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Brokerage windows see the light of day

By Elise Coroneos

The ability to use exchange-traded funds in individual retirement plans has been gaining steam as more and more financial planners learn about the benefits of ETF investing. However, ETFs have a long way to go to gain a substantial foothold in the 401(k) universe, despite the efforts of some of the industry's major players to see that change.

In the US at present, the only feasible way for 401(k) plan participants to invest in ETFs is via a brokerage window. To invest in ETFs in this way, the plan sponsor of a 401(k) program sets up an account at a brokerage firm to trade on an intraday basis. This arrangement works like any other brokerage account: The broker handles the orders and the record keeper corresponds with the individual participants. It is different, however, in that the 401(k) plan by its nature trades in a tax deferred environment. This setup allows plan participants to buy securities trading on exchanges with the advantage of having a lot more choice than they would have if they were forced into particular mutual funds. Brokerage windows allow 401(k) plans to control where they invest a portion of their assets, whether that be in individual stocks, funds or ETFs.

Although the exact extent to which 401(k) plans employ brokerage windows or ETFs is not known, sources interviewed for this story put the proportion at anywhere between 1% and 5%. It is a number that ETF providers and exchanges would like to increase substantially.

The way ahead

Most ETF industry participants believe there are two ways to increase the percentage of ETFs utilized in the 401(k) marketplace. The first is to actively educate plan sponsors in an 8▶

Q1: An emerging market tale

By Marsha Zapson

Interest in emerging markets increased and dominated the US-listed ETF landscape during the first quarter of 2002, as US markets continued to roil and major indices hovered in negative or slightly positive territory. The five best performing funds for the period were all iShares tracking MSCI single country indice—three Asian, one Latin American and one European—according to Morningstar's Christopher Traulsen, head ETF analyst. Not surprisingly, in a quarter that brought the meltdown at Global Crossing and the previously suppressed thoughts of deposed Merrill Lynch technology guru Henry Blodgett, the worst performers were ETFs tracking technology indices.

Topping the charts

The iShares MSCI South Korea Index (EWY) led Morningstar's performance charts for the first quarter, racking up a 29.6% return, says Traulsen. The iShares MSCI Mexico (Free) Index 7▶

Reexamining passive indexing

By Philip Scipio

There's good news and bad news for exchange-traded funds in the 2002 Commonfund Benchmark Study tracking the investing habits of more than 600 pension funds and endowments. While many of the largest ones are cutting allocations to US equities, poor returns in 2001 are pushing most, if not all, to examine cost efficiency at every level.

Going forward, the structure of ETFs may provide a significant edge over mutual funds that passively track indices. At the same time, however, pension funds and endowments have voiced a strong desire to move away from passive index products altogether, according to the study.

> "Even broad market indices have unintended style biases"

Take the $77 billion New York City Employees' Retirement System. Shortly after being sworn in as the city's comptroller in January, William Thompson instituted what has been called a detailed analysis of the pension's index investment strategy.

He said that the move was triggered by the collapse of Enron and Global Crossing, two major components of well-established indices that suffered spectacular declines and eroded millions of dollars of shareholder value in the process. The New York City pension is among several US public funds that lost billions of dollars in the Enron scandal through passive and active exposures.

The fund is not alone in examining its use of passive indexing. Pension funds and endowments across the country have begun to rethink commitments to US equity markets.

Many are taking a keen look at passive management in general following the collapse of important index constituents like Enron, and because of jitters about accounting standards that have eroded stock prices at other blue chips.

The latest benchmark study, released at the end of the first quarter, noted that most investment pools maintained their strong equity orientation despite a challenging environment.

These funds are increasingly realizing that risk on the balance sheet needs to be managed. And indeed institutions in the latest study are focused on investment risk more that oversight risk. The study said 70% of the private and public funds reported market risk as their most significant exposure. Private and public funds were twice as likely as private foundations to see risk relative to benchmarks as a significant risk exposure.

While most of these institutions still heavily weighted toward equities in their portfolios, the composition of those investments has changed.

Most notably, the study detected some large shifts away from indexing in favor of active management of portfolios in the last year.

Passive aggressive

The Commonfund Institute's latest study found that institutions of all sizes continue to try to maintain some diversity across cap size and value and growth styles. The most significant change in the strategy is a reduction of passive investing in favor of active management, according to the study. Overall, these institutions cut their allocation to passive index funds to 14% of the portfolio from 15% in 2000.

Part of this shift may have been market driven, as the major cap-weighted indices were hit harder than stocks in general, the study said. Another part of the shift may be attributable to conscious decisions stemming from a more complete understanding that even broad market indices often have unintended style biases that may not be compatible with a broadly diversified portfolio.

It appears that there were some significant shifts away from indexing by large public and private institutions, as well as by some of the smallest funds. This may be the result of a view that active international managers have been able to add value relative to the index over time, the study said.

Public funds cut the allocation of their domestic equity portfolios to passive index funds to 16% from 22% in 2000. But private foundations increased the portion allocation to passive index funds to 33% from 14%. Overall, the allocation fell one percentage point to 14%.

Passive investing in the MSCI EAFE index also remained a significant piece of the puzzle among private foundations, which allocated 23% to the strategy in 2001, up from 21% in 2000. Private funds boosted the allocation to active EAFE funds to 70% from 55% in 2000, and cut allocations to passive EAFE funds to 3% from 16%. Overall the allocation to active EAFE funds rose to 71% from 60%, while the allocation to passive index funds fell to 6% from 16%.

Large institutions most aggressive

When examined by size, larger institutions with more than $1 billion have made the most aggressive portfolio adjustments. Institutions in this range cut US equity allocations to 30% from 35%, and cut international equity holdings to 14% from 16%.

These institutions said they intend to cut their allocations to US equities further this year, to about 28%, and plan to boost their allocations to international equities back to 16%.

The allocation to large cap value stocks took the lion's share of the domestic equity allocations in 2001 with 30%, followed by a 26% allocation in large cap growth stocks. Passive index funds followed with a 14% allocation, down from 15% in 2000, while about 3% was allocated to enhanced index funds.

The greatest shift in the portfolios from last year came in the area of active and passive management of EAFE portfolios, according to the study. Institutions with more than $1 billion in assets boosted the portion of the international equity allocation dedicated to active EAFE funds to 67% up from 53% in 2000, while cutting the allocation to passive EAFE funds to 5% from 21% in 2000.

Trading a global ETF

By Marsha Zapson

As the number of exchange-traded funds worldwide grows and demand for product steadily rises, US and international funds increasingly seek trading privileges outside national boundaries. Two models for launching ETFs across national borders have developed. In one version, which has been popular in Europe, funds are cross-listed in foreign countries. The Dow Jones/Stoxx 50 and Euro Stoxx 50 LDRS, for example, were originally launched on the Deutsche Börse in mid-2000, and are now trading on five European exchanges.

> “Cross-listing on multiple foreign exchanges is the future”

In the other model, more favored by US sponsors, new ETFs are designed for and in external markets. Good examples are the Hong Kong Tracker, which was developed by State Street Global Advisors but designed in and for Hong Kong, and the iShares/S&P Topix 150, which was developed by Barclays Global Investors based on a Japanese index trading on the Tokyo Stock Exchange.

The American Stock Exchange was the first US exchange to cross-list ETFs outside the US. The Nasdaq will soon follow suit by cross-listing QQQ in Osaka, ending 18 months of work with Japanese regulators. And the Nasdaq will also launch a Ucits-compliant QQQ clone in Europe, filed in Dublin.

The Amex, seeking to facilitate 24-hour, seven-days-per-week trading by cross-listing securities on three continents, allied itself first with the Singapore Exchange in June 2000 and with Euronext in February 2001. Last May, in the first venture of its kind, the Amex cross-listed five of its ETFs on Singapore’s exchange (*see* ETFR, *page 1, June 2001*).

At the time, the Amex pointed out that its cross-listing initiative was (and remains) the first fully fungible, commonly settled in US dollars trading network in existence. Looked at today, the groundbreaking venture has garnered mixed reviews and close-to-zero volume. Still, industry observers agree that the idea is sound in theory. “Cross listing on multiple foreign exchanges is the future,” says Herb Blank, principal of New York-based QED International. “What the Amex did in Singapore is the prelude to 24-hour global trading.”

Economies of scale

“It’s a great proposition; it’s a real strong story,” says Gus Fleites, an SSgA principal, speaking of the Amex’s initiative. The allure of the cross listing rests on a universal goal: to gain as much economy of scale as possible. “Creating one fund, offering that fund to the world and simplifying its purchase in different markets is very attractive,” says Fleites.

But appealing though the Amex’s cross listing may be, trading has remained very thin. Asian institutional investors, which have always had access to ETFs through their US intermediaries, continue to use those channels. And retail demand in Singapore has been lackluster. However, the benefits of cross-listing do accrue for less sophisticated investors who don’t have ready access to foreign exchanges.

“I would argue that sophisticated players will trade these ETFs on the deepest, most liquid markets, and will wait until the appropriate one opens,” says Fleites. “Those without a choice may be at-tracted to [cross-listed ETFs], but it’s unlikely retail investors in Singapore will invest in narrow foreign funds. They’re more likely to buy local stocks.”

Another barrier to retail trading in Singapore is that the cross-listed products are dollar denominated and expensive, says Mark Roberts, head of iShares product strategy for BGI in London. “There was feedback from the Singaporean public that they were unhappy trading in US dollars,” he says. “In addition, share prices were over $100, and in that market, investors favor lower priced vehicles.”

Although cross-listed ETFs aren’t tailored to local market culture (the funds in Singapore were imported as is and offered as off-the-shelf products), they are still easier and cheaper to launch than funds built from scratch. However, Roberts points out that while launching a local product is more expensive, it can be aggressively promoted to retail investors because it meets local regulatory requirements.

Building from scratch

Europe is different. “The goal there is to create one vehicle in a tax preferred domicile, such as Luxembourg or Dublin, and then cross-list that entity into multiple exchanges, rather than creating new funds in every legal domicile,” says Roberts. “Theoretically, if the fund is certified with a Ucits passport, it can then be cross-listed, promoted and sold in other European Union countries.”

Registering and cross-listing ETFs in Europe are now dovetailed, says Debbie Fuhr, vice president at Morgan Stanley in London. Being Ucits compliant not only facilitates the process, but also widens the range of investors because Ucits-compliant pension funds must use Ucits-compliant products, she says.

Listing a US fund in Europe, or a European fund in the US, has historically been impossible. Fuhr, for one, is not convinced that that’s going to change. Thus, when UBS launches its heretofore Europe-traded Frescos product, which tracks the Stoxx and Euro Stoxx indices, in the US as a US-based and regulated 40-Act, it will have avoided the cross-listing problem and will be the first European fund to do so.

On the first anniversary of its cross-listing venture in Singapore, the Amex is about to list ETFs on its other network partner, Euronext. “It took us quite a few quarters to get through the regulatory and advertising hurdles in Europe,” says Robert Tull, vice president of new product development and executive director of Amex ETF services. “We now have all the legal, tax and regulatory advice necessary to launch in Europe, and will be filing when we believe the timing and demand are right.”

International exposure hits assets home run

By Elise Coroneos

ISHARES MSCI EAFE

American Stock Exchange		
Ticker	EFA	
Launch date	August 14, 2001	
Net assets	$1.05 bllion	
(All data below as of April 18, 2002)		
Shares outstanding (000)	8.6 million	
Avg daily trading volume	187,000	
Expense ratio	0.35%	
	52-Week	
	High	**Low**
Price	$128.85	$98.00
NAV	$127.95	$102.72
Premium/discount to NAV	Discount 60 basis points	
Sector focus	N/A	
Portfolio structure	Representative sample	
No of stocks in fund	787	
Options/futures available	No	
Minimum trade size	1 share	
Distribution frequency	Quarterly	
	3-mo	**Since inception**
Benchmark	1.02%	(5.44%)
	2001	**YTD**
Income	$0.17	$0.08
Capital gains	$0	$0
Trustee	BGFA	
Custodian	Investors Bank & Trust	
Index provider	MSCI	
Distributor	SEI Investments Dist Co	

Portfolio breakdown as of March 31 2002

	(%)
Financial	24.28
Consumer Non-cyclical	19.88
Communications	11.91
Industrial	10.52
Consumer Cyclical	10.16
Energy	9.36

Top 10 holdings as of March 31 2002

Stocks	**(%)**	**Stocks**	**(%)**
BP Amoco Plc	3.20	Nokia OYJ	1.64
GlaxoSmithKline Plc	2.33	HSBC Holdings Plc	1.63
Vodafone Group Plc	2.01	TotalFinaElf SA	1.55
Royal Dutch Petroleum	1.89	Zeneca Group Plc	1.37
Novartis AG	1.83	Nestle SA	1.36
Top 10 stocks	**18.81%**		

The iShares MSCI EAFE has one of the strongest asset growth stories in the history of ETFs. Within three months of its launch in August 2001, it was already trading more than $1 billion in assets. Its growth reflects the sheer breadth of the market exposure it affords investors, according to Feng Ding, who manages the product's portfolio at Barclays Global Investors.

MSCI's EAFE Index is one of the world's most widely used "global" benchmarks. It measures the performance of nearly 800 securities in 21 developed markets in Europe (E), Australasia (A) and the Far East (FE). Currency markets are also represented. "In terms of the number of securities, this is definitely our broadest international product," says Ding.

After launching 17 single country funds in 1996, BGI sought to expand its product set to include packaged regional or broader international funds. "The idea of iShares EAFE had been contemplated for a very long time," says Ding. Market reasearch showed investors, and especially institutional investors, were very interested in "integrated international investing": being able to buy all the non-North American developed markets in a single trade. Besides the US, Canada is the the only developed country not eligible for representation in the EAFE Index.

The UK market carries 28.0% of EFA's weighting. Japan is in second place with 20.0%, followed by France with 9.6%, Germany and Switzerland, each with 7.3% , and Netherlands, with a 5.9% weighting.

The other countries included are Italy, with 3.8% of the index; Australia, 3.6%; Spain, 2.9%; Sweden, 2.1%; Finland, 2.0%; Hong Kong, 1.6%; Ireland, 0.9%; Belgium and Denmark, 0.8% each; Singapore, 0.7%; Norway, 0.5%; Greece and Portugal, 0.4% each; and Austria and New Zealand, 0.1% each.

EFA is one of only three non-sector-specific ex-US exchange-traded funds offered by BGI. The other two are the MSCI EMU (EZU) and the S&P Europe 350 Index (IEV).

"There is a trend toward regional and broader products that is propelling the whole product set forward," says Ding. "These are the funds where people can just go and buy a very broad range of securities on a very broad range of countries with the most operational ease you can find."

Despite EFA's popularity, single country funds still have a place, says Ding. Investors can complement their holdings with iShares representing emerging markets, such as Taiwan, Korea, Malaysia, Brazil and Mexico.

"We have seen tremendous growth to our regional and emerging market iShares because, from a valuation perspective or a growth perspective, investors are really looking to see how they can capture a piece of the economic rebound," she says.

Virtually zero tracking error

Another reason for EFA's success has been in the back office areas of expense ratio, tracking and performance perspective. The fund has an expense ratio of 35 basis points, considerably lower than the recognized average of 79 basis points for international ETFs.

Tracking error is close to zero, and getting smaller, averaging less than four basis points since inception. "What that means," says Ding, "is that two-thirds of the time the fund tracks within four basis points of its benchmark, which is extremely competitive, even in the institutional marketplace."

Since early December 2001, however, daily tracking error has averaged less than one basis point. Anomalies caused by pricing differences in Swedish and Italian securites were identified and eliminated in October and December, respectively, reducing both intraday volatility and tracking.

"The portfolio is slightly optimized but is managed from a risk perspective looking at individual security benchweights, industry benchweights, country benchweights," Ding said.

While there is no industry-specific bias to the fund, the MSCI free-float methodology, which governs the composition of the index, targets 85% of the investable market capitalization on an industry basis in each country's market. "So it is designed to give the most balanced exposure to all the different industries within the local markets," says Ding.

The financial sector is the largest one represented, with 24.3% of the fund. This is followed by consumer noncyclicals (19.9%), communications (11.9%), industrial (10.5%) and consumer cyclicals (10.2%) and energy (9.4%). Of the 787 securities represented in the fund, BP Amoco Plc has the largest portion, with 3.2%, followed by GlaxoSmithKline Plc (2.3%), Vodafone Group Plc (2.0%), Royal Dutch Petroleum Co (1.9%) and Novartis AG (1.8%).

Because of the large number of securities, BGI wanted to set EFA's pricing apart from its single country fund series. It was launched at $125.00, and at press time, had achieved a 52-week high of $128.85 and a low of $98.00. "We wanted to position the product from our individual country funds so the pricing was set higher intentionally," says Ding.

The price can be justified by considering how much it would otherwise cost an investor to buy into 787 securities, says Ding. Furthermore, with a trading spread of 35 basis points, there is very little spread or market impact incurred by an investor who needs to buy into the product.

The small premium/discount in the product's secondary trading activity is mainly a result of the timing difference that exists between the last traded price and NAV, which is calculated using closing securities priced from local markets in Asia/Europe and Reuters/WM foreign exchange rates at 4 pm London time. Therefore, during the second part of the US trading day, the fund's NAV is effectively frozen, yet the trading price continues to fluctuate to reflect new information.

The legal structure of the product itself is different from the others in BGI's MSCI product set. The iShares MSCI EAFE is the only fund whose distribution of both income and capital gains is on a quarterly rather than an annual basis. While EAFE has produced no capital gains thus far, it returned a dividend of 17 cents for 2001 and 8 cents so far this year to date.

Who invests?

The small level of tracking error has established the product soundly in the institutional marketplace as a tool with which to manage asset allocation. Ding says that institutions needing to make tactical decisions within a certain timeframe, with minimum market disruption, are big users.

Despite this institutional slant, the product was intended to appeal to retail investors as well, she says. "It is an easy way to get that international exposure. The folks that just want to invest internationally in the most cost-effective way view this as the easiest way to do that."

BGI expects the fund's popularity to grow, as it is one of the only ways to buy into the EAFE index and avoid the changes being made to MSCI indices across the marketplace. MSCI indices are undergoing a change to free-float methodology, the second phase of which is due to be implemented by the end of May this year. "The iShares EAFE fund has always been benchmarked to the provisional MSCI index, which is going to be the index that is in place after May," says Ding. "This is really the product to get into to avoid that turnover that the other funds have to go through."

NAV: iSHARES MSCI EAFE

State Street rejiggers Select Sector funds

By Philip Scipio

State Street Global Investors is about to revamp its Select Sector SPDR line, in some cases shifting investment focus, rebalancing weightings and swapping stocks among funds and names in the case of one fund. The move comes as index provider Merrill Lynch remodels its Select Sector indices to be more inline with changes made by Standard & Poor's to the 11 subsectors of the S&P 500 index more than nine months ago.

> "There is an appropriate separation of church and state"

According to State Street, Merrill presented the proposed changes to the sector descriptions and configurations of several indices at a State Street board meeting on February 11, and the board approved a plan to change the Select Sector ETFs in keeping with the changes to the indices.

Church and state

"Without looking at the licensing agreements, I would have to say no, we as an entity running a fund off an index do not have control over what is put in that index and that is as it should be," says Jim Ross, director of product development at State Street. However, if the fund manager were really displeased with changes to an index, his only legal right would be to terminate the agreement and not trade the fund. "There is an appropriate separation of church and state between index provider and fund manager," says Ross.

Yet, fund companies do spend millions on marketing and trying to create name recognition for products. So when major changes that include the names of products are at stake, it's not out of the question for the fund manager to take a "consultative role," which is how Ross describes State Street's role in the current changes.

"We weren't surprised," says Ross. "We were very well aware of the potential for change." In fact, the move was driven by demand from customers on both sides. Many existing shareholders in the Select Sector SPDR product line were asking why the funds were not aligned with the subsectors of the S&P, especially after the S&P made the changes, going from 11 subsectors to 10.

"Merrill was hearing the same things from their financial consultants and customers about the products," says Ross. Merrill is also one of the biggest holders of Sector SPDRs. "While we were providing feedback, it was Merrill's decision," says Ross.

Reselecting sectors

ALthough the S&P moved from 11 subsectors to 10, there are still only nine Select Sector funds. All nine funds will face changes, says Ross. Based on the index revisions, about 20% of the stocks in the Select Sector Indices will be reclassified.

Among the biggest changes is the creation of a strict healthcare index and fund. The Consumer Services Select Sector Index will be changed to the Health Care Select Sector Index. Consequently, the Consumer Services Select Sector SPDR will be renamed the Health Care Select Sector SPDR Fund.

The consumer services index currently includes companies in the entertainment, publishing, prepared foods, medical services, lodging and gaming industries. The health care index will include only health care companies, including biotechnology, equipment suppliers and pharmaceuticals companies, and health care providers. Other companies now in the consumer services index will be shifted into the appropriate indices, says State Street. Similarly, health care stocks included in other indices will be shifted into the health care index.

The disappearance of the Consumer Services Fund leaves the market uncluttered for the Consumer Staples Fund, which will shed its pharmaceutical stocks and likely absorb some of the nonhealthcare stocks that will be dropped from the new healthcare fund.

The Cyclical/Transportation Select Sector Index and SPDR fund will be changed to the Consumer Discretionary Select Sector Index and Consumer Discretionary Select Sector SPDR. The Cyclical/Transportation Index currently includes stocks of companies involved in building materials, retailers, appliances, housewares, air transportation, automotive manufacturing and shipping and trucking. The new index will include stocks in automobiles and components, consumer durables, apparel, hotels, restaurants, leisure, media and retailing industries.

The Basic Industries Select Sector Index and SPDR will be renamed the Materials Select Sector Index and Materials Select Sector SPDR. The fund will invest in chemicals, construction materials, containers and packaging, metals, mining, paper and forest products stocks. The Industrial Select Sector Index will include securities of airlines, marine, road and rail and transportation infrastructure companies. Finally, the telecom stocks will finally be moved out of the Utility Select Sector Index and into the Technology Select Sector Index.

The creation and redemption baskets for all the funds affected will reflect anticipated changes to the indices on June 21, 2002. Shareholders will not have to take any action if they wish to continue holding shares of the affected funds.

The securities that will move from one sector to another will be taxable transactions, generating either a net gain or loss. Whether the gain or loss is long or short term will depend on when individual lots were bought. The actual gains and losses will not be known until the transition is complete in June.

The conversion to align the shares into the right buckets should be smooth, no more complicated than any index rebalancing, says Ross. "The move will help market the funds. The products will get closer to the performance of the S&P indices. When the S&P made its changes, the industry accepted the reclassification as the right way to break up sectors."

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Q1: An emerging markets tale

(EWW) clocked in second, up a tidy 17.6%. Rounding out the top five: MSCI Malaysia (Free) Index (EWM), up 13.9%; MSCI Austria Index (EWO), up 13.6%; and MSCI Singapore (Free) Index (EWS), up 11.8%.

Conversely, and in keeping with the implosion of technology stocks, the worst performer was the iShares Goldman Sachs Networking Fund (IGN), down 19.6%. After that, in descending order were iShares Dow Jones US Telecom (IYZ), down 16.6%; iShares Nasdaq Biotechnology (IBB), down 15.3%; streetTRACKS Morgan Stanley Internet (MII), down 14.0%; and iShares Dow Jones US Internet (IYV), down 13.2%.

"It's an emerging market story in selected markets this year, particularly Asia and Latin America," says Bill Rocco, a Morningstar senior analyst.

"There's more optimism about emerging markets because there's more optimism about growth. Most money managers I speak with think...that at some point we're going to see global growth. And because emerging markets are sellers to developed markets, as the US and Europe recover, emerging markets in general will do well."

Indeed, emerging markets are up 33% since September, according to Niklas Nordenfelt, international equity strategist for Barclays Global Investors. "Over the last three years," he says, "these markets were dampened by external factors, such as the collapse of Long-Term Capital Management, the bursting of the Nasdaq bubble and a general global recession, all of which heightened risk aversion."

Emerging markets were hit by investor reluctance, says Nordenfelt. They became undervalued and were transformed into a value play. "They're incredibly cheap," he says. "Corporate earnings and governance are improving, liquidity is returning as interest returns, and there's positive momentum."

South Korea, this year's stellar example, increased 85% from September through March, says Nordenfelt. Through mid-April, it increased another 6%, bringing its return close to 100%. "Overall, South Korea's GDP has been rising, in part due to a belief that the US recovery will lead to a rebound in exports of Korean technology," he says.

Similarly, Mexico's returns are driven by hopes of a rebound in the US economy. And Standard & Poor's recent upgrading of its debt to investment grade had a positive effect on its equity market," says Nordenfelt.

Bottom fishing

On the domestic front, many patterns apparent in 2001 carried over into the new year. "Since the Nasdaq peak in 2000, small cap value issues have led, large cap growth lagged," says Traulsen, conceding the exceptional final quarter of 2001. Small caps are still doing relatively well because, he says, they aren't as visible, and are less buffeted by constant news flows.

Case in point: The best performing domestic, nonsector ETF was streetTRACKS Dow Jones US Small Cap Value (ELV), up 11.1% for the quarter. Following that fund in the nonsector category were iShares' S&P SmallCap 600/ Barra Value (IJS), up 10.6%, and S&P MidCap 400/Barra Value (IJJ), up 9.3%.

At the opposite end of the spectrum were a string of growth funds: streetTRACKS' Dow Jones US Small Cap Growth (ELG), down 6.4%, and Dow Jones US Large Cap Growth (DSG), down 5.6%; followed by iShares' four Russell growth indices, all down between 1.9% and 2.4%.

Growth indices did poorly, Traulsen points out, because they were relatively heavily weighted in technology, which was seriously hurt by the continued stream of bad news coming out of the telecom sector.

While iShares' GS Networking did worst, Internet holdings were similarly hammered, again because of earnings skepticism, says Traulsen. Apart from the streetTRACKS MS and iShares DJ US Internet funds cited above, the Fortune e-50 (FEF) dropped 10.6%. But declining tech funds were stacked high: streetTRACKS Morgan Stanley High Tech 35 (MTK) was down 10.8%, Select Sector Technology Spider (XLK) was down 9.7%, iShares Goldman Sachs Software (IGV) was down 9.4% and iShares Goldman Sachs Tech (IGM) was down 7.8%.

As obvious as these trends are, not all funds buying stocks in the same countries, sectors or styles are created equal. Many actively managed funds have underperformed their respective benchmarks, says Fen Ding, BGI's senior portfolio manager. "And while there are active managers out there producing alpha, it's difficult for investors to identify them beforehand," she says. "ETFs, on the other hand, being passive, are designed to track their benchmark." ✣

Q1's winners...

	Q1 Return	Assets $m
iShares MSCI South Korea Index	29.59	113.80
iShares MSCI Mexico (Free) Index	17.59	208.78
iShares MSCI Malaysia (Free) Index	13.85	84.87
iShares MSCI Austria Index	13.60	11.53
iShares MSCI Singapore (Free) Index	11.83	95.18
streetTRACKS DJ US Small Cap Value	11.10	27.95
Basic Industries Select Sector SPDR	11.06	372.18
iShares MSCI Taiwan Index	11.04	176.17
iShares S&P SmallCap 600/BARRA Value	10.58	457.61
iShares S&P Latin America 40 Index	10.53	7.87

and losers...

	Q1 Return	Assets $m
iShares Goldman Sachs Networking	(19.58)	44.40
iShares Dow Jones US Telecom	(16.63)	54.98
iShares Nasdaq Biotechnology	(15.32)	289.81
streetTRACKS Morgan Stanley Internet	(14.02)	5.77
iShares Dow Jones US Internet	(13.22)	19.82
iShares S&P Global Telecommunications	(13.18)	13.45
streetTRACKS Morgan Stanley HighTech	(10.76)	70.69
Fortune e-50 Index	(10.59)	12.11
Technology Select Sector SPDR	(9.71)	1,176.23
iShares Goldman Sachs Software Index	(9.38)	24.73

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Brokerage windows see the light of day

effort to increase the percentage of 401(k) plans set up to use brokerage windows. The second way is more proactive: to redesign 401(k) platforms to ensure they are compatible for ETF investing. The back office systems of plan sponsors are set up to deal with mutual funds, and may need significant adjustment in order to be able to accommodate ETF trading.

"Obviously ETFs have gained steam and people seem to want to be able to access them wherever they are able to invest," says Bruce Lavine, director of iShares product development. "We are working on facilitating more adoptions of brokerage windows and the push for a redesign of existing platforms to accommodate ETFs."

> "We undoubtedly have a lot of work cut out for us"

Both methods are a priority for BGI, which doesn't prefer one method over the other to further boost its products in the lucrative 401(k) market, says Lavine. "Our goal is to put iShares in the hands of investors that want them through whichever means we can make that happen."

The effort to increase the number of plan sponsors with brokerage windows is endorsed by exchanges such as the American Stock Exchange. "It is really up to the individual company, the IRA, to make that available to the participants of the plan," says Kevin Ireland, vice president ETF marketplace at the Amex. "Practically it is very hard, because we honestly don't have the resources to go on a case-by-case basis, which is really what it would take."

The size of the task facing proponents of increased use of brokerage windows is not lost on Ireland, who recognizes that it will require significant cost outlays to plan sponsors. "For them to set up a plan that encompasses strictly mutual funds is going to be cheaper than to have the window that has both," he says. "We undoubtedly have a lot of work cut out for us."

The cost involved will be particularly onerous for smaller companies, which will not be able to benefit from the economies of scale available to larger companies. Simply put, on a per account basis, the cost to achieve the creation of a brokerage window will be smaller for a large plan sponsor taking care of a lot of participants. Nonetheless, Ireland believes that an increase will occur despite the costs involved. "The growth of ETFs in the minds of investors and as an asset class will go a long way to making our case," he says. "That is where I think the rollover is going to take place."

Redesigning platforms

Apart from increasing the percentage of plan sponsors with brokerage windows, BGI is looking to help redesign provider platforms to ensure they help individuals invest in ETFs. Most agree, however, that several issues must be resolved before investors can buy ETFs for their 401(k) accounts without a brokerage window.

"It is definitely closer than a year ago, but it would still be difficult to provide any kind of timeframe," says Jim Ross, a principal of ETFs at State Street Global Advisors. "The holdup has to do with a lot of the mechanics behind how the 401(k) marketplace works and how the ETFs business could be supported operationally within that framework. It is trying to meld the two to make them work a little bit better together."

Many industry participants believe brokerage windows are too expensive and complicated for 401(k) plan sponsors to deal with. Furthermore, while the ability of ETFs to be bought intraday can be a great benefit, it creates challenges for a 401(k), which is set to take assets during the day and invest them all at one price at 4 o'clock.

"Right now there is a pretty big roadblock," says BGI's Lavine, "but the flipside is that there is an extremely large opportunity. Just think about the amount of money that is invested in 401(k)'s and that could potentially be available to ETFs. That is a huge number."

Hong Kong opportunity

In Hong Kong, Mandatory Provident Fund managers have begun using exchange-traded funds in their portfolios, with restrictions. These funds, introduced at the end of 2000, are similar to US 401(k) plans, with both employer and employee contributing to a retirement plan.

At present, the funds' regulations prohibits investments in collective schemes to exceed 10% of the portfolio, even if the investments are in multiple collective schemes. This regulation thus curtails the opportunities for use of ETFs, given that most are structured as collective schemes.

This 10% restriction is something ETF providers with a presence in Hong Kong are working change. The Mandatory Provident Fund Association has proposed that investments in index-tracking collective schemes be allowed to exceed 10% of the portfolio if they are either authorized by the Securities and Futures Commission (Hong Kong's equivalent to the US Securities and Exchange Commission) or listed on a stock exchange approved by the Mandatory Provident Fund Association.

The proposal will be submitted to the Legislative Council for consideration this summer.

"The proposal would allow MPF schemes to invest 100% of their portfolios in Mandatory Provident Fund Schemes," says Peter Yuen, who is part of the ETF team at Barclays Global Investors in Hong Kong.

"If approved, this would increase the potential for ETFs to penetrate the MPF market in Hong Kong and assets to increase by a significant amount."

First indigenous Latin fund launched in Mexico

NAFTRAC, Mexico's first ETF and the first indigenous ETF in Latin America, launched on the Mexican Stock Exchange on April 16. The new fund tracks the MEXBOL (IPC) index (the Mexican Stock Exchange Index), costs 50 basis points and is managed by Nacional Financiera SNC. The new fund trades under NAFTRAC MM.

With the addition of this new ETF, 239 funds worldwide with $114.5 billion under management are now trading, according to Debbie Fuhr, vice president of Morgan Stanley in London.

Auto-execution for QQQ increased by the Amex

The American Stock Exchange has increased the size limit of customer orders eligible for its auto-execution system in the QQQ options to 1,000 contracts. The move will allow smaller investors to trade options in larger amounts combined with the speed of auto-execution.

This action follows the Amex's April 4 move to increase auto-fill orders up to 250 contracts for options on stocks for Ariba (ARBA), General Electric (GE), Intel (INTC), Microsoft (MSFT), Motorola (MOT), QLogic Corp (QLGC), Qualcomm (QCOM) and Texas Instruments (TXN). Contracts on Brocade (BRCD) were increased to 200.

MSCI changes standard provisional index series

MSCI has announced changes to the MSCI Standard Provisional Index Series that will be effective as of the close of May 31, 2002. These changes result from the regularly scheduled May Quarterly Index Rebalancing, including a full review of the free float of all constituents, as well as the second phase of the implementation of the Enhanced Methodology.

Effective May 31, 18 securities will be added to the MSCI Standard Index Series. These additions bring the representation of industry groups in their respective countries closer to the MSCI's target of 85% of free-float adjusted market capitalization.

The largest additions in the developed markets will be Honeywell International (US), Prudential Financial (US), Kraft Foods A (US), Henkel Vorzug (Germany) and Autoroutes du Sud de la France (France). In the emerging markets, the largest additions will be Yukos (Russia), Vale do Rio Doce ON (Brazil) and AU Optronics Corp (Taiwan). MSCI has also conducted a market capitalization and liquidity review leading to the deletion of 16 securities.

Straits Times index fund makes debut in Singapore

State Street Global Advisors' streetTRACKS Straits Times Index Fund has debuted on the Singapore Exchange. The ETF, the first based on a domestic 45-stock Singaporean index, is capitalized at S$32 million (US$17.4 million). Volumes reached S$2.6 million on day one.

SGX has appointed local brokers GK Goh Stockbrokers and Kim Eng Ong Asia Securities as designated market-makers. These firms and seven others, including SSB in Singapore and the Hong Kong-based operations of CSFB and Deutsche Securities, will also be involved in the redemption and creation of units in the ETF.

US participants gain access to Eurex futures

Eurex, the international derivatives market, is now offering futures on the Dow Jones STOXX 600 Bank and Dow Jones Euro STOXX Bank sector indices in the US. Eurex's US participants can now trade these contracts directly, which will give them broader access to the highest volume, most liquid market for European equity index derivatives. Eurex traded more than 630,000 contacts in the futures and options on the STOXX sector indices during the first quarter of 2002. At the present time, the US share of trading in these index products is approximately 25%. ETFs on these indices currently trade on the Deutsche Börse.

Conditions 'ripe' for launch of Chinese ETFs

China is ready to launch its own ETFs, according to China Economic Information Network, a government owned media agency, citing a joint report from Shanghai Securities and the Shanghai Academy of Social Sciences. The report notes that "all the conditions for China's ETF launch are basically ripe," with no legal impediments and with technical systems already in place since the introduction of open-end funds last year.

China's two stock markets, Shanghai and Shenzhen, are capitalized at US$500 million, making the combined market the largest in Asia, ex-Japan. However, a significant part of the market is state owned and thus illiquid, while a combined stock index is yet to be created. Nevertheless, the Shanghai Futures Exchange hopes to launch a stock index futures contract later this year, based on a soon to be introduced index.

The report also noted that ETFs could be used by the government to reduce its stockholdings in the domestic equity markets.

New streetTRACKS fund slated for Euronext

State Street Global Advisors plans to launch a streetTRACKS MSCI Europe SmallCap ETF shortly on Euronext. Lyxor AM, which has won the license to create ETFs on the Bel 20 and Euronext 100 indices, will also launch the products on Euronext.

In addition, Virt-x Plc, the pan-European electronic stock exchange, recently announced its intention to launch a new market segment devoted to ETFs in early May. At that time, it plans to trade 23 funds, including four FRESCOs, 15 LDRS and four iShares.

Japanese agency allows ETFs on new local indices

Japan's Financial Services Agency has approved the MSCI Japan, FTSE Japan, Nasdaq-100 and Dow Jones Industrial Average indices for launch as ETFs. The 17 ETFs currently offered (15 on Tokyo Stock Exchange and two on Osaka Securities Exchange) are based on domestic indices, including the TOPIX index and several of its subindices, the S&P/TOPIX 150 and the Nikkei 225 index. Eight new ETFs were launched last week.

Jason Toussaint, vice president 10▶

◀9 of MSCI, said that the FSA is clearly committed to developing a successful ETF market in Japan. However, ETF distribution channels are regarded by some observers as being sparse, with distributors much more willing to promote domestic index-linked ETFs than foreign products. OSE is planning to launch futures on the four new indices.

Trading on Nasdaq-100 may be extended ex-US

In a recent interview, John Jacobs, senior vice president of Nasdaq's marketing and financial products, said that Nasdaq is "looking to extend the Nasdaq-100 overseas in Europe and maybe extend QQQ into Japan." According to Jacobs, a local version of the Nasdaq 100, filed in Dublin and meeting Ucits requirements, is currently in the works. "We have a filing in place with the regulatory authorities Europe," he said." And while the approval process is on track, it's hard to say when the fund will be launched. We would like to see it this year."

In Japan, he said, "we're constantly watching the Japanese securities and tax laws to see how they evolve. Hopefully they'll evolve to the point where they'll be friendly to launching the ETF."

However, earlier this week the Nasdaq-100 index was approved by Japan's Financial Services Agency as an eligible index on which an ETF could be based (see above update starting on page 9).

Nasdaq Japan, which operates the Nasdaq Japan market on the Osaka Exchange, said it will offer the ETF this summer, as originally planned, according to Dow Jones.

Jasdaq offers new index on its major OTC stocks

Jasdaq Market Inc has launched a new index representing major stocks on its over-the-counter market. Jasdaq hopes to eventually develop ETFs and futures products on the new index, according to Jiji Press. The J-Stock Index consists of 47 stocks representing 60% of the Jasdaq market in terms of trading value. Stocks listed on Jasdaq are small to medium-sized firms, with investors mainly coming from the retail sector.

The firm is 70% owned by the Japan Securities Dealers Association and 30% by 145 securities firms. It represents about 2% of Japan's equity markets.

Eurex offers more index futures and options

Frankfurt-based Eurex, an international derivatives market, has expanded its portfolio of index derivatives with new sector products. Beginning April 22, Eurex introduced futures and options on the automobile, energy and insurance sectors of the Euro Stoxx index. The additions will increase the existing product line of futures and options on the bank, healthcare, technology and telecommunications sectors. Also on April 22, Eurex introduced options on the healthcare Stoxx sector index. Until now, futures have been tradable on the bank, healthcare, technology and telecommunications sectors of the pan-European index.

For March, Eurex cleared approximately 63 million contracts, a 10% increase compared with March 2001. For first quarter 2002, Eurex traded more than 185 million contracts, an increase of about 22.0 million contracts, or 13%, during the same period last year. In equity-based derivatives, 26.4 million contracts were traded in March, of which 14.7 million contracts were in equity-index derivatives and 11.7 million contracts were in equity options. Total contracts represent a 17% increase over March 2001 in futures and options on indices, while equity options were about even with last March.

In equity index derivatives, futures on the Dow Jones Euro STOXX 50 had their second-best month with some 5.6 million contracts traded, a 66% increase over March 2001. Those volumes beat options on the DAX, in which 3.8 million contracts changed hands. Options on the Dow Jones Euro STOXX 50 were about 30% higher than last in March 2001, with 1.7 million contracts traded. Futures on the Nemax 50 were 45% higher than in March 2001, rising to some 735,000 contracts traded.

Q1 Summary

At the end of March, there were 233 global ETFs accounting for $112.5 billion under management. The average daily trading volume for week ending March 29 was 152.7 million or $7.6 billion, according to Debbie Fuhr, a Morgan Stanley vice president based in London.

During the first quarter, ETF assets grew by $7.7 billion, increasing from $104.8 billion to $112.5 billion. Thirty-one new ETFs were listed, and 18 were cross-listed. Europe accounted for 21 of the new ETFs and all of the cross listings, said Fuhr.

In the US, one new ETF was launched to bring the total to 102; assets increased by $4 billion to $88.6 billion through March. In Europe, 92 ETFs with 131 listings saw overall assets increase by $1.3 billion, to $6.9 billion, according to Fuhr.

Institutional investors reporting one or more US-listed ETFs or HOLDRS in their portfolios increased to 1,126 from 911 in June 2001 (based on data from Thomson Financial's Carson Geo database of 13F and other fund filings), said Fuhr. She said there had been a significant increase in the use of US ETFs and HOLDRS by European institutions, growing from 132 institutions in June 2001 to 228 institutions in March 2002.

On the move

George Cox, the director general of the Institute of Directors, and Sir Brian Williamson, the chairman of LIFFE, have joined the supervisory board of Euronext. Hugh Freedberg, a chief executive officer at LIFFE, has been appointed to the managing board.

US EXCHANGE-TRADED FUNDS
Week ending April 12 2002

Major market indices

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Nasdaq-100 Index Tracking Stock	QQQ	70 204 420	605 750	20 377.43	33.52	33.64	(0.36)	(2.5)	(13.9)	(21.7)
S&P 500 SPDR	SPY	18 944 800	251 283	27 997.95	111.42	111.43	(0.01)	(1.1)	(2.2)	(5.1)
DJIA Diamonds	DIA	7 029 540	38 402	3 918.16	101.99	102.03	(0.03)	(0.9)	2.6	1.9

Volume includes trading on all listing entities

iShares Dow Jones series

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
iShares DJ US Basic Materials	IYM	21 320	1 550	64.71	41.84	41.75	0.22	1.7	8.9	12.5
iShares DJ US Chemicals	IYD	5 560	250	11.38	45.30	45.50	(0.44)	1.7	7.6	10.3
iShares DJ US Consumer Cyclical	IYC	19 240	2 100	119.09	56.85	56.72	0.23	1.6	2.2	3.0
iShares DJ US Energy	IYE	26 340	2 150	101.82	47.33	47.37	(0.08)	(3.1)	(0.4)	(8.0)
iShares DJ US Financial	IYF	13 780	1 500	124.76	83.08	83.16	(0.10)	0.4	3.4	6.6
iShares DJ US Financial Services	IYG	4 540	650	61.37	94.38	94.41	(0.03)	(0.7)	3.2	5.5
iShares DJ US Healthcare	IYH	19 360	4 150	243.94	58.84	58.78	0.10	0.9	(5.1)	(0.7)
iShares DJ US Industrial	IYJ	14 440	1 750	84.58	48.40	48.33	0.14	(1.3)	(4.0)	(0.4)
iShares DJ US Internet	IYV	21 440	1 600	17.63	11.00	11.02	(0.18)	(4.1)	(24.2)	(39.2)
iShares DJ US Non-Consumer Cyclical	IYK	8 440	1 250	60.13	48.00	48.10	(0.21)	1.6	10.3	24.2
iShares DJ US Real Estate	IYR	32 220	1 350	121.11	89.39	89.71	(0.36)	3.5	13.6	29.0
iShares DJ US Technology	IYW	37 660	3 250	147.06	45.10	45.24	(0.31)	(3.5)	(15.2)	(22.2)
iShares DJ US Telecommunications	IYZ	59 740	2 100	50.57	24.04	24.08	(0.17)	(6.9)	(23.5)	(34.8)
iShares DJ US Total Market	IYY	11 560	2 400	124.70	51.95	51.95	0.00	(0.9)	(2.8)	(3.7)
iShares DJ US Utilities	IDU	27 140	2 650	174.00	65.41	65.65	(0.37)	(0.2)	2.9	(17.7)

iShares MSCI series

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
iShares MSCI Australia	EWA	35 060	7 200	69.91	9.74	9.70	0.41	(0.5)	3.1	7.9
iShares MSCI Austria	EWO	4 920	1 400	11.91	8.50	8.52	(0.23)	1.1	16.8	4.7
iShares MSCI Belgium	EWK	780	840	9.38	11.01	11.18	(1.52)	(2.6)	0.1	(5.0)
iShares MSCI Brazil	EWZ	201 720	10 850	148.75	13.75	13.66	0.66	2.6	8.3	(4.6)
iShares MSCI Canada	EWC	79 060	3 400	37.20	10.90	10.92	(0.18)	(0.9)	2.6	(3.5)
iShares MSCI EAFE	EFA	67 480	8 600	1 014.20	118.66	117.93	0.62	(1.2)	(0.5)	
iShares MSCI EMU	EZU	16 940	2 000	107.48	54.28	53.78	0.93	(0.5)	(3.1)	(14.5)
iShares MSCI France	EWQ	13 980	3 200	57.76	18.15	18.07	0.44	0.1	(3.2)	(10.0)
iShares MSCI Germany	EWG	10 740	7 800	115.75	14.85	14.85	0.00	(1.4)	(1.7)	(13.1)
iShares MSCI Hong Kong	EWH	54 240	7 575	67.95	9.04	8.97	0.78	1.0	(1.4)	(13.2)
iShares MSCI Italy	EWI	5 100	1 950	32.06	16.55	16.46	0.55	(1.1)	2.8	(14.6)
iShares MSCI Japan	EWJ	382 840	61 200	484.70	8.00	7.91	1.14	(2.8)	3.8	(24.0)
iShares MSCI Malaysia	EWM	48 940	14 400	88.27	6.15	6.13	0.33	2.5	18.3	53.4
iShares MSCI Mexico	EWW	106 780	12 200	213.26	17.73	17.64	0.51	(0.6)	16.8	20.2
iShares MSCI Netherlands	EWN	10 440	1 300	22.69	17.54	17.47	0.40	(1.3)	3.4	(12.1)
iShares MSCI PacRim ex-Japan	EPP	9 200	1 100	61.26	55.89	55.65	0.43	(0.2)	3.2	
iShares MSCI Singapore	EWS	47 160	16 800	92.40	5.47	5.50	(0.55)	(2.5)	7.9	7.3
iShares MSCI South Korea	EWY	137 560	5 000	111.00	21.75	22.20	(2.03)	(7.6)	22.8	77.6
iShares MSCI Spain	EWP	1 080	750	15.08	20.04	20.11	(0.35)	(2.2)	(3.0)	(15.7)
iShares MSCI Sweden	EWD	12 000	825	10.58	12.88	12.81	0.55	(3.8)	(6.1)	(8.8)
iShares MSCI Switzerland	EWL	5 460	2 500	32.90	13.19	13.16	0.23	(1.7)	5.2	(7.2)
iShares MSCI Taiwan	EWT	75 540	14 900	172.99	11.66	11.61	0.43	1.1	8.2	2.6
iShares MSCI UK	EWU	17 120	8 400	120.96	14.52	14.42	0.69	(0.4)	(1.2)	(8.1)

iShares Russell series

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
iShares Russell 1000	IWB	52 420	7 250	427.61	58.92	58.98	(0.10)	(1.1)	(3.1)	(4.2)
iShares Russell 1000 Growth	IWF	90 780	9 750	461.86	47.37	47.37	0.00	(1.5)	(6.9)	(10.1)
iShares Russell 1000 Value	IWD	65 060	12 350	700.00	56.63	56.67	(0.07)	(0.4)	2.6	1.8
iShares Russell 2000	IWM	420 260	26 400	2 708.11	102.50	102.60	(0.10)	3.4	6.5	13.9
iShares Russell 2000 Growth	IWO	159 380	7 950	447.74	56.35	56.33	0.04	2.5	(1.8)	0.3
iShares Russell 2000 Value	IWN	231 180	7 050	1 031.06	146.00	146.26	(0.18)	4.3	14.2	27.9
iShares Russell 3000	IWV	36 600	21 550	1 340.19	62.21	62.19	0.03	(0.7)	(1.8)	(2.9)
iShares Russell 3000 Growth	IWZ	15 120	1 150	43.76	38.04	38.05	(0.03)	(1.3)	(6.8)	(9.1)
iShares Russell 3000 Value	IWW	3 640	900	65.90	73.05	73.22	(0.23)	(0.3)	2.2	3.6
iShares Russell MidCap	IWR	10 100	800	48.41	60.48	60.52	(0.07)	0.7	2.7	
iShares Russell MidCap Growth	IWP	11 600	1 150	77.96	67.82	67.79	0.04	(0.1)	(5.6)	
iShares Russell Midcap Value	IWS	14 260	650	54.75	84.28	84.24	0.05	1.7	8.5	

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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	277 840	4 250	306.85	72.03	72.19	(0.22)	0.7	(20.9)	(11.3)
iShares Cohen & Steers Realty Majors	ICF	27 200	900	85.37	94.45	94.86	(0.43)	3.3	13.7	31.6
iShares GS Natural Resources	IGE	880	250	24.55	98.12	98.20	(0.08)	(3.7)	2.9	
iShares GS Networking	IGN	45 420	1 700	37.06	21.84	21.80	0.18	(4.6)	(28.9)	
iShares GS Semiconductor	IGW	11 020	500	33.37	66.50	66.72	(0.33)	(3.7)	(0.0)	
iShares GS Software	IGV	6 560	600	21.60	35.82	35.99	(0.47)	(1.5)	(21.3)	
iShares GS Technology	IGM	25 800	900	38.39	42.61	42.64	(0.07)	(3.7)	(15.9)	(23.2)
iShares S&P series										
iShares S&P 500	IVV	96 560	36 600	4 077.97	111.43	111.42	0.01	(1.0)	(2.3)	(4.9)
iShares S&P 100	OEF	244	2 100	115.23	55.41	55.47	(0.11)	(2.0)	(5.5)	(8.1)
iShares S&P 500/Barra Growth	IVW	35 900	8 000	453.04	56.56	56.63	(0.12)	(1.2)	(4.5)	(1.6)
iShares S&P 500/Barra Value	IVE	125 520	10 500	571.20	54.33	54.40	(0.13)	(1.3)	(1.4)	(8.7)
iShares S&P MidCap 400	IJH	52 960	5 600	606.82	108.43	108.37	0.06	2.1	7.4	15.2
iShares S&P MidCap 400/Barra Growth	IJK	33 880	2 150	251.03	116.90	116.77	0.11	2.2	2.6	10.8
iShares S&P MidCap 400/Barra Value	IJJ	106 180	4 950	493.61	99.65	99.71	(0.06)	2.1	10.4	20.0
iShares S&P SmallCap 600	IJR	144 620	9 250	1 163.00	125.75	125.71	0.03	3.6	10.0	23.0
iShares S&P SmallCap 600/Barra Gwth	IJT	27 680	2 300	185.82	80.73	80.78	(0.06)	2.7	5.0	17.6
iShares S&P SmallCap 600/BarraValue	IJS	136 920	5 250	511.14	97.35	97.36	(0.01)	4.3	14.2	28.6
International										
iShares S&P Global 100	IOO	23 760	800	44.06	54.69	54.49	0.37	(2.2)	(7.3)	(13.2)
iShares S&P Europe 350 Index	IEV	60 900	9 850	568.64	59.09	57.75	2.32	0.6	0.0	(10.3)
iShares S&P Toronto SE 60	IKC	140	150	6.65	44.00	44.30	(0.68)	(2.2)	(0.6)	(2.3)
iShares S&P Latin America 40	ILF	1 600	200	10.61	53.64	53.33	0.58	1.6	12.5	
iShares S&P TOPIX	ITF	400	450	32.22		71.56	0.00	(1.3)	5.3	
iShares S&P Global Energy Sector	IXC	5 060	300	15.49	51.74	51.63	0.21	(2.9)	4.6	
ishares S&P Global Financials Sector	IXG	80	200	10.67		53.35	0.00	(0.8)	1.3	
iShares S&P Global Healthcare Sector	IXJ	600	350	16.73	47.83	47.80	0.06	0.1	(3.4)	
iShares S&P Global Tech Sector	IXN	580	150	7.12	47.14	47.45	(0.65)	(5.2)	(15.5)	
iShares S&P Global Telecom Sector	IXP	2 920	300	12.20	40.79	40.65	0.34	(8.2)	(21.0)	
Merrill Lynch HOLDRS										
HOLDRS B2B Internet	BHH	18 280	14 330	52.74	3.73			(2.6)	(27.3)	(33.6)
HOLDRS Biotech	BBH	953 960	11 760	1 386.56	109.52			(1.8)	(17.0)	(4.7)
HOLDRS Broadband	BDH	34 400	7 911	96.20	11.59			(3.8)	(29.8)	(54.5)
HOLDRS Europe 2001	EKH	2 900	380	22.52	58.45			(2.9)	(10.1)	(21.6)
HOLDRS Internet	HHH	24 680	4 488	127.29	27.05			(5.7)	(21.8)	(26.6)
HOLDRS Internet Architecture	IAH	13 260	3 142	98.99	29.96			(6.8)	(21.8)	(30.9)
HOLDRS Internet Infrastructure	IIH	42 080	7 248	31.89	4.37			(1.4)	(29.8)	(59.0)
HOLDRS Market 2000	MKH	20 300	2 379	137.19	55.17			(3.1)	(9.0)	(18.3)
HOLDRS Oil Services	OIH	376 400	4 388	272.48	63.00			(4.2)	3.4	(24.1)
HOLDRS Pharmaceutical	PPH	119 580	5 790	564.66	91.10			0.0	(7.1)	(4.4)
HOLDRS Regional Bank	RKH	17 340	799	89.40	120.63			1.1	8.0	9.7
HOLDRS Retail	RTH	43 360	586	57.78	101.00			2.9	4.6	
HOLDRS Semiconductor	SMH	1 280 120	13 607	547.95	43.70			(3.4)	4.4	(5.7)
HOLDRS Software	SWH	79 140	2 674	103.44	36.50			(1.4)	(19.2)	(25.6)
HOLDRS TeleBras	TBH				34.51			4.2	(13.7)	(34.4)
HOLDRS Telecommunications	TTH	67 760	5 546	216.75	34.21			(8.4)	(22.8)	(33.8)
HOLDRS Utilities	UTH	27 080	1 269	110.55	94.80			(0.4)	4.9	(13.0)
HOLDRS Wireless	WMH	22 180	1 100	49.66	42.68			(5.6)	(27.2)	(34.9)
Statistics for shares outstanding and net assets are based on Feb-28-2002 data										
Morgan Stanley BOXES										
Biotech BOXES	BXB	Trading began Mar-20-2002								
Pharmaceutical BOXES	RXB	Trading began Nov-21-2001								
S&P Depositary Receipts (SPDRs)										
S&P 400 MidCap SPDR	MDY	600 920	68 279	6 786.93	99.65	99.40	0.25	2.6	7.6	15.1
SPDR Basic Industries	XLB	145 240	15 850	372.00	23.36	23.46	(0.44)	0.8	9.1	11.2
SPDR Consumer Services	XLV	118 900	5 750	170.20	29.56	29.61	(0.16)	0.1	9.7	9.4
SPDR Consumer Staples	XLP	43 100	13 100	336.67	25.65	25.70	(0.20)	1.1	1.0	5.9
SPDR Cyclical/Transportation	XLY	55 000	7 500	227.85	30.45	30.38	0.22	3.9	6.5	21.2
SPDR Energy	XLE	226 240	14 700	398.66	27.10	27.12	(0.06)	(3.1)	1.5	(13.2)
SPDR Financial	XLF	344 920	19 803	537.85	27.18	27.16	0.06	0.0	3.3	3.3
SPDR Industrial	XLI	86 400	9 150	246.04	26.82	26.89	(0.25)	(0.4)	(3.2)	(2.7)
SPDR Technology	XLK	417 640	54 000	1 070.82	19.80	19.83	(0.14)	(4.3)	(17.5)	(25.4)
SPDR Utilities	XLU	80 920	5 900	159.36	27.07	27.02	0.20	(3.1)	(3.4)	(11.9)

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	3 280	300	18.41	61.45	61.35	0.17	(4.2)	(8.2)	(11.9)
DJ US Large Cap Growth	DSG	10 300	400	26.45	66.20	66.13	0.11	1.0	(9.8)	(2.3)
DJ US Large Cap Value	DSV	18 600	450	65.09	144.43	144.63	(0.14)	3.4	13.6	30.9
DJ US Small Cap Growth	ELG	37 180	400	19.36	48.50	48.39	0.22	(2.3)	(10.3)	(14.2)
DJ US Small Cap Value	ELV	3 120	400	49.35	123.30	123.37	(0.06)	(1.4)	(2.6)	(0.2)
Sectors										
FORTUNE 500	FFF	19 580	850	67.92	79.84	79.90	(0.08)	(1.2)	(2.6)	(3.8)
FORTUNE e-50	FEF	6 900	400	10.96	27.35	27.38	(0.12)	(5.7)	(19.6)	(27.8)
MS Internet	MII	17 120	500	5.20	10.10	10.39	(2.82)	(6.4)	(25.1)	(43.1)
MS High Tech 35	MTK	2 580	1 550	64.43	41.56	41.57	(0.02)	(3.0)	(18.7)	(26.4)
Wilshire REIT Index Fund	RWR	5 480	150	19.98	132.20	133.17	(0.72)	2.9	11.4	
VIPERs (Vanguard)										
VIPERS Total Stock Market	VTI	34 840	13 912	1 445.04	103.86	103.88	(0.02)	(0.6)	(1.2)	
VIPERS Extended Market	VXF	3 340	301	18.67	61.83	62.05	(0.35)	0.8	3.1	

EUROPEAN EXCHANGE-TRADED FUNDS
Euro denominated unless otherwise stated

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Deutsche Börse										
German market indices										
DAX Ex	DAXEX		10 082	529.04	52.02			0.35	0.69	(9.16)
MDAX Ex	MDAXEX		349	15.80	45.55			0.58	2.12	
NEMAX 50 Ex	NMKXEX		9 857	91.53	8.78			(0.25)	(2.62)	
European market indices										
DJ Stoxx 50 Ex	SX5P	69 457	2 748	100.52	36.15			0.1	(1.1)	(5.7)
DJ Stoxx 50 LDRS	EUN1	97 939	12 000	433.99	35.85			0.44	(1.13)	(5.91)
DJ Euro Stoxx 50 Ex	SX5E	460 470	16 089	601.82	37.06			0.5	(1.4)	(6.8)
Fresco DJ Euro Stoxx 50	FSEU50	26 899	1 750	63.23	36.66			0.53		
DJ Euro Stoxx 50 LDRS	EUN2	211 536	28 500	1 058.88	36.67			0.55	(1.52)	(7.20)
FTSE 100	UKXEX		51	2.69	86.89			0.66		
Fresco DJ UK Titans 50	FRC6				35.87			0.28		
SMI Ex	SMIEX		456	30.52	45.68			0.60	2.31	
European sector indices										
DJ Euro Stoxx Banks	SX7E	2 774	389	11.72	30.05			1.0	2.7	
DJ Stoxx 600 Banks	SX7P	763	651	25.44	38.82			1.0	3.3	
DJ Euro Stoxx Technology	SX8E	21 722	651	28.21	41.63			(1.9)	(9.4)	
DJ Stoxx 600 Technology	SX8P	9 537	901	31.96	33.50			(2.6)	(9.5)	
DJ Euro Stoxx Healthcare	SXDE	4	150	7.05	46.79			0.2	(7.3)	
DJ Stoxx 600 Healthcare	SXDP	22 647	152	6.67	43.98			(0.1)	0.8	
DJ Euro Stoxx Telecommunications	SXKE	4 680	362	15.23	41.43			1.4	(7.0)	
DJ Stoxx 600 Telecommunications	SXKP	43 558	961	26.10	26.57			0.5	(8.5)	
Unico MSCI Cons Discretionary	UNMSECD		226	21.68	96.76					
Unico MSCI Europe Cons Staples	UNMSECS		172	19.27	111.17					
Unico MSCI Europe Energy	UNMSEEN		162	25.31	157.57			2.8		
Unico MSCI Europe Financials	UNMSEFI		426	47.36	111.84					
Unico MSCI Europe Health Care	UNMSEHC		197	21.81	111.35					
Unico MSCI Europe Telecom	UNMSETS		259	17.97	70.34					
Global & US indices										
DJ Global Titans EX	DJGTEEX	400	11.35	28.05			(0.17)	(2.59)		
Dow Jones Industrial Average	DJIEX	117	12.02	115.49			(0.81)	0.11		
Fresco DJ Industrial Average	FRC2		116.29							
Fresco DJ US Tech	FRC4			51.19			1.34			
FTSE Global Autos LDRS	LDRA	200	11.85	58.20			0.00			
FTSE Global Banks LDRS	LDRB	900	56.32	51.92			1.33			
FTSE Global Cyclicals LDRS	LDRC	1 300	70.26	51.42						
FTSE Global Energy LDRS	LDRE	1 900	62.36	53.83			(2.37)			
FTSE Global Financials LDRS	LDRF	1 500	52.19	43.17						
FTSE Global Industries LDRS	LDRG	2 300	95.85	45.83						
FTSE Global Basic Indus LDRS	LDRI	400	17.69	54.60						
FTSE Global Media LDRS	LDRM	600	26.67	43.73			0.00			
FTSE Global Non-Cyclicals LDRS	LDRN	2 400	102.53	62.54						
FTSE Global Pharma LDRS	LDRP	800	35.72	44.00			0.00			
FTSE Global Tech LDRS	LDRQ	2 900	148.87	33.36			1.38			
FTSE Global Telecoms LDRS	LDRT	300	16.34	34.79						
FTSE Global Utilities LDRS	LDRU	500	25.66	42.00			(0.06)			
Unico MSCI World	UNO1	7 971	91.27	11.45			(0.4)			

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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	6 581	1 050	53.87	51.52	51.30	0.43	(1.06)	1.06	
European market indices										
DJ Stoxx 50 LDRS	EUN	27 030	28 500	1 030.85	36.00	36.17	(0.47)	(0.22)	(5.02)	(16.64)
DJ Euro Stoxx 50 LDRS	EUE	3 173	12 000	425.28	35.50	35.44	0.17		(4.27)	(15.11)
iShares FTSE 100	ISFA		51 220	268.09		5.23			0.26	
iShares FTSE Euro 100	IERA	20	5 892	63.25		10.73			(3.40)	
iShares FTSE EuroTOP 100	IETA	1 281	780	21.77	27.94	27.91	0.12	(0.16)	(2.78)	
streetTRACKS MSCI UK	STUK		100	3.15		31.49			(0.82)	
European sector indices										
iBloomberg European Cyclicals	IBCA	26	3 300	32.38	9.85	9.81	0.39	1.81	5.91	
iBloomberg European Financials	IBF	26	2 850	23.84	8.37	8.36	0.08	2.43	0.92	(11.24)
iBloomberg European Industrials	IBIA	478	2 850	25.13		8.82			5.10	
iBloomberg European Pharmaceuticals	IBP	224	3 000	28.88	9.68	9.63	0.56	(0.26)	(0.16)	(7.67)
iBloomberg European Resources	IBRA		2 850	29.88		10.48			10.34	
iBloomberg European Staples	IBSA		2 850	27.82		9.76			5.11	
iBloomberg European Technology	IBQ	489	3 000	16.77	5.66	5.59	1.23	(0.59)	(5.53)	(33.87)
iBloomberg European Telecoms	IBT	2 700	3 600	15.14	4.26	4.20	1.33	(1.92)	(21.55)	(44.24)
Global indices										
FTSE Global Autos LDRS	TGA		200	11.62		58.12				
FTSE Global Bank LDRS	TGB	36	1 400	70.76		50.54				
FTSE Global Basic Indus LDRS	TGI	842	300	16.23		54.10				
FTSE Global Cyclical LDRS	TGC	834	500	26.00		52.00				
FTSE Global Energy LDRS	TGE	800	1 300	67.91		52.24				
FTSE Global Financials LDRS	TGF	400	1 000	42.78		42.78				
FTSE Global General Industries LDRS	TGG	1 239	800	35.73		44.66				
FTSE Global Media LDRS	TGM		600	26.23		43.71				
FTSE Global Non-Cyclical LDRS	TGN		900	56.90		63.22				
FTSE Global Pharmaceuticals LDRS	TGP		400	17.66		44.15				
FTSE Global Tech LDRS	TGQ	2 057	1 300	41.67		32.05				
FTSE Global Telecom LDRS	TGT	2 000	200	6.61		33.05				
FTSE Global Utilities LDRS	TGU		1 800	74.99		41.66				
Euronext Paris										
French market index										
CAC 40 Master Unit	CAC PA	1 229 744	16 692	740.96	44.57	44.39	0.41	(0.8)	(3.4)	(18.6)
European market indices										
Easy ETF DJ STOXX 50	ETE FP	6 558	9 119	32.92	3.64	3.61	0.83	0.83	(5.50)	
DJ Stoxx 50 LDRS	EUN FP	112 304	28 500	1030.85	36.06	36.17	(0.30)	(0.1)	(5.0)	(16.6)
Dow Jones Stoxx 50 SM EX	GXN FP	6 000	2 598	93.89	35.94	36.14	(0.55)			
Easy ETF DJ Euro STOXX 50	ETN FP	817 732	17 921	63.44	3.53	3.54	(0.28)	(1.12)	(4.32)	
DJ Euro Stoxx 50 LDRS	EUE FP	300 231	12 000	425.28	35.41	35.44	(0.08)	(0.7)	(4.3)	(15.1)
DJ Euro Stoxx 50 Master Unit	MSE FP	1 393 063	9 200	331.11	36.09	35.99	0.28	(1.6)	(4.7)	
Dow Jones Euro Stoxx 50 SM EX	GXE FP	390 776	16 089	590.64	36.70	36.71	(0.03)			
streetTRACKS MSCI Pan-Euro	ERO FP	14 357	1 400	146.76	105.50	104.83	0.64	(1.6)	(2.3)	
SPDR Euro	SPO FP	501	400	53.89	134.50	134.73	(0.17)	0.1		
SPDR Euro 350	SPE FP	436	950	118.77	124.85	125.02	(0.14)	(0.3)		
European sector indices										
EasyETF Euro Stoxx Banks	SYB FP	4	26	7.35		282.78				
EasyETF Euro Stoxx Energy	SYE FP		30	10.52		350.58				
EasyETF Euro Stoxx Healthcare	SYH FP	200	18	8.37		465.13				
EasyETF Euro Stoxx Insurance	SYIFP	2	17	5.46	329.30	320.92	2.61			
EasyETF Euro Stoxx Media	SYM FP		25	6.55		261.91				
EasyETF Euro Stoxx Technology	SYQ FP		18	7.98		443.59				
EasyETF Euro Stoxx Telecom	SYT FP		17	6.90		406.01				
EasyETF Euro Stoxx Utilities	SYU FP		32	9.32		291.39				
streetTRACKS MSCI Euro Cons. Disc.	STV FP	2 800	800	37.30		46.63			(0.1)	
streetTRACKS MSCI Euro Cons. Stap.	STS FP	29 800	400	22.02		55.04			5.1	
streetTRACKS MSCI Euro Energy	STN FP	2 006	300	23.10	77.10	77.00	0.13	(2.0)	8.2	
streetTRACKS MSCI Euro Financials	STK FP	1 009	100	5.38	53.80	53.79	0.02	(0.7)	(0.1)	
streetTRACKS MSCI Euro Healthcare	STW FP	49 249	100	5.49	54.97	54.92	0.09	(1.4)	(0.7)	
streetTRACKS MSCI Euro Industrials	STQ FP	1 480	650	37.70	57.95	58.00	(0.09)	(1.5)	5.6	
streetTRACKS MSCI Euro IT	STZ FP	3 286	500	25.24	50.25	50.48	(0.46)	(7.5)	(17.3)	
streetTRACKS MSCI Euro Materials	STP FP	14	250	17.76		71.04			7.6	
streetTRACKS MSCI Euro Telecom	STT FP	2 244	400	13.34	33.25	33.35	(0.30)	(8.4)	(23.3)	
streetTRACKS MSCI Euro Utilities	STU FP	24 500	400	18.48	46.81	46.20	1.32	0.8	2.1	
US/Global indices										
Easy ETF DJ Global Titans	ETT FP	3 412	3 761	104.81	27.95	27.87	0.29	(2.14)	(8.47)	
DJIA Master Unit	DJE PA	38 315	1 117	130.55	116.30	116.85	(0.47)	0.2	1.1	
MSCI US Tech Master Unit	UST FP	126 142	1 700	12.73	7.46	7.49	(0.40)	(3.2)	(18.0)	

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	18 410	8 550	898.00	80.80	80.27	0.66	(0.4)	(10.3)	(9.0)
Switzerland										
CHF denominated										
XMTCH	XMSMI	100 991	20 210	1 298.47	64.25		0.40	(1.2)	2.7	(9.9)
SMI EX	SMIEX	12 015	311	20.58	66.20		0.40		3.6	2.1
Fresco DJ Japan Titans 100	FDJ100	2 967	750	43.75	60.15		0.85	(1.1)	3.4	0.3
Fresco DJ UK Titans 50	FDUK50	1 147	550	28.83	53.00		0.77	(0.8)	(2.6)	(2.4)
Fresco DJ Industrial Average	FDUSIA	2 499	600	101.86	171.75		0.44	(0.4)	(0.2)	6.0
Fresco DJ US Large Cap	FDUSLC	7 366	800	65.51	82.00		0.78	(3.4)	(7.7)	(5.0)
Fresco DJ US Tech 40	FDUSTC	1 578	750	54.42	72.60		0.60	(7.2)	(19.3)	(17.4)
Fresco DJ Euro Stoxx 50	FSEU50	40 257	1 750	92.66	53.00		0.41	(2.1)	(6.3)	(2.6)
NB: 12-month return is since launch for products launched during 2001										
Euro denominated										
DJ Stoxx 50 LDRS	EUN SW	81 825	12 000	425.28	35.50		0.46	(2.5)	(3.9)	(15.5)
DJ Euro Stoxx 50 LDRS	EUNE SW	112 195	28 500	1 030.85	36.15		0.36	(2.3)	(5.2)	(16.7)
United Kingdom (GBP denominated)										
UK market indices										
iShares FTSE 100	ISF LN	372 115	51 220	267.56	5.22	5.21	0.19			
iShares FTSE TMT	ITMT LN	7 745	1 820	10.14	5.55	5.56	(0.18)			
European/US market indices										
DJ Stoxx 50 LDRS	EUN		12 000	260.40	21.65	21.70	(0.23)	(2.6)	(7.9)	
DJ Euro Stoxx 50 LDRS	EUE	128	28 500	631.23	22.10	22.15	(0.23)	(2.3)	(4.4)	
iShares FTSE Euro 100	IEUR	8 891	5 890	38.82	6.58	6.57	0.15			
iShares FTSE Eurotop 100	IEUT	3 277	780	13.31		17.01				
iShares S&P 500 ETF	IUSA	10 849	4 250	29.01	7.69	7.73	(0.52)			
European sector indices										
iBloomberg Euro Cyclicals	IBEC	1 427	3 300	19.86	5.98	6.00	(0.33)			
iBloomberg Euro Financials	IBEF	702	2 850	14.55	5.08	5.09	(0.20)			
iBloomberg Euro Industrials	IBEI	99	2 850	15.44	5.37	5.40	(0.56)			
iBloomberg Euro Pharmaceuticals	IBEP	814	3 000	17.70	5.87	5.89	(0.34)			
iBloomberg Euro Resources	IBER	433	2 850	18.25	6.37	6.39	(0.31)			
iBloomberg Euro Staples	IBES	212	2 850	17.03	5.94	5.96	(0.34)			
iBloomberg Euro Telecoms	IBET	2 161	3 600	9.31	2.57	2.58	(0.39)			
iBloomberg Euro Technology	IBQQ	620	3 000	10.32	3.42	3.43	(0.29)			

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	116 103	4 301	147.13	34.18	34.21	(0.09)	(1.0)	(1.1)	
streetTRACKS ASX S&P 50 Index	SFY	230	803	27.94	35.10	34.80	0.86	(0.4)	(1.8)	
streetTRACKS ASX S&P 200 Property	SLF	14 496	2 600	36.48	14.04	13.92	0.86	0.2		
Canada (CAD denominated)										
Canadian market indices										
iUnits S&P/TSE 60 Index	XIU	1 554 577	94 923	4 161.00	43.80	43.84	(0.09)	(0.1)	(0.8)	(4.6)
iUnits S&P/TSE Capped 60 Index	XIC	10 224	5 433	264.00	48.45	48.53	(0.16)			
SSgA DJ Canada 40	DJF	482	4 550	205.33	45.45	45.13	0.72	0.0	(1.0)	(36.0)
TD TSE 300 Index	TTF	42 739	6 594	170.52	25.85	25.86	(0.04)	(1.0)	0.4	(0.0)
TD TSE 300 Capped Index	TCF	116	2 820	84.51	29.81	29.97	(0.53)	(1.6)	(0.2)	0.8
Canadian sector indices										
iUnits S&P/TSE Canadian Energy	XEG	28 631	1 722	53.00	30.70	30.70	(0.01)			
iUnits S&P/TSE Canadian Financials	XFN	9 291	1 534	46.00	29.95	29.98	(0.10)			
iUnits S&P/TSE Canadian Gold	XGD	41 011	2 236	98.00	43.80	43.81	(0.03)			
iUnits S&P/TSE Canadian IT	XIT	44 181	4 580	32.00	6.85	6.93	(1.22)			
iUnits S&P/TSE Canadian MidCap	XMD	8 048	1 596	80.00	50.20	50.38	(0.37)			
TD Select Canadian Growth	TAG	707	1 954	16.70	8.50	8.55	(0.58)			
TD Select Canadian Value	TAV	350	1 406	23.38	16.64	16.63	0.06			
Fixed income										
iUnits Canada 5-year Govt Bond	XGV	10 521	3 598	99.00	27.55	27.55	0.00	0.4	0.4	(0.4)
iUnits Canada 10-year Govt Bond	XGX	6 205	2 842	74.00	26.15	26.16	(0.05)	0.7	0.4	(0.7)

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ETFR DATABANK

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 MSCI International Equity RSP	XIN	13 218	1 788	36.00	20.40	20.07	1.62			
iUnits S&P500 RSP	XSP	49 726	6 045	107.00	17.80	17.74	0.32			
Hong Kong (HKD denominated)										
TraHK	2800	2 184 000	2 496	27 153.03	10.85	10.88	(0.26)	(0.9)	(5.2)	(17.5)
iShares MSCI China Tracker	2801	31 280	19 400	303.78	15.95	15.88	0.44	(0.3)	(4.5)	
India										
Nifty Benchmark Exch-Traded Scheme	Trading commenced Jan-8-2002									
Israel (ILS denominated)										
TALI 25	TALI	666	496	1 918.47	804.54	805.96	(0.18)	1.2	(14.9)	(3.2)
Mexico (MXP denominated)										
NAFTRAC	Trading commenced Apr-16-2002									
Japan (JPY denominated)										
Tokyo Stock Exchange										
Nikkei 225 iShares	1329	12	835	69.87	11 390	11 011	3.45	0.0		
Nikko	1330	170 878	6 638	555.43	11 040	11 009	0.28	(3.1)		
S&P/Topix 150 iShares	1315	0	4 501	32.34	930	946	(1.64)	0.0		
Topix Daiwa	1305	90 040	65 837	531.81	1 063	1 063	0.01	(2.8)		
Nomura	1306	421 760	526 163	4 252.45	1 063	1 063	(0.04)	(3.0)		
iShares	1307	40	15 091	121.81	1 066	1 062	0.37	0.0		
Nikko	1308	60 600	19 993	161.40	1 062	1 062	(0.02)	(2.5)		
Topix Core 30 Daiwa	1310	6 240	2 413	14.44	794	787	0.83	(3.8)		
Nomura	1311	21 540	4 000	23.88	795	786	1.20	(3.8)		
Topix Sectors Banking: Daiwa	1612	69 800	10 200	16.22	212	209	1.32	2.9		
Banking: Nomura	1615	228 320	15 000	23.65	210	207	1.21	2.4		
Elec App: Daiwa	1610	8 840	1 024	14.33	1 865	1 842	1.23	(3.9)		
Elec App: Nomura	1613	23 980	2 000	27.98	1 855	1 841	0.77	(4.6)		
Transport: Daiwa	1611	820	1 014	11.76	1 536	1 527	0.62	(2.5		
Transport: Nomura	1614	780	2 000	23.13	1 540	1 521	1.22	(1.9)		
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	104 717	97 268	89.89	0.90	0.92	(2.17)	(1.2)	0.3	4.8
NZ Mid Cap Index Fund	MDZ	15 179	14 232	28.75	2.04	2.02	0.99	(0.9)	3.5	15.6
Australian 20 Leaders Index Fund	OZY	29 123	59 864	147.58	2.46	2.47	(0.40)	2.9	1.7	3.5
AMP Investments' World Index Fund	WIN	114 396	444 605	715.35	1.66	1.61	3.11	2.4	(6.0)	(15.0)
Singapore										
streetTRACKS Straits Times Index	Launched Apr-17-2002									
South Africa (ZAR denominated)										
SATRIX 40	STX40	220 348	364 492	3 991.19	10.95	10.92	0.23	(0.5)	1.5	36.2
SATRIX Financial Index	STXFIN	525 086	207 737	781.09	3.76	3.76	0.00	0.3	11.9	
SATRIX Industrial Index	STXIND	40 149	99 288	750.62	7.56	7.50	0.86	0.8	7.1	

Volume shows average daily volume for the week ending Apr-12-2002; **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 Apr-12-2002. **Sources include** Wiesenberger/Thomson Financial, fund managers, MAR research and other sources.

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