditions in global markets. Input from the brokerage community also remains positive, possibly due to China's strong prospects for growth and its low correlation to several developed markets, many of which have been performing poorly over the last few quarters.

Less than six months old, the MSCI China Free Index has a market cap of approximately US\$65 billion, and tracks 30 China stocks listed in Hong Kong and mainland China. The index is used by the Hong Kong Exchanges and Clearing for a recently launched but little traded futures contract.

### Merrill Lynch to launch LDRS on Euronext

Merrill Lynch in London is expected to receive regulatory approval shortly for 13 new LDRS to trade on Euronext. The LDRS track MSCI Global indices, including autos, banks, basic industries, cyclicals, energy, financials, general industrials, media, non cyclicals, pharmaceuticals, technology, telecoms and utilities.

The blue-chip Global Sector Indices, introduced in February 2001, aim to reflect the performance of the corresponding broader Sector or Economic Group of the FTSE All World Developed benchmark, according to Merrill Lynch/London.

### HEX introduces ETFs to Finland

The Helsinki Exchange is preparing to introduce the HEX25 index share, a new ETF based on the HEX 25 index. It is anticipated that the HEX25 index share will be listed in Helsinki from the beginning of 2002.

The HEX25 index (former FOX index) comprises the 25 most traded shares listed on the Helsinki Exchange. The preliminary price of the HEX25 index share is 1/100 of the HEX25 index.

### Indian ETF is on its way

Benchmark Asset Management Co has won regulatory approval to launch India's first ETF. Benchmark is a "boutique" fund, majority owned by its senior management and launched in October 2000. It plans to specialize in passive and quantitative asset management, says chief investment officer Sanjiv Shah.

The ETF will be based on the S&P CNX "Nifty" Index, a local benchmark index that also has a developing futures contract listed by the National Stock Exchange of India. Fees will be 70 basis points per year: 30 bps management fee and 40 basis points expenses. It was not disclosed how much an IPO was expected to raise. The ETF, which will be the fund's first product, is scheduled for launch in November. The country's largest mutual fund, the Unit Trust of India, had won approval earlier this year to launch India's first ETF, but has not yet done so.

### Singapore entices ETF providers with S\$90b

Singapore is enticing providers of ETFs to list on the local exchange by waving a S\$90 billion (US\$51 billion) carrot. The country's Central Provident Fund, a mandatory pension fund that takes in 36% of Singaporeans' salaries (16% from employer, 20% from employee), has allowed its members to invest in ETFs, as long as the ETF fulfills certain criteria.

The fund's 2.9 million members hold S\$90 billion in assets. While CPF has been primarily responsible for investment decisions, in recent years the fund has allowed members more flexibility to invest in certain authorized products.

To be authorized, ETFs must be listed on the Singapore Exchange, denominated in Singapore dollars and evaluated as suitable for inclusion by the Board's investment consultant, William Mercer. The move to allow ETF investment is seen as part of the government's strategy to develop its stock exchange. SGX recently introduced Amex cross-listed ETFs, but volumes remain low.

### BGI launches four ETFs on Amex

Four new ETFs, launched by Barclays Global Investors, began trading on the American Stock Exchange on October 26. They are iShares Goldman Sachs Natural Resources Index (ticker: IGE), iShares S&P Latin America 40 Index (ticker: ILF), iShares MSCI Pacific Rim ex-Japan Index (ticker: EPP) and iShares S&P TOPIX 150 Index (ticker: ITF).

IGE, based on the Goldman Sachs Natural Resources Index, tracks the performance of US-based natural resources companies in energy, precious metals, timber, and other sub sectors. ILF, based on the S&P Latin America 40 Index, includes companies from Argentina, Brazil, Chile and Mexico; the index targets about 65% of each country's market cap. EPP, based on an MSCI index, includes companies from Hong Kong, New Zealand, Australia and Singapore; the index targets 85% sector representation of each country and is a float adjusted market cap weighted index.

ITF tracks the S&P Topix Index. (The S&P/TOPIX 150 was launched in February 2000.) That index is composed of 150 actively traded securities on the Tokyo Stock Exchange; the index is a market capitalization weighted index adjusted for investability. BGI launched the ETF on August 27 on the Tokyo Stock Exchange, when it traded just US\$11,000 in volume on day one. According to a Reuters report, the move to co-list on the Amex will make it the first Japan-listed ETF to be mutually listed on Amex, in the hope that liquidity will increase owing to greater global awareness of the product.

TSE and Amex established a strategic alliance for the cross-listing and trading of US and Japanese ETFs in June this year. In July, TSE and rival Osaka Securities Exchange both launched Japan's first ETFs.

Volumes however continue to be low, with the ¥3.5 billion (\$28.9 million) average daily turnover of ETFs listed on the TSE during September, counting for just a fraction of the ¥792 billion share daily turnover on the exchange's first section, according to Reuters.

### MSCI announces index changes

In its shift to free float, Morgan Stanley Capital

International's Standard Index series has announced changes to its indices, effective November 30. MSCI is providing a heads-up now to give firms tracking the indices time to adjust. The new methodology adjusts market capitalizations of index constituents for free float, targeting for index inclusion 85% of free float-adjusted market cap in each industry group in each country. The November adjustment represents phase one, which reflects about half the changes in the index; phase two is scheduled for May 2002.

Major changes in the All Country World Index Free include weightings changes for developed markets to 96.2% from 95.3%. For example, the US will increase to 53.4% from 50.7%; and the UK, to 10.3% from 9.9%. The EAFE Index, which includes 21 developed equity markets outside North America, will increase UK weights to 25.4% from 23.3%. France, Germany and Italy will decrease by 0.85%, 0.5% and 0.4%, respectively.

The Emerging Markets Free Index, which includes 26 emerging markets, will increase Korea to 13.8% from 12.3%, and South Africa to 12.6% from 11.4%. India and Malaysia will decrease by 0.9%, and Chile by 0.7%.

### Amex launches six Nuveen ETFs

Six new Nuveen municipal closed-end ETFs debuted on the Amex on Wednesday. The funds, which have completed IPOs for their common shares, raised a combined total of more than \$1 billion in assets.

The six funds are Nuveen Dividend Advantage Municipal Fund 3 (ticker: NZF), Nuveen California Dividend Advantage Municipal Fund 3 (ticker: NZH), Nuveen Georgia Dividend Advantage Municipal Fund (ticker: NZX), Nuveen Maryland Dividend Advantage Municipal Fund 2 (ticker: NZR), Nuveen Michigan Dividend Advantage Municipal Fund (ticker: NZW) and Nuveen Ohio Dividend Advantage Municipal Fund 2 (ticker: NBJ).

According to the Amex, the objectives of the funds are to provide current income exempt from regular federal and state income taxes and to enhance their portfolio value relative to the municipal bond market. Each fund will be at least 80% invested in investment grade quality municipal bonds. These will be underrated or undervalued tax-free municipal bonds that represent municipal market sectors.

### Crédit Lyonnais will promote SPDRs in Europe

Standard & Poor's and Crédit Lyonnais Asset Management have formed a partnership to create, list and promote ETFs in Europe under the Standard & Poor's Depository Receipts umbrella. The new ETFs will track the S&P Europe 350 and S&P Euro indices and their subcomponents for geographical, sectors and styles indices. Subject to regulatory and market approval, the first two SPDRs will be introduced on NextTrack, the dedicated ETF market segment on Euronext by year-end. AIB/Bank of New York will act as European SPDR administrator and custodian.

### REITs added to S&P indices

Standard & Poor's has announced that it will add real estate investment trusts to its indices. All changes take effect after

market close on October 9. In the S&P 500, Equity Office Properties (NYSE:EOP) will replace Texaco. In the MidCap 400, Hospitality Properties Trust (NYSE:HPT) and new Plan Excel Realty Trust (NYSE:NXL) will replace Arris Group Inc (NASDAQ:ARRS) and MasTec Inc (NYSE:MTZ). And in the SmallCap 600, Colonial Properties Trust (NYSE:CLP), Kilroy Realty Corp (NYSE:KRC) and Shurgard Storage Centers (NYSE:SHU) will replace Mayor's Jewelers Inc (AMEX:MYR), SpeedFam-IPEC Inc (NASDAQ:SFAM) and International FiberCom Inc (NASDAQ:IFCI).

The decision was based on a broad review conducted by Standard & Poor's that included REITs' role in investment portfolios, treatment by accounting and tax authorities, and how they're viewed by investors. In effect, S&P now believes that REITs have become operating companies subject to the same economic and financial factors as other publicly traded US companies listed on major US stock markets.

For several years, REITs were not eligible for inclusion in the S&P indices. The old policy reflected REITs' role as a passive investment vehicle during the late 1970s through the mid-1990s. In its recent review, the firm found that the majority of REITs are now operating companies that purchase, manage, invest in, maintain and market real estate. However, those REITs that are passive and do not actively manage and operate real estate may not be included.

### CBOE launches new trading platform

The Chicago Board Options Exchange launched CBOE *direct* on October 26. CBOE *direct* is an electronic, screen-based trading platform geared for those trading index options during extended trading hours.

The system debuted with trading of options on the Dow Jones Industrial Average Index (ticker: DJX), and over the following weeks will trade options on the Russell 2000 Index (ticker: RUT) and the S&P 100 Index (tickers: OEX and XEO). The platform will operate from 7:00 am to 8:15 am prior to the opening of regular trading, which begins at 8:30 am, Central Time.

CBOE *direct*, which was built in-house, replicates CBOE's trading floor on-screen; it offers access to the entire options universe, as well as liquidity providers making two-sided, continuous markets.

### DJIA Master Unit offers dividend

The Dow Jones Industrial Average Master Unit (ticker: DJE PA)—which was launched on May 17, 2001, trades on Euronext/Paris and has an expense ratio of 0.50% per annum—will offer its first dividend of €0.49 at the end of October. It's the third ETF launched by Lyxor Asset Management. Lyxor Asset Mgmt (a wholly owned subsidiary of Société Générale) has over €1 billion under management combined its three ETFs.

DJE PA is the only ETF on Euronext/Paris tracking the 30 largest US stocks; it affords investors the ability to invest during European market hours. The other two ETFs, which also distribute annual dividends, are the CAC 40 Master Unit and the DJ Euro Stoxx 50 Master Unit. The former had a dividend of €0.65 on September 10, 2001, and the later, €0.53 on October 1, 2001.

## EXCHANGE-TRADED FUNDS

Week ending October 19 2001

Fund Name	Ticker	Volume	Shares (000)	Net assets (\$ million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
<b>Major market indices</b>										
Nasdaq-100 Index Tracking Stock	QQQ	22 175 600	605 300	20 319.92	33.55	33.57	(0.06)	(2.89)	(42.53)	(61.13)
S&P 500 SPDR	SPY	9 815 040	239 879	25 827.77	107.35	107.66	(0.29)	(1.96)	(17.42)	(22.33)
DJIA Diamonds	DIA	3 218 720	29 152	2 685.77	91.90	92.12	(0.24)	(1.81)	(12.96)	(8.89)
<b>iShares Dow Jones series</b>										
iShares DJ US Basic Materials	IYM	2 500	200	6.98	35.03	34.91	0.34	(2.15)	(9.42)	20.18
iShares DJ US Chemicals	IYD	6 320	50	1.92	38.45	38.65	(0.52)	(1.79)	(10.28)	18.04
iShares DJ US Consumer Cyclical	IYC	16 600	900	43.83	48.90	48.71	0.39)	(0.63)	(12.11)	(9.69)
iShares DJ US Energy	IYE	11 760	1 350	62.14	46.00	46.03	(0.07)	(3.14)	(15.56)	(13.42)
iShares DJ US Financial	IYF	13 580	950	69.67	73.50	73.34	0.22	0.33	(14.71)	(5.92)
iShares DJ US Financial Services	IYG	7 480	350	28.66	82.29	81.89	0.49	0.90	(15.88)	(7.14)
iShares DJ US Healthcare	IYH	33 040	3 000	185.61	62.05	61.87	0.29	0.57	(13.52)	(6.65)
iShares DJ US Industrial	IYJ	3 320	800	35.26	44.20	44.08	0.27	(2.19)	(21.37)	(22.79)
iShares DJ US Internet	IYV	35 040	1 200	13.46	11.30	11.22	0.71	(4.72)	(63.44)	(80.41)
iShares DJ US Non-Consumer Cyclical	IYK	17 920	700	29.36	42.09	41.94	0.36	0.79	(2.13)	9.22
iShares DJ US Real Estate	IYR	6 080	750	56.61	75.34	75.47	(0.17)	(3.04)	2.84	12.03
iShares DJ US Technology	IYW	25 160	2 200	100.21	45.75	45.55	0.44	(1.74)	(38.64)	(58.71)
iShares DJ US Telecommunications	IYZ	11 340	1 600	50.37	31.46	31.48	(0.06)	(5.98)	(18.50)	(34.27)
iShares DJ US Total Market	IYY	6 560	1 550	76.71	49.62	49.49	0.26	(0.98)	(18.69)	(23.83)
iShares DJ US Utilities	IDU	3 540	500	34.10	68.18	68.18	0.00	(0.55)	(21.53)	(13.74)
<b>iShares MSCI series</b>										
iShares MSCI Australia	EWA	10 840	6 400	55.62	8.63	8.67	(0.46)	(0.12)	(7.31)	(2.52)
iShares MSCI Austria	EWO	4 100	1 400	9.77	7.05	6.96	1.29	(1.40)	(5.24)	4.25
iShares MSCI Belgium	EWK	3 220	840	8.74	10.25	10.40	(1.44)	(6.73)	(18.02)	(13.55)
iShares MSCI Brazil	EWZ	50 680	1 250	12.00	9.49	9.50	(0.11)	3.04	(39.17)	(40.73)
iShares MSCI Canada	EWZ	1 920	2 400	23.74	9.85	9.89	(0.40)	(0.51)	(25.84)	(36.39)
iShares MSCI EAFE	EFA	84 200	4 000	456.20	114.80	114.09	0.62	(1.92)		
iShares MSCI EMU	EZU	10 640	1 600	80.90	51.15	50.50	1.29	(0.68)	(29.35)	(23.88)
iShares MSCI France	EWQ	20 480	3 001	52.46	17.46	17.47	(0.06)	(2.68)	(29.09)	(24.70)
iShares MSCI Germany	EWG	30 820	7 801	101.33	13.05	13.02	0.23	(3.55)	(32.24)	(27.35)
iShares MSCI Hong Kong	EWH	110 840	6 451	50.83	7.85	7.88	(0.38)	(1.75)	(30.43)	(28.50)
iShares MSCI Italy	EWI	6 520	1 950	29.91	15.26	15.33	(0.46)	(2.74)	(31.36)	(24.70)
iShares MSCI Japan	EWJ	281 400	60 601	521.77	8.56	8.61	(0.58)	(1.04)	(22.62)	(32.53)
iShares MSCI Malaysia	EWM	14 220	14 850	68.76	4.45	4.64	(4.09)	1.14	(11.27)	(19.90)
iShares MSCI Mexico	EWV	50 200	3 000	39.90	13.20	13.37	(1.27)	(2.22)	(0.13)	(7.40)
iShares MSCI Netherlands	EWN	1 120	1 301	20.28	15.64	15.56	0.51	(7.73)	(30.01)	(27.20)
iShares MSCI PacRim ex-Japan	EPP	Trading began October 26 2001								
iShares MSCI Singapore	EWS	20 680	14 300	63.64	4.37	4.45	(1.80)	(2.24)	(32.36)	(31.80)
iShares MSCI South Korea	EWY	3 440	2 850	35.57	12.30	12.51	(1.68)	0.41	1.20	(14.87)
iShares MSCI Spain	EWP	2 480	1 275	24.15	19.45	19.55	(0.51)	3.29	(14.55)	(14.78)
iShares MSCI Sweden	EWD	300	825	9.60	11.40	11.62	(1.89)	(3.88)	(35.98)	(40.94)
iShares MSCI Switzerland	EWL	7 880	2 501	30.24	12.05	12.09	(0.33)	0.42	(27.81)	(17.01)
iShares MSCI Taiwan	EWT	60 800	12 500	94.75	7.50	7.58	(1.06)	0.54	(29.00)	(37.18)
iShares MSCI UK	EWU	39 180	8 401	117.78	14.00	14.05	(0.36)	(2.30)	(19.21)	(16.98)
<b>iShares Russell series</b>										
iShares Russell 1000	IWB	53 900	4 550	256.89	56.36	56.45	(0.16)	(2.00)	(18.98)	(23.68)
iShares Russell 1000 Growth	IWF	55 720	8 250	388.99	47.28	47.15	0.28	(1.34)	(26.62)	(40.03)
iShares Russell 1000 Value	IWD	67 700	8 900	465.47	52.38	52.30	0.15	(1.69)	(11.71)	(5.63)
iShares Russell 2000	IWM	197 700	18 700	1 584.08	84.60	84.70	(0.12)	(0.56)	(10.87)	(11.73)
iShares Russell 2000 Growth	IWO	97 520	5 050	251.54	49.85	49.81	0.08	(1.19)	(22.22)	(32.54)
iShares Russell 2000 Value	IWN	44 140	4 800	546.86	113.55	113.91	(0.32)	(1.07)	(0.35)	12.25
iShares Russell 3000	IWV	35 280	16 650	981.18	58.85	58.93	(0.14)	(1.92)	(18.18)	(23.22)
iShares Russell 3000 Growth	IWZ	8 580	500	18.81	37.29	37.61	(0.85)	(2.00)	(27.78)	(38.76)
iShares Russell 3000 Value	IWW	11 780	500	33.38	66.69	66.75	(0.09)	(1.51)	(11.85)	(4.20)
iShares Russell MidCap	IWR	780	700	36.51	52.12	52.17	(0.10)	(1.27)		
iShares Russell MidCap Growth	IWP	11 180	200	12.40	61.90	62.01	(0.18)	(1.00)		
iShares Russell Midcap Value	IWS	3 520	200	14.07	70.15	70.37	(0.31)	(2.08)		
<b>iShares Sectors</b>										
iShares Nasdaq Biotech	IBB	47 680	1 550	129.64	83.75	83.64	0.13	0.48		
iShares Cohen & Steers Realty Majors	ICF	8 440	250	19.99	80.28	79.97	0.39	(2.62)		
iShares GS Technology	IGM	5 560	1 450	63.15	43.50	43.55	(0.11)	(2.59)		

Fund Name	Ticker	Volume	Shares (000)	Net assets (\$ million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr	
<b>iShares Sectors (continued)</b>											
iShares GS Networking	IGN	3 740	600	17.42	29.15	29.03	0.41	1.57			
iShares GS Software	IGV	3 040	600	22.11	36.85	36.85	0.00	2.73			
iShares GS Semiconductor	IGW	2 540	400	22.49	56.04	56.22	(0.32)	(5.97)			
iShares GS Natural Resources	Trading began October 26 2001										
iShares GS Consumer Industries	Launch date to be announced										
iShares GS Cyclical Industries	Launch date to be announced										
iShares GS Financials	Launch date to be announced										
iShares GS Healthcare	Launch date to be announced										
iShares GS Utilities	Launch date to be announced										
<b>iShares S&amp;P series</b>											
iShares S&P 100	OEF	71 860	2 750	152.53	55.28	55.46	(0.32)	(1.51)	(19.59)		
iShares S&P 500	IVV	154 060	26 700	2 872.12	107.28	107.57	(0.27)	(2.00)	(17.62)	(22.56)	
iShares S&P 500/Barra Growth	IVW	40 040	4 900	270.87	55.44	55.28	0.29	(0.38)	(18.35)	(30.94)	
iShares S&P 500/Barra Value	IVE	39 440	8 200	427.22	52.26	52.1	0.31	(2.59)	(16.62)	(13.09)	
iShares S&P MidCap 400	IJH	38 560	3 950	354.16	89.65	89.66	(0.01)	(1.43)	(12.64)	(12.35)	
iShares S&P MidCap 400/Barra Growth	IJK	9 260	1 100	108.98	99.28	99.07	0.21	(0.77)	(19.83)	(28.08)	
iShares S&P MidCap 400/Barra Value	IJJ	10 260	2 950	237.74	80.5	80.59	(0.11)	(2.28)	(4.96)	7.61	
iShares S&P SmallCap 600	IJR	69 380	4 350	435.13	100.14	100.03	0.11	(0.54)	(6.96)	(2.81)	
iShares S&P SmallCap 600/Barra Growth	IJT	13 040	850	57.68	67.97	67.85	0.18	(0.37)	(13.26)	(16.88)	
iShares S&P SmallCap 600/Barra Value	IJS	22 160	2 400	176.93	73.84	73.72	0.16	(0.55)	(3.56)	10.10	
<b>International</b>											
iShares S&P Global 100 Index Fund	IOO	8 720	800	44.98	55.75	55.45	0.54	(1.50)	(19.25)		
iShares S&P Europe 350 Index	IEV	22 740	3 650	199.69	55.18	54.76	0.77	(2.27)	(27.36)	(23.27)	
iShares S&P TOPIX	ITF	Trading began October 26 2001									
iShares S&P Latin America 40	ILF	Trading began October 26 2001									
iShares S&P Toronto SE 60	IKC	0	150	6.07	40.88	40.45	1.06	(0.78)	(20.79)	(31.86)	
<b>iShares Fixed Income</b>											
iShares 1-3 Year Treasury Index	Launch date to be announced										
iShares 7-10 Year Treasury Index	Launch date to be announced										
iShares 20+ Year Treasury Index	Launch date to be announced										
iShares Treasury Index	Launch date to be announced										
iShares Government/Credit Bond Index	Launch date to be announced										
<b>Merrill Lynch HLDRs</b>											
HOLDRS B2B Internet	BHH	55 640			3.50			1.16	(79.29)	(91.04)	
HOLDRS Biotech	BBH	674 000			120.72			(0.07)	(29.12)	(32.20)	
HOLDRS Broadband	BDH	68 380			15.84			(4.00)	(65.20)	(79.83)	
HOLDRS Europe 2001	EKH	5 400			58.35			(1.43)			
HOLDRS Internet	HHH	162 220			29.21			(6.53)	(24.11)	(59.26)	
HOLDRS Internet Architecture	IAH	8 040			32.74			(1.12)	(43.07)	(64.77)	
HOLDRS Internet Infrastructure	IIH	164 220			5.95			(6.74)	(72.54)	(86.77)	
HOLDRS Market 2000	MKH	16 200			58.95			(1.67)	(21.53)	(29.87)	
HOLDRS Oil Services	OIH	281 720			52.90			(0.75)			
HOLDRS Pharmaceutical	PPH	54 120			100.97			0.77	(10.67)	(2.29)	
HOLDRS Regional Bank	RKH	16 760			98.40			(0.09)	(16.66)	(0.08)	
HOLDRS Retail	RTH	10 420			83.85			(1.35)			
HOLDRS Semiconductor	SMH	1 607 840			34.00			(9.91)	(30.61)	(49.06)	
HOLDRS Software	SWH	167 340			36.74			(2.41)			
HOLDRS TeleBras	TBH				26.00			5.69	(63.51)	(62.05)	
HOLDRS Telecommunications	TTH	18 920			46.43			(5.01)	(12.10)	(25.18)	
HOLDRS Utilities	UTH	34 220			98.50			(0.81)	(16.96)	(8.81)	
HOLDRS Wireless	WMH	10 800			55.35			(3.52)	(33.34)		
<b>Nuveen</b>											
America's Fastest Growing Companies	Launch date to be announced										
FITRs (Fixed Income Trust Receipts)	Launch date to be announced										
Nuveen Dividend Advantage Muni Fund	NZF	Trading began September 26 2001									
Nuveen California Div. Adv. Muni Fund	NZH	Trading began September 26 2001									
Nuveen Georgia Div. Adv. Muni Fund	NZX	Trading began September 26 2001									
Nuveen Maryland Div. Adv. Muni Fund	NZR	Trading began September 26 2001									
Nuveen Michigan Div. Adv. Muni Fund	NZW	Trading began September 26 2001									
Nuveen Ohio Div. Adv. Muni Fund	NBJ	Trading began September 26 2001									
<b>New York Life (NYLIM)</b>											
TechIES (PacEx Tech 100 Index)	Launch date to be announced										

Fund Name	Ticker	Volume	Shares (000)	Net assets (\$ million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
<b>S&amp;P Depository Receipts (SPDRs)</b>										
S&P 400 MidCap SPDR	MDY	640 860	49 627	4 086.29	82.15	82.32	(0.21)	(1.72)	(12.43)	(12.58)
SPDR Basic Industries	XLB	117 040	5 050	99.74	19.71	19.75	(0.20)	(2.43)	(6.62)	19.63
SPDR Consumer Services	XLV	14 200	5 450	129.22	23.49	23.71	(0.93)	(3.57)	(13.71)	(14.90)
SPDR Consumer Staples	XLP	28 000	14 300	364.79	25.60	25.51	0.35	0.99	(9.53)	1.65
SPDR Cyclical/Transportation	XLY	10 400	4 400	108.28	24.06	24.61	(2.23)	(3.18)	(5.33)	5.57
SPDR Energy	XLE	694 920	11 250	304.31	26.95	27.05	(0.37)	(4.80)	(17.69)	(17.14)
SPDR Financial	XLF	515 520	32 501	790.10	24.32	24.31	0.04	(0.69)	(16.89)	(9.40)
SPDR Industrial	XLI	52 560	2 900	70.73	24.34	24.39	(0.21)	(2.87)	(21.40)	(16.22)
SPDR Technology	XLK	875 580	47 500	1 007.00	21.23	21.19	0.19	(3.15)	(32.20)	(53.11)
SPDR Utilities	XLU	37 300	3 350	98.66	29.53	29.45	0.27	0.17	(9.08)	(3.26)
<b>StreetTRACKS (State Street Global Advisors)</b>										
Dow Jones series										
DJ Global Titans	DGT	460	300	19.10	63.25	63.65	(0.63)	(0.94)	(17.10)	(22.97)
DJ US Large Cap Growth	DSG	3 180	100	6.12	61.60	61.14	0.75	(0.65)	(23.36)	(29.09)
DJ US Large Cap Value	DSV	2 500	200	23.55	116.54	117.76	(1.04)	(1.07)	0.72	19.76
DJ US Small Cap Growth	ELG	3 920	400	19.54	47.98	48.86	(1.80)	(3.94)	(34.31)	(46.01)
DJ US Small Cap Value	ELV	1 220	300	36.07	119.46	120.23	(0.64)	(1.78)	(11.36)	(4.70)
Sectors										
FORTUNE e-50	FEF	2 200	400	11.84	29.07	29.59	(1.76)	(5.80)	(41.57)	
FORTUNE 500	FFF	6 080	350	26.95	77.21	77.01	0.26	(1.13)	(15.58)	
MS Internet	MII	1 040	250	2.65	10.60	10.59	0.09	(2.75)	(61.97)	(80.64)
MS High Tech 35	MTK	1 560	1 350	58.97	43.36	43.67	(0.71)	(2.14)	(35.52)	(54.35)
Wilshire REIT Index Fund	RWR	2 420	150	16.89	112.55	112.62	(0.06)	(2.51)		
<b>VIPERS (Vanguard)</b>										
VIPERS Total Stock Market	VTI	316 060	7 017	686.75	97.76	97.86	(0.10)	(1.58)		
VIPERS Index	VFINX	Launch date to be announced								
VIPERS Small(Cap)	NAESX	Launch date to be announced								
VIPERS Growth	VIGRX	Launch date to be announced								
VIPERS Value	VIVAX	Launch date to be announced								
<b>International Exchange-Traded Funds</b>										
<b>Australia (AUD denominated)</b>										
streetTRACKS ASX S&P 200 Index	STW	54 660	1 600	51.21	32.00	32.01	(0.03)	(1.75)		
streetTRACKS ASX S&P 50 Index	SFY	375	800	26.34	33.05	32.93	0.36	(0.57)		
<b>Canada (CAD denominated)</b>										
iUnits S&P/TSE 60 Index	XIU	672 660	91 151	3 683.21	39.90	40.01	(0.27)	(1.85)	(23.83)	(34.62)
iUnits S&P/TSE Capped 60 Index	XIC	15 332	5 357	239.63	44.20	44.29	(0.20)			
iUnits S&P/TSE Canadian MidCap	XMD	4 302	1 570	43.89	44.05	44.05	0.00			
iUnits S&P/TSE Canadian Energy	XEG	8 799	1 673	47.31	27.65	27.62	0.11			
iUnits S&P/TSE Canadian Financials	XFN	108 430	1 527	40.01	26.15	26.11	0.15			
iUnits S&P/TSE Canadian Gold	XGD	8 608	1 844	63.98	34.40	34.50	(0.29)			
iUnits S&P/TSE Canadian IT Index	XIT	22 200	2 347	17.92	7.60	7.74	(1.81)			
iUnits S&P500 RSP	XSP	41 160	2 514	42.76	17.00	16.92	0.47			
iUnits MSCI International Equity RSP	XIN	12 334	1 000	19.44	19.65	19.44	1.08			
SSgA DJ Canada 40 Index	DJF	26 285	4 695	196 208	41.50	41.79	(0.70)	(2.01)	(24.43)	(40.83)
TD TSE 300 Index Fund	TTF	16 056	6 689	154.65	23.00	23.12	(0.52)			
TD TSE 300 Capped Index Fund	TCF	11 630	2 857	76.56	26.75	26.79	(0.16)			
Fixed income										
iUnits Canada 5-year Govt Bond	XGV	14 176	2 868	80.98	28.35	28.29	0.21			
iUnits Canada 10-year Govt Bond	XGX	3 363	2 842	75.97	26.95	26.87	0.30			
<b>Europe (Euro denominated unless otherwise specified)</b>										
<b>Deutsche Börse</b>										
DAX Ex	DAXEX		7 570	339.21	45.11	45.14	(0.07)	(0.82)		
DJ Global Titans EX	DJGTEEX		50	1.42	28.37	28.24	0.46	0.17		
DJ Industrial Average	DJIEX		17	1.52	101.20	101.75	(0.54)	(0.70)		
DJ Stoxx 50 LDRS	EUN1	150 267	8 800	299.60	34.12	N/A	N/A	(0.64)	(12.18)	(16.88)
DJ Euro Stoxx 50 LDRS	EUN2	212 900	19 000	648.15	33.98	N/A	N/A	(1.20)	(14.08)	(19.66)
MDAX Ex	MDAXEX		198	8.27	41.75	41.75	0.00	(0.04)		
NEMAX 50 Ex	NMKXEX		3 349	33.47	10.02	9.98	0.40	1.02		
SMI Ex	SMIEX		249	15.17	41.30	41.17	0.32	0.28		
DJ Euro Stoxx 50 Ex	SX5E	543 463	9 640	330.97	34.32	34.47	(0.44)	(0.79)		
DJ Stoxx 50 Ex	SX5P	62 936	4 266	146.43	34.53	34.40	0.38	(0.74)		

Fund Name	Ticker	Volume	Shares (000)	Net assets (\$ million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
<i>Deutsche Börse (continued)</i>										
DJ Stoxx Euro 600 Banks	SX7E	14	138	3.37	25.40	24.43	3.97	0.20		
DJ Stoxx 600 Banks	SX7P	10	51	1.67	33.04	32.83	0.64	(1.05)		
DJ Euro Stoxx Technology	SX8E	14 957	202	7.68	38.00	38.17	(0.45)	(0.69)		
DJ Stoxx 600 Technology	SX8P	4 685	802	25.87	32.13	32.39	(0.80)	0.06		
DJ Stoxx Healthcare	SXDE	62	51	2.73	53.99	54.37	(0.70)	(1.56)		
DJ Stoxx 600 Healthcare	SXDP	45	52	2.36	46.22	45.94	0.61	0.86		
DJ Euro Stoxx Telecommunications	SXKE	8 354	303	12.66	41.92	41.71	0.50	0.03		
DJ Stoxx 600 Telecommunications	SXKP	5	211	6.52	31.30	30.90	1.29	0.22		
<i>Euronext (Amsterdam)</i>										
DJ Euro Stoxx 50 LDRS	EUE NA	361 144	8 800	299.64	34.00	34.05	(0.15)	(0.03)		
DJ Stoxx 50 LDRS	EUN NA	240 993	19 000	648.09	33.89	34.11	(0.64)	0.38		
iBloomberg European Cyclical	IBCA NA	12 000	4 200	34.30	8.20	8.17	0.42	0.81		
iBloomberg European Financials	IBF NA	1 400	4 200	32.32		7.69	N/A	0.68		
iBloomberg European Industrials	IBIA NA	0	4 200	31.29		7.45	N/A	0.47		
iBloomberg European Pharmaceuticals	IBP NA	22 000	4 200	40.33	9.55	9.60	(0.55)	0.17		
iBloomberg European Technology	IBQ NA	1 250	4 200	20.04	4.77	4.77	(0.05)	(1.54)		
iBloomberg European Resources	IBRA NA	0	4 200	36.62		8.72	N/A	(1.58)		
iBloomberg European Staples	IBSA NA	0	4 200	37.53		8.94	N/A	0.85		
iBloomberg European Telecoms	IBT NA	26 000	4 200	19.41	4.72	4.62	2.11	3.64		
streetTRACKS AEX Index Fund	AEXT	89 223	750	34.18	45.00	45.57	(1.25)	(4.59)		
streetTRACKS MSCI UK	STUK NA	1 500	100	3.12		31.17	N/A	(0.32)		
iShares FTSE Euro 100	IERA NA					10.05				
<i>Euronext (Paris)</i>										
CAC 40 Master Unit	CAC PA	4 695 714	13 727	591.21	42.58	43.07	(1.14)	0.35		
DJIA Master Unit	DJE PA	193 739	1 418	145.45	102.00	102.55	(0.54)	0.08		
DJ Euro Stoxx 50 Master Unit	MSE FP	4 216 486	3 200	110.46	34.06	34.52	(1.33)	(0.06)		
DJ Stoxx 50 LDRS	EUN FP	113 947	19 000	648.09	33.80	34.11	(0.91)	0.38		
DJ Euro Stoxx 50 LDRS	EUE FP	234 289	8 800	299.64	34.02	34.05	(0.09)	(0.03)		
Dow Jones Euro Stoxx 50 SM EX	GXE FP	300 141	9 640	337.01	34.47	34.96	(1.40)	(0.71)		
Dow Jones Stoxx 50 SM EX	GXN FP	40 028	4 266	149.01	34.69	34.93	(0.69)	(0.11)		
Easy ETF DJ STOXX 50	ETN FP	25 061	15 140	51.63	3.43	3.41	0.59	0.29		
Easy ETF DJ Euro STOXX 50	ETE FP	163 200	9 119	31.19	3.41	3.42	(0.29)	0.29		
Easy ETF DJ Global Titans	ETT FP	7 126	3 851	108.20	28.00	28.10	(0.36)	0.18		
streetTRACKS MSCI Pan-Euro	ERO FP	581 757	3 000	302.37	99.65	100.79	(1.13)	(0.42)		
streetTRACKS MSCI Euro Cons. Disc.	STV FP	0	50	2.03		40.54	N/A	N/A		
streetTRACKS MSCI Euro Cons. Stap.	STS FP	5 000	50	2.47		49.39	N/A	N/A		
streetTRACKS MSCI Euro Energy	STN FP	115	300	21.88	70.10	72.93	(3.88)	(0.04)		
streetTRACKS MSCI Euro Financials	STZ FP	14 231	550	26.39	47.66	47.98	(0.67)	0.00		
streetTRACKS MSCI Euro Health Care	STW FP	20	50	2.89		57.83	N/A	N/A		
streetTRACKS MSCI Euro Industrials	STQ FP	0	50	2.37		47.40	N/A	N/A		
streetTRACKS MSCI Euro IT	STK FP	1	50	2.52		50.40	N/A	(0.59)		
streetTRACKS MSCI Euro Materials	STP FP	0	50	3.00		60.01	N/A	N/A		
streetTRACKS MSCI Euro Telecom	STT FP	5 070	50	2.00		39.91	N/A	N/A		
streetTRACKS MSCI Euro Utilities	STU FP	20	50	2.33		46.50	N/A	N/A		
<i>OM Sweden (SEK denominated)</i>										
XACT	XACT	4 590	10 350		76.00	75.84	0.21			
<i>Switzerland</i>										
DJ Stoxx 50 LDRS	EUN SW	10 808	8 800	299.64	34.30	34.05	0.73	(1.72)	(25.76)	
DJ Euro Stoxx 50 LDRS	EUNE SW	109 138	19 000	648.09	33.90	34.11	(0.62)	(3.42)	(29.23)	
XMTCH (CHF denominated)	XMSMI	74 741	7 121	437.50	61.05	61.22	(0.28)	1.33	(16.37)	
<i>United Kingdom (GBP denominated)</i>										
iShares FTSE 100	ISF	754 256	43 120	216.89	5.05	5.03	0.40	(0.96)	(19.32)	(19.24)
iShares FTSE TMT	ITMT	16 685	16 685	9.04	5.90	5.87	0.51	(0.17)	(56.14)	(61.45)
DJ Euro Stoxx 50 LDRS	EUE	0	19 000	404.32						
DJ Stoxx 50 LDRS	EUN	0	8 800	187.00						
<i>Euro-denominated</i>										
iShares FTSE Euro 100	IEUR	59 021	2 252	22.63	6.28	6.29	(0.16)	0.14	(29.26)	
iBloomberg Euro Cyclical	IBEC	2 770	4 200	34.30	5.10	5.09	0.20	0.81	(17.04)	
iBloomberg Euro Financials	IBEF	3 220	4 200	32.31	4.82	4.79	0.63	0.68	(22.47)	
iBloomberg Euro Industrials	IBEI	0	4 200	31.29	4.64	4.65	(0.22)	0.47	(20.96)	
iBloomberg Euro Pharmaceuticals	IBEP	7 936	4 200	40.33	6.07	5.99	1.34	0.17	(7.01)	
iBloomberg Euro Resources	IBER	102	4 200	36.62	5.46	5.44	0.37	(1.58)	(11.78)	
iBloomberg Euro Staples	IBES	550	4 200	37.53	5.57	5.57	0.00	0.85	(9.58)	
iBloomberg Euro Technology	IBQQ	706	4 200	20.04	2.96	2.97	(0.34)	(1.54)	(47.97)	
iBloomberg Euro Telecoms	IBET	7 754	4 200	19.41	2.88	2.88	0.00	3.64	(46.43)	

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Hong Kong (Asset & price values in USD)										
TraHK	2800.HK	3 060 000	2 417 992	24 266.23	10.05	10.04	0.14	(3.83)	(33.88)	(30.93)
India										
Sensex UTI Notional Dep Recpt	Launch date to be advised									
Israel										
TALI 25	TALI	309	496	1 902.16	880.44	888.53	(0.91)	(1.55)	(24.30)	(23.08)
Japan										
Nikkei 225										
Daiwa	Data not available at press time									
iShares	1329	140	901	78.51	10610	10563	0.44	(0.89)	1.47	
Nomura	Data not available at press time									
Nikko	1330	183 872			10540	10564	(0.23)	(0.66)		
Topix										
Daiwa	1305	27 220	12 000	107.06	1076	1073	0.28	(0.83)		
iShares	1307	1 000	20 010	177.10	1078	1073	0.47	(1.47)	(7.10)	
Nomura	1306	193 780	21 026	187.82	1074	1074	0.00	(0.65)		
S&P/Topix 150										
iShares	1315	26	4 500	34.42	960	927	3.56	(1.59)	(7.76)	
* Net assets are shown in USD; other values are in JPY										
New Zealand (NZD denominated)										
NZSE10 Index Fund	TNZ	92 649	103 237	86.89	0.82	0.84	(2.38)	0.00	(8.68)	3.46
NZ Mid Cap Index Fund	MDZ	2 100	13 432	25.38	1.92	1.89	1.59	2.27	6.59	18.18
Australian 20 Leaders Index Fund	OZY	30 182	60 288	140.33	2.28	2.33	(2.15)	0.88	(8.95)	(11.73)
AMP Investments World Index Fund	WIN	39 556	390 204	673.70	1.71	1.73	(1.16)	(2.34)	(16.96)	(37.43)
Singapore										
StreetTRACKS Straits Times Index	Launch date to be advised									
South Africa (SAR denominated)										
SATRIX 40	STX40		377 492	3 057.69	8.10	8.07	0.33	0.62	5.19	

**Volume** shows average daily volume for the week ending Oct-19-2001; **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 Oct-19-2001. **Sources include** Wiesenberger/Thomson Financial, Fund managers, MAR research and other sources.

### TOP 10 ETFS WORLDWIDE BY ASSETS

Rank	Fund	Primary Exchange	Assets (\$USm)
1.	S&P 500 SPDR	Amex	25 827.77
2.	Nasdaq-100 Index	Amex	20 319.92
3.	S&P 400 MidCap SPDR	Amex	4 086.29
4.	TraHK	Hong Kong	3 033.28
5.	iShares S&P 500	Amex	2 872.12
6.	DJIA Diamonds	Amex	2 685.77
7.	iUnits S&P/TSE 60 Index	Toronto	2 332.92
8.	iShares Russell 2000	Amex	1 584.08
9.	Nomura Nikkei 225	Osaka	1 195.31*
10.	HOLDERS Biotech	Amex	1 045.60*

\* Based on Sep-21-2001 valuation



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