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Eurex breaks new ground

By Elise Coroneos

Eurex has announced its intention to begin trading the world's first futures on ETFs on November 18 this year. While the US led the way with options on ETFs, Europe will be the first to explore the uncharted territory of futures on ETFs. At the same time, Eurex will introduce ETF options to Europe. Here the US is out front, having traded ETF options for some time. Indeed, the QQQ option is the most widely traded option on the US markets, with 350,000 contracts changing hands daily.

Deutsche Börse and the Swiss Exchange, which form the parent company of Eurex, have yet to announce on which ETFs they plan to launch futures and options and how the products will be designed. Some of this information will be revealed in mid-to-late October; however, it would be fair to assume that the product repertoire will include the leading ETFs, says Uwe Velten, a spokesman for Deutsche Börse.

What is known at this stage is that the new futures will trade in smaller sizes than normal index futures contracts, probably around 100 fund shares per contract, according to industry insiders. This will make them small enough to be used by individual investors. For their part, institutions will simply buy many increments of desired contracts.



Heeding the rule of law

By Marsha Zapsion

In an attempt to level the playing field among US exchanges and things that look and act like exchanges, the Securities and Exchange Commission has enacted a nine-month pilot program to give temporary relief to electronic brokerages and markets from the trade-through rule of the Intermarket Trading System.

Under the trade-through rule, exchanges and ECNs, or electronic communications networks, are required to route orders to the market offering the best possible price. That rule has not been overturned under this pilot program; rather, exchanges and ECNs now have the option to execute an order at three cents away from the national best bid at the moment of execution.

New York-based Island ECN Inc, which had refused to comply with the trade-through rule in the past, reaffirmed its refusal following the SEC's action, and discontinued the public display of order book information for certain ETFs at the end of September.

The pilot program, which went into effect September 4, concerns only five ETFs out of the countless securities (including 106 ETFs) traded in the US. They are Nasdaq-100 Index Tracking Stock (QQQ), S&P 500 SPDR (SPY), DJIA Diamonds (DIA), HOLDRS Semiconductor (SMH) and HOLDRS Market 2000 (MKH). And it's not hard to figure out why. These are some of the



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In the eyes of the beholder

By Marsha Zapson

A larger-than-life spider crawls from the corner of an online ad and stops just short of some text, which reads: "He may not win any beauty contests....But he sure can help diversify your portfolio." It's an eye-catcher on a static page of news (the leggy creature was last seen wending its way to investors on the home page of *The Wall Street Journal Online*), and succinctly makes the case for a SPDR investment.

This particular ad lauds the MidCap SPDR, which tracks the S&P 400 and trades under the ticker: MDY. It's one in a series of ads that are part of the American Stock Exchange's recently launched SPDR campaign. Because the Amex sponsors the Spider (SPY), the Diamonds (DIA) and MDY, it has been providing marketing support for these three products for some time, says Lauren Fisher, the exchange's senior vice president of marketing. Interestingly, that support is funded by the trusts themselves, she says.

Launched in August, the campaign leverages SPDR equity in a unique and proprietary way. As might be expected, spiders—and they are live, by the way—are the stars on this platform. But the campaign goes beyond the expected, and toys with the reader, wittily resurrecting nursery rhymes and childhood songs. In another online WSJ ad, the copy reads: "Forget the curds and whey, Miss Muffet said. Tell me more about instant S&P 500 diversification." And "You may be itchy bitsy, the water spout said. But instant diversification with the S&P MidCap 400 is big," reads another.

The Amex's campaign, from inception to when the first spider crawled across a page, took about three months. Besides the online ads, it currently includes two traditional print ads and one 30-second TV commercial. (New York-based DDB works with the Amex to produce these ads as well as its corporate advertising.) Print and online versions feature two distinct creatures—a larger, more robust spider and a smaller, more delicate one that is all legs. Only the clever copy changes. The televised commercials are more fanciful, bringing to life the little spider icon, which is a spider descending a skein between

the P and D of the SPDR logo. Jennifer Wrynn, marketing director at the Amex, says there will be more Spider ads rolled out over time.

Behind this campaign lies some hefty research, says the Amex's marketing team. Some of this research, which was sponsored by the Amex and conducted by Harris Interactive, was made public at the Amex's ETF Symposium in mid-January 2002. In brief, Harris Interactive conducted an online survey, polling more than 2,300 investors and 200 brokers to determine retail interest in ETFs (see *ETFR*, March 2002, page 1). One survey result was that retail investors who are exposed to information about ETFs are more likely to purchase them.

It's not surprising, then, that the Amex decided to target retail investors—albeit sophisticated ones. And based on that research, the Amex was able to slice and dice that ubiquitous category known as the individual investor and tailor its advertising message. "We've been able to identify the characteristics that make a group of investors more receptive to a product than others," says Fisher. "The media is then married accordingly." Thanks to its research, the Amex was able to go beyond how much money investors invest and where they invest it, and seek certain demographic or psychological characteristics on which to build a campaign, she says.

According to Wrynn, the response has been positive. Most find this a visually arresting campaign, even though some viewers and readers aren't the greatest fans of spiders, she says. Even those who get the creepy crawlies just looking at live spiders moving across a page still look, which is the point. "These ads are driving viewers to our Web site," says Fisher. She says the exchange has been tracking its hits, and has seen a noticeable increase since the campaign started.

So far, the Amex has released ads only for the Spider and the MidCap Spider, both of which are built on the Spider name. "It wouldn't be a big leap to project that the Diamonds advertising, which is soon to debut, will do a really good job of leveraging that particular name," says Fisher. ❖

Think Canada, think i60

By Philip Scipio

iUNITS S&P/TSE 60 INDEX PARTICIPATION FUND

Ticker	XIU
Launch date	October 4, 1999
Net assets	C\$3.0 billion As of September 20, 2002
Shares outstanding	87,810
Avg daily trading volume	1.3 million
Expense ratio	0.17%

(All data as of September 20, 2002)

	52-Week		
	High	Low	
Price	45.65	34.55	
NAV	45.689950	34.417508	
Sector focus	Canadian Large Cap		
Portfolio structure	Open-ended Canadian Mutual Fund Trust		
No of stocks in fund	60		
Options available	Yes		
Minimum trade size	1 share		
Distribution frequency	Quarterly		
Benchmark index	3-mo (12.92)	YTD (11.96)	1-yr N/A
Income	2001 C\$0.694183	YTD C\$0.322832	
Return of Capital	C\$0.034284	C\$0.010320	
Capital gains	C\$0.406627		
Trustee	Barclays Global Investors Canada Ltd (BGI)		
Custodian	The Royal Trust Co		
Index provider	Standard & Poor's/ Toronto Stock Exchange		
Distributor	N/A		

With more than C\$3.3 billion (US\$2.1 billion) under management, the iUnits S&P/TSE 60 Index Participation Fund is to the Canadian ETF market what the S&P 500 SPDR is to the US market. It is the biggest, most liquid and most widely recognized fund in that marketplace. It is so dominant, in fact, that State Street, which launched the DJ 40 Titan ETF to compete head to head with the fund, recently gave up its fight and shuttered the Titan (*see ETFR, September 2002, page 1*).

The iUnits S&P/TSE 60, or i60, was launched with about C\$400 million in the fourth quarter of 1999, shortly ahead of a major shakeup involving two of Canada's top indices, the TIPs 35 and the TIPs 100. Those indices were coming under increasing fire from institutions for being too restricted, in the case of the former, or too broad, in the case of the latter. The S&P/TSE 60 index was the brain child of a blue ribbon indexing panel looking for the "sweet spot" between liquidity and market representation—culling the best companies from both indices.

Soon after the launch of the i60, the Toronto Stock Exchange exited the index game and put the ETFs based on the TIPs 35 and TIPs 100 indices up for grabs. Barclays, which had already launched a product using the relatively new S&P/TSE index, won the prize, beating out State Street, according to sources familiar with the bidding process. Once Barclays had gained control of the TIPs funds, the firm merged them into the iUnits 60. The move instantly pushed assets under management in the fund to about C\$4.6 billion from C\$800 million, making it the largest index mutual fund in Canada at the time.

The consolidation took place on March 6, 2000. Shortly thereafter, State Street launched its ill-fated DJ 40 Titan.

Going to C\$4.6 billion in a matter of months put Barclays in the preeminent ETF position in Canada—which had been the firm's goal since it rolled out its iShares brand, says Howard Atkinson, national iUnits marketing manager. Although the brand is known as iUnits in Canada—Canadian regulators disallowed the use of the word shares in a mutual fund trust—the product is a part of the massive effort Barclays initiated in 1999 to create a product line that covers just about every sector of the market in every region.

Take the i60

Although it sounds more like an interprovince highway, the i60 is a powerhouse in Canada. The fund's popularity was enhanced during the height of the technology bubble that propelled an already strong bull market into the stratosphere.

Unlike mutual funds, which limit holdings in any one security to 10%, the i60 has no such limitations. Like the S&P/TSE index, the fund at its peak had a 40% weighting in Nortel Networks. That meant that as Nortel's share price zoomed upward, the i60 followed and outperformed just about every other fund in its category.

"On the way up the fund looked incredibly good," says Atkinson. At its height, it had more than C\$7 billion in assets, largely owing to the stellar performance of Nortel. "No one could match the performance because they were regu-



lated at a 10% max," he says.

Unfortunately for the i60, if no one could match its performance on the upside because of the boost provided by a massive Nortel weighting, the same would be true on the downside—no one would be hurt as badly if the Nortel engine blew out.

Hedging its bets, Barclays launched the S&P/TSE 60 Capped Index Fund, or i60C Fund. As the name suggests, the fund capped exposure to any one component at 10%. The new fund seemed to recognize the danger of having such a high weighting in any one security. In defense of the index and fund, however, the Nortel weighting wasn't a bold bet on the security. Rather, it reflected the company's significance to the Canadian equity market at the time.

The i60 Cap fund, using the same maximum weighting limits used by mutual funds, effectively cut the Nortel exposure to 10%. "We wanted to give investors that choice," says Atkinson. With the new offering, investors could actually customize their exposure to Nortel from 10% to just below the top weighting in the i60 by using a combination of funds.

When the tech bubble finally burst, Nortel was among the firms hardest hit. If on the way up the outsized Nortel weighting seemed like a stroke of genius, on the way down investors may have felt as if they'd bought berths on the Titanic. The fund experienced an erosion in value of nearly C\$4 billion.

Though it had a reputation for being top heavy, the radical redistribution of value in the Canadian equity market as a result of the major correction has helped to balance the fund. Royal Bank of Canada, at about 8%, is now the fund's largest component, followed by BCE Inc with about 6%. In a stunning reversal, Nortel now accounts for less than 1% of the fund's holdings.

As a result of Nortel's collapse, it is difficult to tell the i60 from the i60C; their holdings are identical. There's only the slightest—bordering on insignificant—difference in weightings. For example, an i60 basket holds 2,180 shares of Barrick Gold, while a basket of the i60C has 2,410 shares. The i60C has about C\$230 million in assets.

As the largest, most liquid ETF in Canada, the fund enjoys a 75% institutional following, a base Barclays continues to court.

Barclays is now offering a management fee rebate to beneficial holders with more than C\$25 million invested, says Atkinson. The effect will be to reduce the management expense ratio below 17 basis points.

The fund represents about 70% of all Canadian ETF assets and 90% of the assets in the 11-product BGI iUnits product line. More than 1.4 billion shares a month change hands, and there are options and leaps that trade off the fund and a strong futures market on the index.

The arbitrage mechanism works as it should—arbitrageurs come in if the spread creeps out beyond 10 cents. When the Titan 40 was in play, the fund boasted a lower management fee, but the cost savings were completely negated by wide spreads.

The i60 index

The S&P/TSE 60 stock index is market-cap weighted, with weight adjusted for available share float. The market cap of the companies in the index is adjusted to reflect only those shares that are available. Float adjustments are made for cross holdings, strategically held control blocks and other situations, which may restrict the number of shares available for investment. Approximately C\$6 billion is linked to the S&P/TSE 60 index.

The S&P/TSE 60, in keeping with the tradition of the S&P 500, tracks 60 major companies in leading Canadian industries, providing investors with a broad but manageable index. Index companies are screened for sector representation, size and liquidity.

The index is balanced across 10 economic sectors: consumer discretionary, consumer staples, energy, financials, health care, information technology, industrials, materials, telecommunication services and utilities.

Launched on the last day of 1998, the index is relatively young. It quickly displaced more established equity benchmarks in Canada to become the standard. Of course, it didn't hurt that the other main indices were falling away and were disposed of within two years of the launch. Nonetheless, the meteoric rise of the index does prove that it is possible for newer indices to displace older, more established ones. ✦

Top 10 industries as of June 30, 2002

Stocks	Weightings (%)
Financials	34.7
Energy	15.4
Materials	15.1
Industrials	8.4
Consumer discretionary	6.9
Utilities	4.5
Telecommunications services	4.9
Information technology	4.3
Consumer staples	3.7
Healthcare	2.1

Top 10 holdings as of June 30, 2002

Stocks	Weightings (%)
Royal Bank Of Canada	7.2
Bank Of Nova Scotia	5.1
Toronto-Dominion Bank	4.7
Encana Corp	4.5
BCE Inc	4.3
Manulife Financial Corp	4.3
Sun Life Financial Services	4.1
Alcan Inc	3.8
Canadian Imperial Bank	3.6
Bank Of Montreal	3.6

◀1 Eurex breaks new ground

Weighing the possibilities

Despite the lack of specific details about the launch, speculation is circulating about the likely uses of ETF derivatives in Europe and how these may differ from those established in the US. The most important benefits will be those of risk management and increased hedging opportunities, says Velten. "It is the only one-to-one hedge you can have with an ETF," he says.

Also important will be the opportunity to provide fund managers with a way to invest more widely in ETFs, according to Debbie Fuhr from Morgan Stanley's London-based equity research team. "The advantage is that many people are only able to invest a small portion of their fund in ETFs because if you are running a fund, you can typically only invest 5% of it in other funds," says Fuhr. "But a future or derivative can be up to 10% of your portfolio, which means another tranche of your portfolio can be invested in index tracking vehicles."

Futures on ETFs will also provide those who would traditionally trade futures with a way to avoid the fees associated with rolling them over at premium, says Fuhr. Because ETFs don't roll over, investors in futures on ETFs will maintain the benefit of a future without the concern of rolling it over.

The melding of ETFs and futures will also cause people to change their perceptions about the level of open interest that can be used with a future, she says. Although people are generally sensitive to the amount of open interest in a futures contract, this is not the case with an ETF. In the event that investors want to invest in an ETF in a larger quantity than is currently available, units can simply be created, thereby increasing the size of the fund.

Other benefits to investors will be the tighter spreads, added liquidity and lower costs brought to bear on the European ETF market generally, according to Alex Budny, an ETF researcher at Lehman Brothers. "A future trading on an ETF should allow for tighter spreads of the underlying ETF product, given that there will be another venue for liquidity for the market makers trading ETFs," says Budny. "This in turn should produce less expensive markets for the consumers of the product."

Besides the increased creation of "actual" liquidity, the ETF market will also benefit from the "perception" of greater liquidity. "People often perceive a lot more liquidity in futures than in ETFs because they do not understand that ETF liquidity stems from exchange trading and the creation and redemption process," says Fuhr. "I think this will open up more people to seriously think about using these products or related products to ETFs."

To provide order book liquidity in the new derivatives from day one, Eurex will commission trading firms to conduct active market-making operations.

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a bit of
uncharted territory
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Unique options

Eurex's jump into the ETF options market, in addition to futures, bodes well for future market share if the performance of such products on the American Stock Exchange is anything to go by. The Amex, which was the first US player to go to market with ETF options, now commands a 40% share. The exchange has at least 50 options on ETFs, the most popular of which is the QQQ, which is the most active option class in the US, bar none.

Although many have predicted the success of options on European ETFs based on the success of their US predecessors, it is worth noting the distinct advantages they will provide in the European marketplace. In Switzerland, for example, shorting is not permitted even for hedging purposes. Swiss institutional investors are typically precluded from going short in their mandates.

"But using an option strategy," says Fuhr, "the Swiss will be able to put on a hedging position that is not a short. So I think options could be quite attractive to many investors who have wanted to use various types of strategies with ETFs, but have been prevented from doing so in the past."

A US future

Physically settled futures on ETFs are still some time away in the US, with the Amex predicting its futures segment will go live in early 2003. Among the products the Amex plans to bring to the table are futures on select ETFs and single stock futures, says Steven Ciccarello, the Amex's vice president of options.

The introduction of physically settled futures, as opposed to the cash settled futures offered on the Chicago Mercantile Exchange, will add a new dimension to the US ETF market, says Ciccarello. Physical settlement will provide those who hedge with convergence at expiration, making it easier to unwind paired positions between the cash product and the futures product.

Like the futures being developed by Eurex, the contract sizes under development by the Amex are smaller than those normally associated with futures, says Ciccarello. This approach will mirror that of the exchange's options business where 100-share contracts mean individual investors can get a contract in their size category. "In the option business, we don't have a mini and a maxi contract, which hasn't been a hindrance to us doing a lot of business," says Ciccarello. "To us we don't see contract size to be overly meaningful."

While the Amex is developing its own approach in its quest for futures on ETFs, says Ciccarello, it will be looking to draw from the European experience that goes before it.

"It will be interesting because there are no futures on ETFs anywhere else, so we are going into a bit of uncharted territory," says Fuhr. ✦

◀1 Heeding the rule of law

most actively traded ETFs in the US. Take just the American Stock Exchange: QQQ tops its ETF volume chart month after month. The Spider is a consistent second and the Diamonds a standard third, with the Semiconductor HOLDRS regularly appearing among the top five.

The suspension of the trade-through rule for five exotic financial instruments has not created much of a stir among average investors. Exchanges, market makers and sophisticated investors familiar with ETFs have duly noted the SEC's ruling, though relatively few have been affected by it.

Defying the regulators

"From the public's perspective, it has been a bit of a yawn," says Jamie Selway, Archipelago's chief economist. (Chicago-based Archipelago had listed its quotes on the Nasdaq InterMarket until it became an exchange in March 2002.) "At the end of the day, QQQ is still spread a penny and remains incredibly liquid. Suffice it to say that QQQs are almost always spread at US\$0.01—before and after Island's exit from view." In addition, volume for QQQ, SPY and DIA has not been affected since Island went dark, he says.

The SEC's attempted enforcement of the rule and Island's defiance of it will not affect the retail investor, says Selway. Nor will most of the professional community be affected, he says. Only the really high-end, proprietary traders, doing strict arbitrage between Globex futures and QQQ, for example, will be affected, says Selway. "There were perhaps six to 10 superfast computer-based arbitrage shops that can't do what they did as well anymore."

What prompted the SEC to enforce its trade-through rule at this time, and institute a *de minimis* exemption, has a lot to do with Island's flagrant abuse of the rule. In brief, Island ECN Inc had lured ETF volume away from traditional exchanges since it began trading QQQ in the third quarter of 2000. By the end of December 2001, Island was trading some 28% of the QQQ marketplace, compared with 23% traded by the American Stock Exchange (see ETFR, January 2002, page one).

Island says its success is due to its speed. But many market participants contend that the reason for the ECN's dominance is more complex, and point to the fact that Island has been allowed to ignore SEC rules that constrain others.

Island has never been an ITS member, and has never displayed its quotes to Island nonmembers, even though it was legally required to do so. Under SEC Rule 301 (b)(3) of Regulation ATS, any exchange attracting 5% of the volume in a security for four out of the previous six months must be part of ITS and display its prices in the national bid system. Island had attracted more than 5% of the volume of the five affected ETFs during the previous four out of six months. According to the Amex, it had been doing this for over a year.

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Trading on Island attracts those who prioritize speed over price. The ECN will not necessarily secure the best price because orders are matched internally. But for this very reason, execution will be speedy. "Island traders don't care if they receive the best price because their analytics have determined that if they trade at that instant, it will be to their advantage," says one market participant.

In September 2001, the Amex wrote to the SEC requesting Island's compliance with Reg ATS. One year later, the SEC instituted the *de minimis* trade-through exemp-

tion. On September 23, Island refused to show a quote for the five ETFs at issue and went dark.

In a recent memo to the media, the Amex wrote: "The SEC mandated that Island ECN comply with Reg ATS. ...Island has been in violation of this rule for nearly a year. In light of the SEC's recent decision, Island/Instinet has chosen to again evade federal regulations concerning best execution."

As a result, the Amex argued, Island has created a two-tiered market in which "the average investor has no chance without access to the information [that Island hides]. This sets back the vast improvement in the transparency of the capital markets, and clearly and flagrantly violates the spirit and intent of Reg ATS."

Redirecting order flow

Regarding its decision to go dark, Island posted the following statement on its Web site: "Being part of the Consolidated Quote would subject Island to various requirements of the ITS, including trade-through and quote-through restrictions. We do not believe it would be possible for Island simultaneously to comply with these requirements and to maintain the system performance our subscribers expect."

Speaking shortly after the ECN went dark, Andrew Goldman, Island's vice president for corporate communication, confirmed that Island is not part of the national quote system. "I think the SEC wants Island to come into the quote while trying to ensure that the kind of market Island operates can continue."

Going dark, as many point out, has cost Island much of its business. Selway estimates that the ECN has lost about 40–50% of its trades. Of that, he says, about half went to Instinet (another ECN, which is also out of compliance with Reg ATS), 20% to Archipelago and 30% to Archipelago's sister company, RediBook.

How does all this affect the traditional exchanges? They're not gaining or losing order flow, says Selway. "The Amex, for example, may not be fast enough to benefit directly from Island's loss, but it wants the ETF business to work and the rule of law to apply. I think the Amex will probably feel pretty good about the decision." ❖

Vanguard to use new indices developed by MSCI

At the end of August, **Vanguard** filed a preliminary proxy statement with the **SEC** seeking shareholder approval on several policy changes for some of its index funds. One request was for authorization to change target indices. Vanguard has secured the right to use new indices under development by **MSCI** (see *ETFR*, September 2002, page 9). In brief, MSCI plans to launch a series of investable US equity indices in two tranches; the first will be offered early 2003, and will include large, mid- and small-cap, as well as value and growth indices.

Vanguard has been rumored to be seeking a new index partner since it lost a law suit with **Standard & Poor's** in May 2001 over the right to launch a **Vipers** tracking the S&P 500 index.

BOJ's bank shares purchase may slow growth of ETFs

The **Bank of Japan** has announced an unprecedented move to buy stocks, currently sitting as cross shareholdings in local banks, in order to shore up the banking system. The move has surprised market participants who as recently as mid-September had heard BOJ governor **Masaru Hayami** express opposition to even buying ETFs created out of bank share portfolios, let alone individual stocks. Local press has reported that the BOJ is looking at purchases worth anywhere between ¥1 trillion (\$8 billion) and ¥8 trillion (\$65 billion) in stocks.

Deborah Fuhr, **Morgan Stanley's** vice president and head of ETFs & OPALS Research for Europe and Asia, told *MAR/ETFR* that "[it] will probably slow significantly the growth of assets invested in Japanese ETFs. ETFs in Japan have been used via their unique creation/redemption process to unwind corporate cross shareholdings."

But a senior ETF industry source in Japan said "that the move makes sense politically and efficiencywise. This way, the BOJ helps support prices as well as taking the shares away from the banks." The source speculated that the BOJ could end up with a portfolio of shares to create an ETF, with the aim of emulating the success of the **Hong Kong**

Tracker Fund to offload the government's stake in domestic equities.

Six Frescos start trading on Deutsche Börse's XTF

Six new **Fresco** ETFs have begun trading on the **XTF** segment of the **Deutsche Börse**. They are the **Fresco DJ Germany Titans 30**, **Fresco DJ US Large Cap**, **Fresco Stoxx European Banks**, **Fresco Stoxx European Health Care**, **Fresco Stoxx European Technology** and **Fresco European Telecommunication**. One further ETF, the **Fresco DJ Japan Titans 100**, will soon follow.

More actively managed ETFs on Deutsche Börse

The **Deutsche Börse** will begin trading two new actively managed ETFs in the bourse's **XTF** segment on September 23. **DWS**, Germany's biggest fund company, offers **DWS China** and **DWS Russia**. They will be followed by **DWS India** on January 2, 2003. At present, there are 16 actively managed funds listed in XTF by three issuers, as well as another 58 passive index funds.

iBoxx plans to launch ETF based on Liquid Indices

European index provider **iBoxx Ltd** is expanding its portfolio of bond indices to include 25 Liquid Indices, for which bonds are selected according to degree of liquidity. Offering a basis for exchange-traded funds, Liquid Indices will be launched at the end of October.

Designed to attract institutional investors and serve as benchmark indices in the trading and evaluation of investments in securities, **iBOXX Liquid Indices** will initially comprise euro-denominated corporate and government bonds and subsovereigns. Rating, sector and maturity indices will also be calculated for corporate bonds.

KOSPI 200-based fund could have fast start

A Korean ETF to be launched by **Samsung Investment Trust Management Co** could start with US\$100 million, according to **Joseph Ho**, **Barclays Global Investors'** Regional Director-North Asia.

BGI is advising **SITMC** on its **Kodex 200 ETF**, which is based on the bench-

mark **KOSPI 200** index. "However, it is difficult to assess the assets under management, given this will be one of the first ETFs launched," said Ho. "But with Korean investors familiar with index-based products such as the **KOSPI 200** futures, which have tremendous liquidity, we are optimistic that the assets could grow quite rapidly."

The **Kodex 200 ETF** will be launched around mid-October, pending approval from the **Korea Stock Exchange** and the **Financial Supervisory Service**. The **Samsung** fund will be supported by three local authorized participants:

Samsung Securities, Korea Investment Trust Management & Securities and **Good Morning Shinhan Securities**; and three international APs: **CSFB, Deutsche Securities Korea** and **Salomon Smith Barney Korea**.

LG Investment Trust Co will also launch a **KOSPI 200** based ETF. LG is being advised by **SSgA**, the *Korea Times* reported. The LG product will be supported by nine local APs, according to Ho, who said the involvement of the international APs will help generate more foreign investment interest in the **Samsung ETF**.

Foreign currency ETFs okayed for Singaporeans

Singapore's **Central Provident Fund** has announced that its 2.9 million members can invest in approved ETFs denominated in foreign currency. The S\$94.5 billion (US\$54.0 billion) government pension fund has also allowed investment in unit trusts and fund management accounts denominated in foreign currencies. CPF said that removing the Singapore dollar currency requirement would also enable its members to invest directly in foreign currency products, thus avoiding the extra costs of investing through feeder funds set up locally.

Singaporeans are required to contribute 20% of their salaries to CPF, while employers contribute another 16%. To boost the city-state's funds management industry, CPF over the past few years has progressively allowed its members to allocate monies directly to approved funds management products.

US EXCHANGE-TRADED FUNDS

Week ending September 20 2002

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Major market indices										
Nasdaq-100 Index Tracking Stock	QQQ	81 009 520	731 350	15 848.35	21.67	21.67	0.0	(5.7)	(44.3)	(23.1)
S&P 500 SPDR	SPY	45 127 820	366 888	31 093.76	84.35	84.75	(0.5)	(5.5)	(25.4)	(12.0)
DJIA Diamonds	DIA	10 583 540	44 404	3 549.66	79.67	79.94	(0.3)	(4.4)	(19.1)	(2.0)
<i>Volume includes trading on all listing entities</i>										
iShares Dow Jones series										
DJ US Basic Materials	IYM	25 020	1 900	63.63	33.57	33.49	0.2	(3.7)	(11.8)	11.3
DJ US Chemicals	IYD	6 320	500	19.52	39.05	39.03	0.1	(3.4)	(6.5)	19.3
DJ US Consumer Cyclical	IYC	339 880	5 300	231.19	43.70	43.62	0.2	(4.0)	(21.4)	1.0
DJ US Energy	IYE	20 020	2 150	81.36	37.75	37.84	(0.2)	(5.0)	(19.9)	(10.8)
DJ US Financial Sector	IYF	21 020	1 750	113.45	64.89	64.83	0.1	(6.8)	(18.5)	(1.5)
DJ US Financial Services	IYG	7 080	450	32.83	73.09	72.97	0.2	(7.1)	(19.3)	(1.7)
DJ US Healthcare	IYH	74 080	6 300	294.21	46.76	46.69	0.1	(3.8)	(24.3)	(15.0)
DJ US Industrial	IYJ	12 680	1 550	56.67	36.64	36.56	0.2	(3.5)	(27.1)	(4.5)
DJ US Internet	IYV	8 560	1 250	8.30	6.63	6.64	(0.2)	(8.8)	(54.3)	(25.5)
DJ US Non-Consumer Cyclical	IYK	42 340	3 050	126.91	41.48	41.61	(0.3)	(4.6)	(4.2)	5.5
DJ US Real Estate	IYR	25 620	1 800	144.14	80.00	80.08	(0.1)	(1.4)	4.6	17.2
DJ US Technology	IYW	56 960	3 800	108.45	28.35	28.54	(0.7)	(9.4)	(46.7)	(25.4)
DJ US Telecommunications	IYZ	49 860	2 850	44.03	15.54	15.45	0.6	(5.7)	(50.1)	(50.0)
DJ US Total Market	IYY	21 420	3 000	118.05	39.56	39.35	0.5	(4.9)	(25.5)	(10.6)
DJ US Utilities	IDU	64 080	3 100	144.15	46.45	46.50	(0.1)	(4.7)	(25.4)	(28.4)
iShares MSCI series										
Australia	EWA	38 920	8 200	75.52	9.13	9.22	(1.0)	(3.0)	(3.4)	20.6
Austria	EWO	2 260	1 800	13.90	7.75	7.74	0.1	(0.8)	6.5	6.2
Belgium	EWK	2 200	1 000	9.09	9.01	9.12	(1.2)	(11.7)	(18.1)	(5.5)
Brazil	EWZ	149 160	10 100	72.92	7.09	7.11	(0.3)	(11.9)	(44.2)	(19.6)
Canada	EWC	8 920	13 700	120.56	8.75	8.80	(0.6)	(4.0)	(17.6)	(7.8)
EAFFE	EFA	248 360	29 000	2 800.24	96.22	96.73	(0.5)	(3.6)	(19.3)	(5.9)
EMU	EZU	34 800	2 850	113.52	40.28	39.94	0.9	(5.7)	(28.1)	(8.1)
France	EWQ	22 520	3 200	43.14	13.40	13.52	(0.9)	(8.4)	(28.5)	(12.4)
Germany	EWG	55 200	7 800	78.08	9.97	10.04	(0.7)	(7.9)	(34.0)	(11.8)
Hong Kong	EWH	46 080	11 925	89.56	7.40	7.51	(1.5)	(3.8)	(19.3)	3.4
Italy	EWI	7 320	1 950	26.34	13.64	13.56	0.6	(5.3)	(15.3)	8.4
Japan	EWJ	490 780	85 200	626.22	7.43	7.37	0.8	2.2	(3.6)	(8.3)
Malaysia	EWM	53 500	16 875	90.79	5.21	5.38	(3.2)	(3.5)	0.2	19.1
Mexico	EWV	74 380	5 200	64.79	12.35	12.46	(0.9)	(9.2)	(18.6)	4.2
Netherlands	EWN	3 640	1 300	16.16	12.31	12.46	(1.2)	(7.9)	(27.5)	(9.6)
Pacific ex-Japan	EPP	7 960	2 100	107.00	51.19	50.97	0.4	(3.0)	(5.5)	
Singapore	EWS	21 260	17 600	82.02	4.55	4.67	(2.6)	(1.3)	(10.3)	20.3
South Korea	EWY	29 480	4 850	97.68	19.96	20.14	(0.9)	(3.5)	12.7	82.3
Spain	EWP	2 000	1 050	16.91	16.05	16.14	(0.6)	(7.9)	(22.3)	(2.1)
Sweden	EWD	3 820	825	7.36	8.99	8.92	0.8	(3.4)	(34.4)	(3.9)
Switzerland	EWL	13 200	2 750	29.10	10.59	10.61	(0.2)	(3.9)	(15.6)	(0.5)
Taiwan	EWT	13 540	16 100	128.32	7.80	7.96	(2.0)	(5.6)	(27.6)	13.9
UK	EWU	72 160	9 400	110.36	11.94	11.74	1.7	(1.7)	(18.7)	(4.6)
iShares Russell series										
Russell 1000	IWB	83 020	13 350	599.68	44.83	44.92	(0.2)	(5.2)	(25.8)	(11.0)
Russell 1000 Growth	IWF	87 020	13 750	487.03	35.21	35.43	(0.6)	(5.3)	(30.6)	(14.5)
Russell 1000 Value	IWD	123 720	18 750	818.44	43.44	43.65	(0.5)	(5.8)	(20.5)	(8.9)
Russell 2000	IWM	216 040	33 350	2 438.89	73.10	73.13	(0.0)	(5.9)	(23.6)	(2.1)
Russell 2000 Growth	IWO	163 240	9 850	372.43	37.75	37.81	(0.2)	(6.5)	(34.1)	(12.6)
Russell 2000 Value	IWN	112 460	7 300	797.09	109.11	109.18	(0.1)	(5.7)	(13.8)	7.2
Russell 3000	IWV	129 600	11 650	547.67	46.85	47.01	(0.3)	(5.4)	(25.3)	(10.6)
Russell 3000 Growth	IWZ	3 780	1 450	40.99	28.37	28.26	0.4	(4.0)	(30.3)	(12.9)
Russell 3000 Value	IWW	4 520	1 200	67.55	56.45	56.29	0.3	(4.8)	(20.2)	(7.1)
Russell MidCap	IWR	11 780	1 550	71.75	46.37	46.29	0.2	(5.1)	(20.8)	(1.6)
Russell MidCap Growth	IWP	14 140	1 200	58.18	48.60	48.48	0.2	(4.9)	(32.3)	(9.1)
Russell MidCap Value	IWS	23 460	1 150	76.58	66.65	66.58	0.1	(5.1)	(13.5)	3.7

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
iShares Sectors										
Nasdaq Biotech	IBB	224 660	8 950	411.07	46.00	45.93	0.2	(5.5)	(49.5)	(33.3)
Cohen & Steers Realty Majors	ICF	21 740	1 850	156.99	85.05	84.87	0.2	(0.8)	5.5	15.3
Goldman Sachs Natural Res	IGE	8 940	250	19.32	77.57	77.29	0.4	(4.9)	(17.9)	
Goldman Sachs Networking	IGN	31 260	1 100	11.95	10.75	10.86	(1.0)	(11.2)	(65.0)	(56.7)
Goldman Sachs Software	IGV	7 860	800	17.19	21.59	21.49	0.5	(8.7)	(52.6)	(26.8)
Goldman Sachs Semiconductor	IGW	59 100	1 350	41.92	31.09	31.04	0.2	(11.7)	(53.2)	(32.8)
Goldman Sachs Technology	IGM	12 860	1 050	27.63	26.21	26.31	(0.4)	(9.3)	(48.3)	(28.1)
iShares S&P series										
S&P 500	IVV	403 640	38 450	3 256.72	84.55	84.70	(0.2)	(5.1)	(25.2)	(11.5)
S&P 100	OEF	287 293	3 650	155.05	42.50	42.48	0.0	(5.0)	(27.1)	(14.6)
S&P 500/Barra Growth	IVW	69 340	10 700	469.20	43.72	43.86	(0.3)	(4.7)	(25.8)	(10.2)
S&P 500/Barra Value	IVE	56 760	13 850	560.65	40.55	40.49	0.1	(5.3)	(25.7)	(14.0)
S&P MidCap 400	IJH	62 500	7 000	579.95	82.60	82.85	(0.3)	(5.8)	(17.8)	3.0
S&P MidCap 400/Barra Growth	IJK	39 800	3 100	273.39	88.29	88.19	0.1	(4.4)	(22.4)	0.8
S&P MidCap 400/Barra Value	IJJ	39 540	7 100	546.13	76.99	76.92	0.1	(5.9)	(14.1)	5.2
S&P SmallCap 600	IJR	162 800	10 800	1 011.31	93.80	93.64	0.2	(5.6)	(17.7)	5.3
S&P SmallCap 600/Barra Growth	IJT	83 900	4 050	250.53	62.03	61.86	0.3	(5.4)	(19.3)	3.7
S&P SmallCap 600/Barra Value	IJS	41 620	6 600	463.91	70.57	70.29	0.4	(5.5)	(16.8)	6.0
International										
S&P Global 100	IOO	7 340	800	34.48	42.25	42.05	0.5	(4.6)	(28.4)	(14.1)
S&P Europe 350 Index	IEV	36 500	12 200	547.78	44.85	44.97	(0.3)	(5.2)	(24.1)	(6.8)
S&P Toronto SE 60	IKC	140	200	7.14		35.73		(2.1)	(15.3)	(0.9)
S&P Latin America 40	ILF	1 440	200	6.77		33.87		(12.3)	(30.4)	
S&P TOPIX	ITF	1 760	450	29.63	66.00	65.96	0.1	1.4	(5.3)	
S&P Global Energy Sector	IXC	3 560	300	13.25	44.54	44.18	0.8	(4.5)	(10.0)	
S&P Global Financials Sector	IXG	3 780	200	8.21	41.34	41.09	0.6	(6.6)	(21.0)	
S&P Global Healthcare Sector	IXJ	2 300	350	13.56	38.87	38.76	0.3	(3.4)	(21.5)	
S&P Global Tech Sector	IXN	1 480	150	4.59	30.94	30.63	1.0	(7.1)	(44.5)	
S&P Global Telecom Sector	IXP	1 180	300	9.36	31.54	31.22	1.0	(4.4)	(38.9)	
iShares Fixed Income										
1-3 Year Treasury Index	SHY	144 440	8 700	711.23	81.78	81.69	0.1	0.2		
7-10 Year Treasury Index	IEF	77 720	8 700	751.85	86.40	86.35	0.1	0.9		
20+ Year Treasury Index	TLT	100 620	7 800	696.77	89.30	89.30	0.0	0.6		
GS InvesTop Corporate Bond Index	LQD	52 900	16 200	1 730.16	107.15	106.29	0.8	0.4		
Merrill Lynch HOLDRS										
HOLDRS B2B Internet	BHH	27 820	380	20.87	1.56			(13.3)	(69.6)	(42.2)
HOLDRS Biotech	BBH	607 980	13 121	1 240.54	77.06			(5.3)	(40.1)	(23.2)
HOLDRS Broadband	BDH	23 700	7 443	79.34	6.45			(7.9)	(60.9)	(52.4)
HOLDRS Europe 2001	EKH	2 400	3 880	113.22	39.16			(6.4)	(39.2)	(20.0)
HOLDRS Internet	HHH	12 080	13 584	46.05	20.35			(3.7)	(41.1)	(17.6)
HOLDRS Internet Architecture	IAH	10 380	4 033	106.86	22.15			(8.5)	(42.1)	(17.0)
HOLDRS Internet Infrastructure	IIH	7 380	7 585	22.53	1.45			(5.2)	(76.7)	(69.1)
HOLDRS Market 2000	MKH	22 680	2 372	124.68	41.65			(4.8)	(31.3)	(20.9)
HOLDRS Oil Services	OIH	382 640	4 620	328.91	48.01			(7.1)	(20.9)	0.0
HOLDRS Pharmaceutical	PPH	164 500	6 104	517.71	69.48			(4.0)	(28.5)	(22.3)
HOLDRS Regional Bank	RKH	56 220	3 556	429.16	100.94			(5.4)	(8.9)	4.9
HOLDRS Retail	RTH	76 680	786	74.43	78.87			(4.2)	(18.1)	10.7
HOLDRS Semiconductor	SMH	1 591 900	23 014	884.90	20.19			(11.4)	(51.8)	(31.1)
HOLDRS Software	SWH	100 080	3 674	112.89	22.36			(8.2)	(50.5)	(24.2)
HOLDRS TeleBras	TBH				17.25			(13.0)	(55.5)	(22.9)
HOLDRS Telecommunications	TTH	36 380	4 616	154.76	23.73			(5.0)	(46.1)	(48.3)
HOLDRS Utilities	UTH	36 700	1 256	108.07	62.61			(5.3)	(29.5)	(32.0)
HOLDRS Wireless	WMH	4 780	958	38.70	29.26			(7.0)	(49.9)	(43.6)
Statistics for shares outstanding and net assets are based on June 14 data										
Morgan Stanley BOXES										
Biotech BOXES	BXTTrading commenced Mar-20-2002									
Pharmaceutical BOXES	RXBTrading commenced Nov-21-2001									
S&P Depositary Receipts (SPDRs)										
S&P 400 MidCap SPDR	MDY	781 840	74 156	5 634.37	75.90	75.98	(0.1)	(5.5)	(17.7)	2.8
Consumer Discretionary	XLY	63 800	5 000	121.50	24.33	24.30	0.1	(2.8)	(14.3)	16.6
Consumer Staples	XLP	38 700	10 350	210.62	20.40	20.35	0.3	(3.9)	(18.6)	(11.8)

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
S&P Depository Receipts <i>(continued)</i>										
Energy	XLE	36 060	10 750	227.69	21.27	21.18	0.4	(4.4)	(19.1)	(13.5)
Financial	XLF	682 520	19 153	397.62	20.70	20.76	(0.3)	(7.0)	(20.2)	(3.8)
Healthcare	XLV	30 280	4 550	115.98	25.62	25.49	0.5	(3.5)	(4.6)	17.3
Industrial	XLI	20 760	4 100	83.76	20.41	20.43	(0.1)	(2.8)	(25.8)	(4.9)
Materials	XLB	58 280	9 000	170.46	18.93	18.94	(0.1)	(3.8)	(10.3)	9.5
Technology	XLK	311 940	53 050	680.10	12.83	12.82	0.1	(7.7)	(46.5)	(30.0)
Utilities	XLU	54 260	7 050	131.20	18.59	18.61	(0.1)	(5.9)	(32.1)	(34.1)

streetTRACKS (State Street Global Advisors)

Dow Jones series

DJ Global Titans	DGT	5 280	200	9.39	47.35	46.96	0.8	(4.2)	(28.4)	(13.9)
DJ US Small Cap Growth	DSG	3 180	350	14.64	44.48	41.84	6.3	(1.3)	(39.4)	(15.0)
DJ US Small Cap Value	DSV	5 160	350	41.34	118.35	118.10	0.2	(4.8)	(6.4)	15.0
DJ US Large Cap Growth	ELG	4 360	400	14.29	35.75	35.72	0.1	(4.3)	(33.8)	(13.2)
DJ US Large Cap Value	ELV	4 300	475	30.26	95.50	94.63	0.9	(5.4)	(24.1)	(12.7)

Sectors

FORTUNE 500	FFF	13 320	1 050	64.74	61.45	61.66	(0.3)	(4.8)	(24.4)	(11.3)
FORTUNE e-50	FEF	420	250	4.43	17.67	17.70	(0.2)	(10.8)	(48.0)	(26.6)
Morgan Stanley Internet	MII	2 420	650	3.86	5.89	5.94	(0.9)	(9.4)	(56.3)	(32.4)
Morgan Stanley High Tech 35	MTK	800	1 650	41.91	25.55	25.39	0.6	(10.8)	(50.0)	(29.5)
Wilshire REIT	RWR	3 340	300	35.82	120.00	119.39	0.5	(0.6)	3.7	11.1

VIPERs (Vanguard)

Total Market	VTI	123 180	13 639	1 086.21	79.54	79.59	(0.1)	(4.9)	(24.1)	(9.0)
Extended Market	VXF	3 640	411	19.67	48.04	47.90	0.3	(5.2)	(19.9)	

EUROPEAN EXCHANGE-TRADED FUNDS

Euro denominated unless otherwise stated

Deutsche Börse

German market indices

DAX Ex	DAXEX		21 963	665.19	30.48			(2.80)	(20.85)	(12.56)
MDAX Ex	MDAXEX		1 100	32.59	29.92			(1.5)	(13.5)	(10.0)
NEMAX 50 Ex	NMKXEX		10 872	43.33	3.87			(0.3)	(7.5)	(4.1)

European market indices

DJ Stoxx 50 Ex	SX5P	89 028	4 850	118.54	24.20	24.44	(1.0)	(7.1)	(35.4)	(9.2)
DJ Stoxx 50 LDERS	EUN1	83 808	15 600	377.28	24.00	24.18	(0.7)	(1.67)	(12.70)	(9.16)
DJ Euro Stoxx 50 Ex	SX5E	1 149 472	34 030	808.48	23.64	23.76	(0.5)	(8.4)	(38.5)	(9.6)
Fresco Euro Stoxx 50	FRC1	71 999	5 200	120.80	23.63	23.23	1.7	(8.09)		
DJ Euro Stoxx 50 LDERS	EUN2	373 441	36 700	867.09	23.88	23.63	1.1	(2.13)	(14.31)	(9.62)
FTSE 100	EXI4		51	2.01	62.60			(1.70)		
Fresco DJ UK Titans 50	FRC6				27.35			(0.28)		
SMI Ex	SMI		305	14.76	33.08			(1.3)	(10.3)	

European sector indices

DJ Euro Stoxx Banks	SX7E	5 435	493	9.78	19.50	19.84	(1.7)	(10.1)	(28.3)	19.8
DJ Euro Stoxx Healthcare	SXDE	10	150	4.95	32.40	33.00	(1.8)	(5.3)	(39.8)	(19.6)
DJ Euro Stoxx Technology	SX8E	4 134	501	10.83	21.10	21.60	(2.3)	(12.1)	(58.5)	21.3
DJ Euro Stoxx Telecommunications	SXKE	18 600	362	10.07	27.30	27.84	(1.9)	(6.5)	(43.2)	(11.7)
DJ Stoxx 600 Autos	SXAP		50	0.90	17.80	18.09	(1.6)	(7.8)		
DJ Stoxx 600 Banks	SX7P	19 518	656	17.80	26.80	27.15	(1.3)	(8.2)	(26.6)	(4.6)
DJ Stoxx 600 Basic Research	SXPP	2 020	49	0.95	19.00	19.48	(2.5)	(6.9)		
DJ Stoxx 600 Chemicals	SX4P		50	1.11	21.70	22.22	(2.3)	(6.9)		
DJ Stoxx 600 Construction	SXOP		50	0.79	15.70	15.87	(1.1)	(4.9)		
DJ Stoxx 600 Cyclical Goods	SX2P		50	0.50	9.70	9.99	(2.9)	(9.4)		
DJ Stoxx 600 Energy	SXEP	4 000	50	1.37	26.96	27.46	(1.8)	(7.0)		
DJ Stoxx 600 Financial Services	SXFP	2 000	49	0.87	17.30	17.58	(1.6)	(9.4)		
DJ Stoxx 600 Food	SX3P		50	1.13						
DJ Stoxx 600 Healthcare	SXDP	4 107	503	15.92	31.10	31.63	(1.7)	(5.2)	(29.4)	(13.7)
DJ Stoxx 600 Industrial Goods	SXNP	40	61	0.98	15.80	16.01	(1.3)	(8.9)		
DJ Stoxx 600 Insurance	SXIP	22 124	100	1.46	14.10	14.56	(3.2)	(15.1)		
DJ Stoxx 600 Media	SXMP	50	50	0.80	15.90	16.09	(1.2)	(6.5)		
DJ Stoxx 600 Non-Cyclical	SXHP		50	1.24	24.30	24.71	(1.7)	(5.8)		
DJ Stoxx 600 Retail	SX1P		51	0.99	18.90	19.25	(1.8)	(6.4)		
DJ Stoxx 600 Technology	SX8P	5 268	1 584	26.21	16.20	16.55	(2.1)	(12.4)	(62.3)	16.4
DJ Stoxx 600 Telecoms	SXKP	8 868	1 211	22.81	18.50	18.84	(1.8)	(6.3)	(47.1)	(10.1)
DJ Stoxx 600 Utilities	SX6P		50	1.05						
Unico MSCI Cons Discretionary	UNO4		143	8.78	62.47					

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Deutsche Börse (continued)										
Unico MSCI Europe Cons Staples	UNO7		91	8.68	83.75					
Unico MSCI Europe Energy	UNO5		63	7.31	126.50					
Unico MSCI Europe Financials	UNO2		206	14.19	72.20					
Unico MSCI Europe Health Care	UNO3		45	3.60	75.19					
Unico MSCI Europe Telecoms	UNO6		525	25.72	52.52			(1.55)		
Global & US indices										
DJ Global Titans EX	DJGTE		748	14.58	19.45			(0.73)	(11.19)	(7.35)
DJ Industrial Average	DJI		265	21.22	82.04			(3.37)	(33.34)	(14.88)
Fresco DJ Industrial Average	FRC2				88.58			3.24		
Fresco DJ US Large Cap	FRC3				38.93					
Fresco DJ US Tech	FRC4				30.13			(4.36)		
FTSE Global Autos LDRS	LDRA		110	4.83	46.49			(0.28)		
FTSE Global Banks LDRS	LDRB		410	14.97	43.78					
FTSE Global Cyclical LDRS	LDRC		100	3.59	37.70					
FTSE Global Energy LDRS	LDRE		680	27.47	43.88					
FTSE Global Financials LDRS	LDRF		100	2.75	29.84					
FTSE Global Industries LDRS	LDRG		210	6.41	30.01			(2.51)		
FTSE Global Basic Indus LDRS	LDRI		300	11.85	40.01			(1.18)		
FTSE Global Media LDRS	LDRM		100	2.88	27.47					
FTSE Global Non-Cyclicals LDRS	LDRN		300	15.17	49.66					
FTSE Global Pharma LDRS	LDRP		230	7.32	35.65					
FTSE Global Tech LDRS	LDRQ		100	1.80	20.20			0.50		
FTSE Global Telecoms LDRS	LDRT		100	2.22	22.87			(0.33)		
FTSE Global Utilities LDRS	LDRU		510	15.49	31.70					
Unico MSCI World	UNO1		11 053	87.65	7.97			(0.39)		
Euronext Amsterdam										
Dutch market index										
streetTRACKS AEX Index Fund	AEXT	54 456	2 100	67.10	32.00	31.95	0.2	(8.5)	(37.1)	(42.0)
European market indices										
DJ Stoxx 50 LDRS	EUN	64 757	36 700	867.22	23.50	23.63	(0.6)	(8.6)	(37.9)	(41.6)
DJ Euro Stoxx 50 LDRS	EUE	43 752	15 600	377.21	24.71	24.18	2.2	(4.4)	(34.7)	(37.7)
iShares FTSE 100	ISFA	1 000	68 820	264.16					(26.5)	
iShares FTSE Euro 100	IERA	80	6 282	44.35		7.06			(36.5)	
iShares FTSE EuroTOP 100	IETA	5 520	1 040	19.74		18.98			(33.9)	
streetTRACKS MSCI UK	STUK	1	100	2.34		23.39			(26.3)	
European sector indices										
iBloomberg European Cyclical	IBCA		2 850	20.16		7.07			(23.6)	
iBloomberg European Financials	IBF	3 142	2 250	11.31	5.01	5.03	(0.4)	(9.9)	(39.3)	
iBloomberg European Industrials	IBIA	200	2 400	14.21	6.07	5.92	2.6	(4.3)	(29.5)	
iBloomberg European Pharmaceuticals	IBP	1 000	2 400	16.49		6.87			(28.7)	
iBloomberg European Resources	IBRA		2 400	19.13		7.97			(16.1)	
iBloomberg European Staples	IBSA		2 400	18.76		7.82			(15.8)	
iBloomberg European Technology	IBQ	20	2 400	5.57	2.35	2.32	1.3	(9.5)	(60.8)	
iBloomberg European Telecoms	IBT	200	3 262	9.08		2.78			(48.1)	
Global indices										
FTSE Global Autos LDRS	TGA		110	4.83		43.92				
FTSE Global Bank LDRS	TGB	4 000	410	14.98	36.52	36.53	(0.0)	(7.3)		
FTSE Global Basic Indus LDRS	TGI		300	11.85		39.50				
FTSE Global Cyclical LDRS	TGC		100	3.59		35.89				
FTSE Global Energy LDRS	TGE		680	27.53		40.48				
FTSE Global Financials LDRS	TGF		100	2.75		27.47				
FTSE Global General Industries LDRS	TGG		210	6.41		30.54				
FTSE Global Media LDRS	TGM		100	2.88		28.77				
FTSE Global Non-Cyclical LDRS	TGN	1 824	300	15.17	51.00	50.57	0.9	(3.9)		
FTSE Global Pharmaceuticals LDRS	TGP		230	7.32		31.84				
FTSE Global Tech LDRS	TGQ		100	1.80		18.02				
FTSE Global Telecom LDRS	TGT		100	2.22		22.18				
FTSE Global Utilities LDRS	TGU	375	510	15.50		30.39				
Euronext Paris										
French market index										
CAC 40 Master Unit	CAC PA	2 159 589	24 920	722.94	28.90	29.01	(0.4)	(9.4)	(36.9)	(42.8)
European market indices										
Easy ETF DJ Stoxx 50	ETE	129 065	24 869	58.19	2.34	2.34	0.0		(38.7)	
DJ Stoxx 50 LDRS	EUN	221 175	36 700	867.22	23.52	23.63	(0.5)	(8.5)	(37.9)	(41.6)
DJ Stoxx 50 SM EX	GXN	15 000	4 850	117.41	24.47	24.21	1.1	(4.7)	(34.5)	

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Euronext Paris (continued)										
Easy ETF DJ Euro Stoxx 50	ETN	277 439	17 421	41.98	2.41	2.41	0.0		(34.9)	
DJ Euro Stoxx 50 LDRS	EUE	44 697	15 600	377.21	24.01	24.18	(0.7)	(7.1)	(34.7)	(37.7)
DJ Euro Stoxx 50 SM EX	GXE	74 118	34 030	812.64	23.65	23.88	(1.0)	(7.6)	(37.0)	
DJ Euro Stoxx 50 Master Unit	MSE	1 751 268	21 214	501.93	23.43	23.66	(1.0)	(10.1)	(37.4)	(42.4)
streetTRACKS MSCI Pan-Euro	ERO	21 579	3 350	242.77	73.05	72.47	0.8	(5.6)	(32.5)	(35.0)
SPDR Euro	SPO	27	1 800	159.95	90.00	88.86	1.3	(6.2)		
SPDR Euro 350	SPE	633	2 800	243.49	86.30	86.96	(0.8)	(6.6)		
European sector indices										
EasyETF ASPI Euro	SYV		112	5.97		53.30				
EasyETF Euro Stoxx Banks	SYB	20	95	18.94		200.10				
EasyETF Euro Stoxx Energy	SYE	12	56	15.24		270.60				
EasyETF Euro Stoxx Healthcare	SYH	14	44	14.59		329.94				
EasyETF Euro Stoxx Indust	SYI	3 832	206	31.92	157.50	155.20	1.5	(9.8)		
EasyETF Euro Stoxx Media	SYM	1 031	79	11.49	146.00	146.12	(0.1)	(4.8)		
EasyETF Euro Stoxx Technology	SYQ	8	27	7.64		278.98				
EasyETF Euro Stoxx Telecom	SYT	10	33	7.12		213.97				
EasyETF Euro Stoxx Utilities	SYU		35	7.50		216.15				
streetTRACKS MSCI Euro Cons Disc	STV	53	250	7.66	30.74	30.65	0.3	(5.9)	(34.4)	
streetTRACKS MSCI Euro Cons Stap	STS	1 470	450	21.35	47.56	47.44	0.3	(1.7)	(9.4)	
streetTRACKS MSCI Euro Energy	STN	3 249	350	20.51	59.35	58.60	1.3	(4.3)	(17.6)	
streetTRACKS MSCI Euro Financials	STK	16	350	12.19		34.82			(35.4)	
streetTRACKS MSCI Euro Healthcare	STW	249	250	10.01	40.98	40.05	2.3	(2.7)	(27.6)	
streetTRACKS MSCI Euro Industrials	STQ	3 992	800	30.30	37.99	37.88	0.3	(7.7)	(31.1)	
streetTRACKS MSCI Euro IT	STZ	227	550	11.72	21.76	21.31	2.1	(9.6)	(65.1)	
streetTRACKS MSCI Euro Materials	STP	434	400	21.40	53.90	53.50	0.7	(4.2)	(19.0)	
streetTRACKS MSCI Euro Telecom	STT	5 058	350	8.52	24.73	24.33	1.6	(3.7)	(44.1)	
streetTRACKS MSCI Euro Utilities	STU	11 160	400	14.70	36.55	36.74	(0.5)	(5.1)	(18.8)	
US/Global indices										
Easy ETF DJ Global Titans	ETT	3 533	2 661	50.69	18.91	19.05	(0.7)		(37.4)	
DJIA Master Unit	DJE	29 309	1 466	120.64	81.75	82.27	(0.6)	(5.4)	(28.8)	(32.2)
MSCI US Tech Master Unit	UST	58 294	1 700	7.53	4.40	4.43	(0.7)	(9.1)	(51.5)	
Finland										
HEX 25	Trading commenced Feb-11-2002									
OM Sweden (SEK denominated)										
XACTOMX	XACT	1 062 943	18 550	886.54	48.60	47.79	1.7	(4.7)	(43.6)	(26.4)
Switzerland (CHF denominated)										
XMTCH	XMSMI	287 461	22 790	1 084.12	47.57	47.34	0.5	(4.8)	(26.0)	(13.1)
SMI EX	SMIEX	234	315	15.25	48.41			(6.3)	(24.9)	(14.2)
Fresco DJ Japan Titans 100	FDJ100	24 558	600	29.09	49.10			(1.0)	(15.6)	(18.2)
Fresco DJ UK Titans 50	FDUK50	36 455	650	24.37	38.10			(5.5)	(30.0)	(29.8)
Fresco DJ Industrial Average	FDUSIA	4 178	1 350	160.83	118.25			(4.6)	(31.3)	(27.0)
Fresco DJ US Large Cap	FDUSLC	34 500	1 150	64.07	61.55				(30.7)	(28.7)
Fresco DJ Euro Stoxx 50	FSEU50	25 668	5 200	176.91	34.15			(7.3)	(39.6)	(37.2)
Fresco DJ US Tech 40	FDUSTC	3 552	850	37.03	44.50			(6.5)	(50.5)	(49.4)
Euro denominated										
DJ Stoxx 50 LDRS	EUN	3 356	15 600	377.21	24.50	24.18	1.3	(3.1)	(33.7)	(19.4)
DJ Euro Stoxx 50 LDRS	EUNE	136 321	36 700	867.22	23.60	23.63	(0.1)	(8.9)	(38.1)	(21.7)
United Kingdom (GBP denominated)										
UK market indices										
iShares FTSE 100	ISF	1 679 271	68 820	266.85	3.87	3.87	(0.1)			
iShares FTSE TMT	ITMT	3 492	1 820	5.55	3.03	3.04	(0.3)			
European/US market indices										
DJ Euro Stoxx 50 LDRS	EUE	3 692	36 700	548.77	1490.00	1495.29	(0.4)		(35.6)	
DJ Stoxx 50 LDRS	EUN	4 000	15 600	238.70	1525.00	1530.09	(0.3)	(5.6)	(35.1)	
iShares FTSE Euro 100	IEUR	11 155	6 282	27.87	4.47	4.42	1.1			
iShares FTSE Eurotop 100	IEUT	887	1 040	12.41	11.89	11.89	0.0			
iShares S&P 500	IUSA	6 555	6 750	36.20	5.43	5.43	(0.0)			
European sector indices										
iBloomberg Euro Cyclical	IBEC	59	2 850	12.66	4.48	4.43	1.0			
iBloomberg Euro Financials	IBEF	424	2 250	7.10	3.19	3.15	1.3			
iBloomberg Euro Industrials	IBEI	3 005	2 400	8.91	3.71	3.71	0.1			
iBloomberg Euro Pharmaceuticals	IBEP	6 425	2 400	10.44	4.34	4.34	(0.1)			
iBloomberg Euro Resources	IBER	10 364	2 400	12.06	5.04	5.02	0.5			
iBloomberg Euro Staples	IBES	52	2 400	11.77	4.89	4.89	(0.1)			
iBloomberg Euro Telecoms	IBET	4 589	3 262	5.74	1.76	1.76	0.2			
iBloomberg Euro Technology	IBQQ	24 953	2 400	3.55	1.47	1.48	(0.4)			

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr
Virt-X (Euro denominated)										
European market indices										
DJ Stoxx 50 LDRS	EUN	6 000	15 600	387.50	24.84	24.18	2.7	(4.3)		
DJ Euro Stoxx 50 LDRS	EUNE	13 240	36 700	875.30	23.85	23.63	0.9	(7.2)		
Fresco Euro Stoxx 50	FSEU50	29 260	5 200	122.72	23.60	23.23	1.6	(7.3)		
iShares FTSE 100	ISF		68 820	428.06	6.22					
iShares FTSE Euro 100	IEUR		6 282	44.35	7.06					
iShares FTSE Eurotop 100	IEUT		1 040	19.67	18.91					
Global market indices										
FTSE Global Autos LDRS	FTGA		110	4.82	43.78					
FTSE Global Banks LDRS	FTGB		410	14.85	36.23					
FTSE Global Basic Ind LDRS	FTGI		300	11.78	39.26					
FTSE Global Cyclicals LDRS	FTGC		100	3.57	35.73					
FTSE Global Energy LDRS	FTGE		680	27.55	40.52					
FTSE Global Financial LDRS	FTGF		100	2.73	27.30					
FTSE Global Gen Ind LDR	FTGG		210	6.42	30.56					
FTSE Global Media LDRS	FTGM		100	2.86	28.57					
FTSE Global Non-Cyclical LDRS	FTGM		300	15.15	50.51					
FTSE Global Pharmaceutical LDRS	FTGP		230	7.35	31.94					
FTSE Global Technology LDRS	FTGQ		100	1.81	18.07					
FTSE Gobal Telecoms LDRS	FTGT		100	2.21	22.09					
FTSE Global Utilities LDRS	FTGU		510	15.41	30.22					
iShares S&P 500	IUSA	8 800	6 750	58.75	8.71			(6.7)		
US market indices (USD denominated)										
Fresco DJ Industrial Average	FDUSIA	229	1 350	108.67	80.00			(4.6)		
Fresco DJ US (Large Cap)	FDUSLC		1 150	43.29	37.63					
Fresco DJ US Technology	FDUSTC	5 600	850	25.02	29.63					
INTERNATIONAL EXCHANGE-TRADED FUNDS										
Australia (AUD denominated)										
streetTRACKS ASX S&P 200 Index	STW		9 404	291.23	30.91	30.97	(0.2)	(1.7)	(7.9)	6.4
streetTRACKS ASX S&P 50 Index	SFY		803	25.45	32.00	31.70	0.9	(1.9)	(9.5)	5.2
streetTRACKS ASX S&P 200 Property	SLF		9 000	129.60	14.40	14.40	0.0	0.7		
Canada (CAD denominated)										
Canadian market indices										
iUnits S&P/TSE 60 Index	XIU	4 295 614	87 810	3 052.00	34.85	34.75	0.3	(4.7)	(21.1)	(8.0)
iUnits S&P/TSE Capped 60 Index	XIC	52 546	5 613	216.00	38.45	38.47	(0.1)	(4.8)	(21.5)	(8.2)
iUnits S&P/TSE Canadian MidCap Index	XMD	4 296	1 673	68.00	40.85	40.91	(0.2)	(3.8)	(16.1)	2.4
SSgA DJ Canada 40	DJF	11 166	4 734	170.13	35.70	35.94	(0.7)	(5.7)	(21.5)	(49.7)
TD TSE 300 Index Fund	TTF	9 620	5 765	119.61	20.90	20.75	0.7	(4.9)	(18.8)	(3.6)
TD TSE 300 Capped Index Fund	TCF	3 220	2 840	68.30	24.24	24.05	0.8	(4.8)	(18.8)	(3.6)
Canadian sector indices										
iUnits S&P/TSE Canadian Energy	XEG	18 190	1 762	55.00	30.95	31.01	(0.2)	(4.2)	11.9	18.4
iUnits S&P/TSE Canadian Financials	XFN	6 209	2 134	51.00	24.15	23.93	0.9	(5.7)	(13.4)	(2.6)
iUnits S&P/TSE Canadian Gold	XGD	80 692	3 351	168.00	50.45	50.24	0.4	(2.8)	42.5	35.3
iUnits S&P/TSE Canadian IT	XIT	106 842	9 658	30.00	3.10	3.09	0.3	(13.9)	(74.5)	(50.0)
TD Select Canadian Growth	TAG	600	2 024	11.75	5.84	5.81	0.5			
TD Select Canadian Value	TAV	60	1 451	20.28	14.00	13.97	0.2			
Fixed income										
iUnits Canada 5-year Govt Bond	XGV	6 797	3 923	112.00	28.54	28.54	0.0	(0.0)	4.0	1.4
iUnits Canada 10-year Govt Bond	XGX	5 596	2 842	79.00	27.75	27.70	0.2	0.2	6.5	3.9
US/Global indices										
iUnits S&P500 RSP	XSP	54 002	7 438	100.00	13.45	13.39	0.5	(5.3)	(27.5)	(12.4)
iUnits MSCI International Equity RSP	XIN	11 346	2 677	48.00	16.20	16.19	0.1			
Hong Kong (HKD denominated)										
TraHK	2800.HK	4 730 000	2 569 993	24 440.95	9.50	9.51	(0.1)	(3.1)	(17.0)	0.5
iShares MSCI China Tracker (2801)	2801.HK	4 960	17 600	253.44	14.35	14.40	(0.3)	(4.0)	(14.1)	
India (INR denominated)										
Nifty Benchmark Exch-Traded Scheme	Trading commenced Jan-8-2002									
Israel (ILS denominated)										
TALI 25	TALI	853	496	1 758.12	735.20	736.14	(0.1)	(3.1)	(22.0)	(3.8)
Mexico (MXP denominated)										
NAFTRAC	Trading commenced Apr-16-2002									

Fund Name	Ticker	Volume	Shares (000)	Net assets (million)	Price	NAV	Spread (%)	Return 1 Week	Return YTD	Return 1 Yr	
Japan (JPY denominated)											
Tokyo Stock Exchange											
Nikkei 225	iShares	1329	788	813	63.34	9 800	9 466	3.5	0.0	(6.7)	2.9
	Nikko	1330	159 775	10 436	814.54	9 470	9 484	(0.1)	2.7	(9.5)	(1.0)
S&P/Topix 150	iShares	1315	0	4 501	29.99		810				
	Daiwa	1305	105 825	122 080	936.28	935	932	0.3	2.2	(6.5)	(20.5)
	Nomura	1306	1 329 850	892 725	6 840.32	932	931	0.1	2.6	(9.7)	(6.8)
	iShares	1307	0	15 091	115.05		926				
	Nikko	1308	5 464 000	1 180 167	9 013.62	933	928	0.5	2.5		
Topix Core 30	Daiwa	1310	375	2 413	13.36	679	673	0.9	2.9		
	Nomura	1311	425	5 000	27.69	685	673	1.8	3.8		
Topix Sectors	Banking: Daiwa	1612	21 750	10 200	17.31	207	206	0.4	9.5		
	Banking: Nomura	1615	917 650	20 007	33.84	204	206	(0.7)	6.3		
	Elec App: Daiwa	1610	675	1 024	12.20	1 459	1 449	0.7	0.3		
	Elec App: Nomura	1613	4 275	3 000	35.82	1 426	1 451	(1.7)	(1.7)		
	Transport: Daiwa	1611	650	1 014	11.87	1 420	1 423	(0.2)	5.6		
	Transport: Nomura	1614	1 100	2 000	23.43	1 415	1 423	(0.6)	0.0		
Osaka Stock Exchange											
Nikkei 225	Daiwa	1320	Data not available at press-time								
	Nomura	1321									

*Net assets in USD, other values in JPY

New Zealand (NZD denominated)										
NZSE10 Index Fund	TNZ	56 647	91 268	82.48	0.90	0.90	(0.4)	0.8	(1.2)	16.5
NZ Mid Cap Index Fund	MDZ	10 931	14 631	29.37	2.04	2.01	1.6	0.6	6.1	18.2
Australian 20 Leaders Index Fund	OZY	32 859	58 064	122.31	2.46	2.11	16.8	(1.9)	(15.4)	0.5
AMP Investments' World Index Fund	WIN	125 197	407 635	49.23	1.28	1.21	6.0	(6.8)	(42.4)	

Singapore (SGD denominated)

streetTRACKS Straits Times Index Launched Apr-17-2002

South Africa (ZAR denominated)

SATRIX 40	STX40	352 874	403 491	3 787.80	9.20	9.18	0.2	(3.7)	(17.4)	1.2
SATRIX Industrial Index	STXIND	142 930	99 288	605.46	6.08	6.13	(0.8)	0.0	(13.3)	
SATRIX Financial Index	STXFIN	180 195	207 737	685.53	3.30	3.24	2.0	(1.9)	(1.8)	

Volume shows average daily volume for the week ending Sep-20-2002; **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 Sep-20-2002. **Sources include** Wiesenberger/Thomson Financial, fund managers, MAR research and other sources.

BGI to liquidates three ETFs

As *ETFR* went to press, Barclays Global Investors announced its plan to liquidate three iShares: Dow Jones US Chemicals (IYD), DJ US Internet (IYV) and S&P TSE 60 (IKC). As of the week ending September 20, IYD had \$19.5 million in assets and a positive one-year return of 19.3%. IYV had assets of \$8.3 million and a one-year decline of 25.5%, and IKC had \$7.1 million in assets and a one-year decline of 0.9%. The three funds

will close on December 6, following State Street Global Advisors' announced closing of its DJ Canada Titans 40 Index Fund on November 1 (see *ETFR*, September 2002, page 1). BGI's decision to terminate these funds follows an extremely successful launch of four fixed income ETFs, and a soon-to-be launched emerging markets ETF. To date, there are 106 US ETFs, 81 of which are iShares.



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