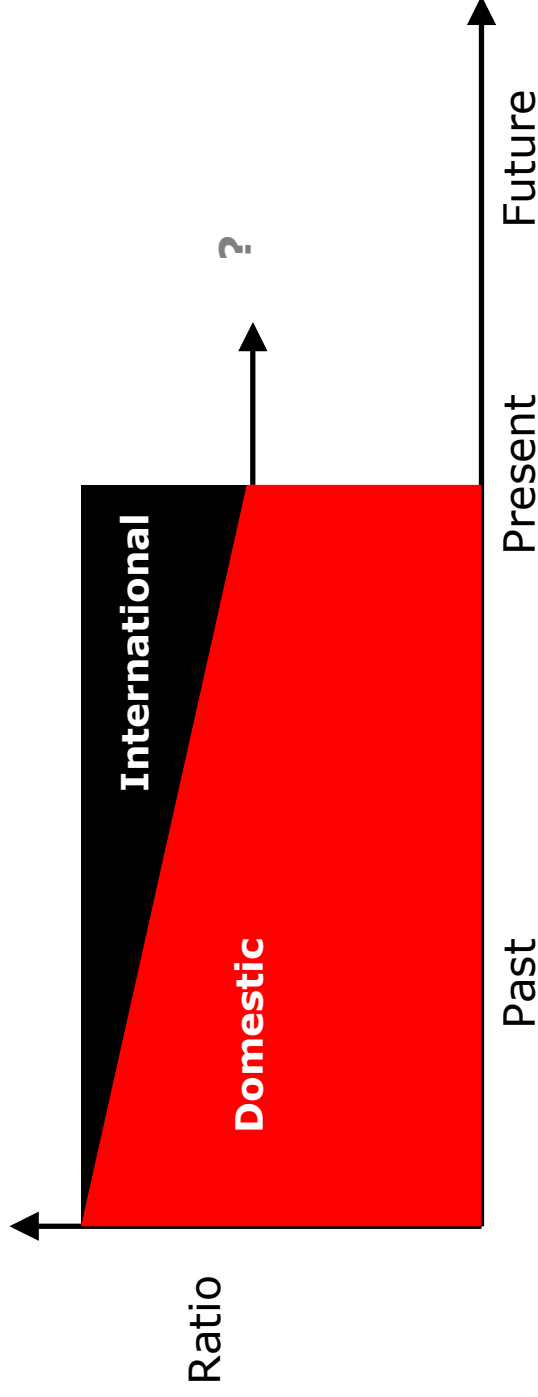


Doug Little

HomeGlobal™ Investing

History & where now



Relaxation:
international
investing

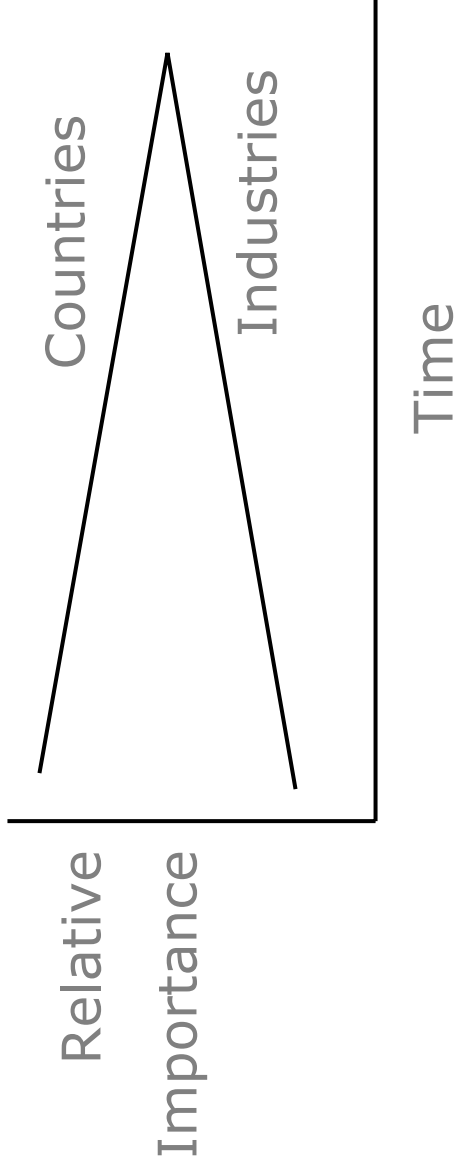
International offers:
- diversification
- opportunities
but home country bias
remains

Current/future issues:

- Stock-industry concentrations
- Impact of globalisation
- How much international?

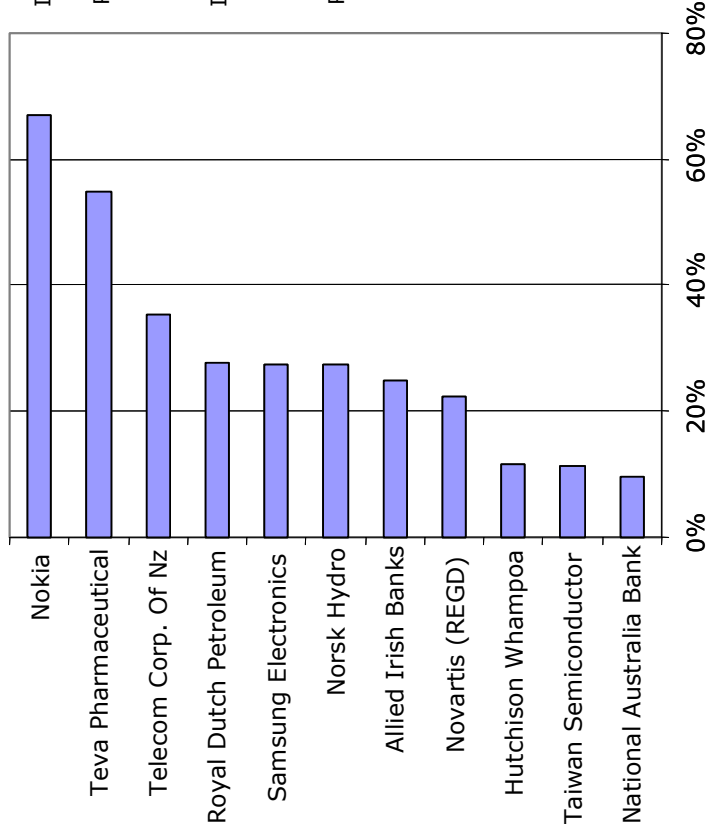
Globalisation

- **Globalisation:**
- **reduces relative importance of country**
- **increases relative importance of industries**

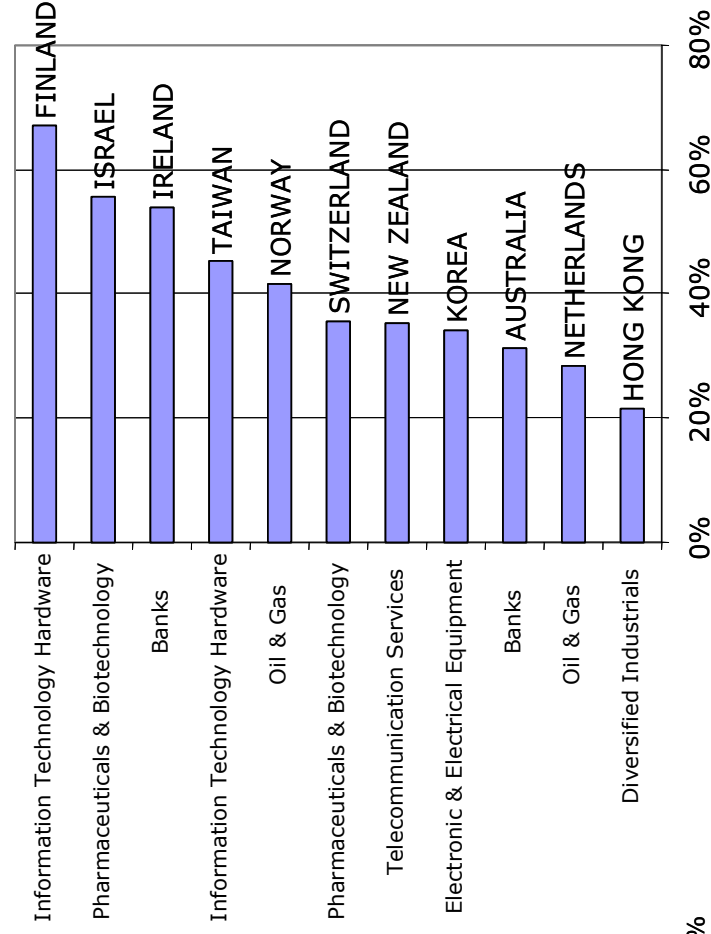


Stock & Industry Concentration

Domestic Stock Concentrations

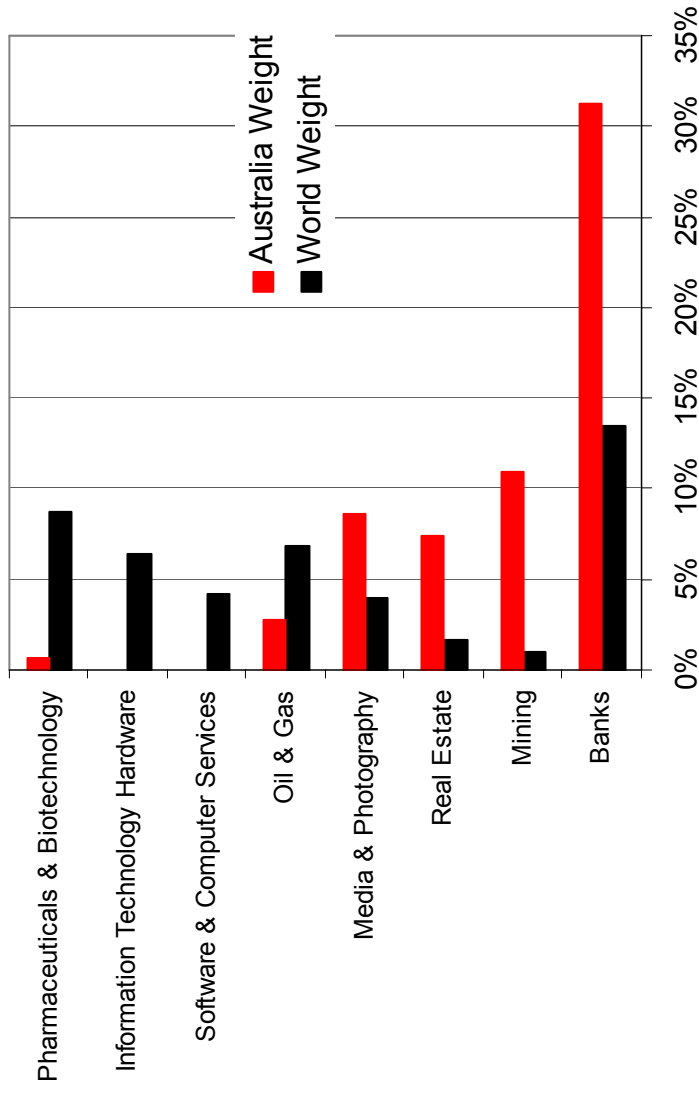


Domestic Sector Concentrations



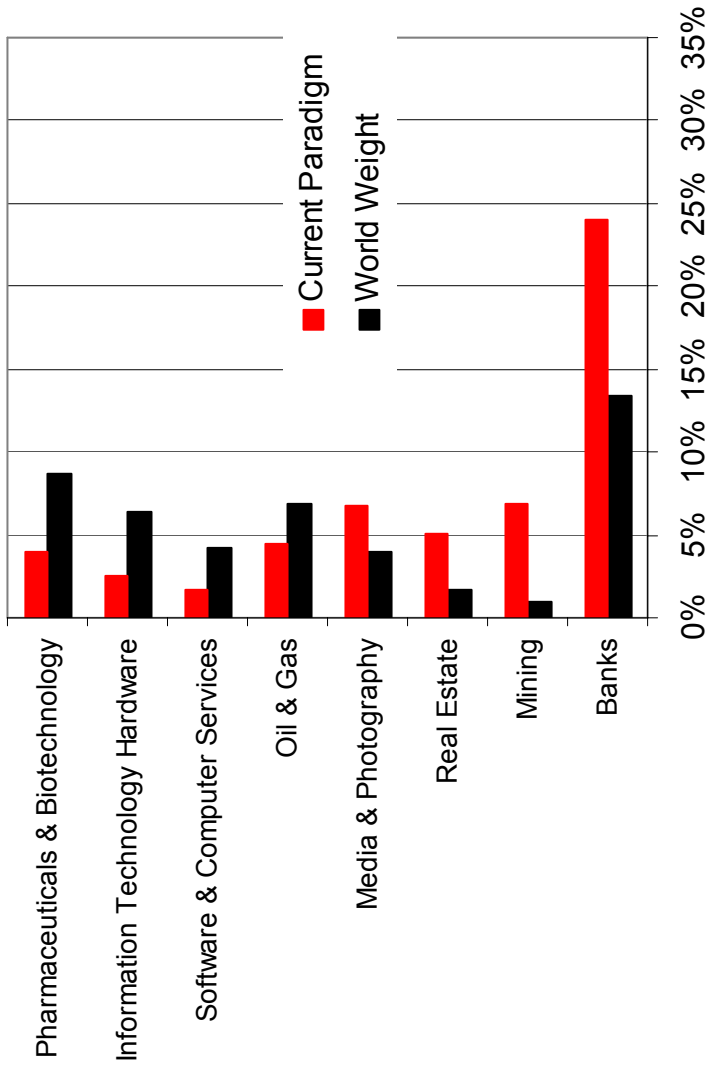
Source: FTSE Global Index June 2003, Constellation

Industry Group Imbalances



Source: FTSE Global Equity Index, June 2003

Current Paradigm Imbalances

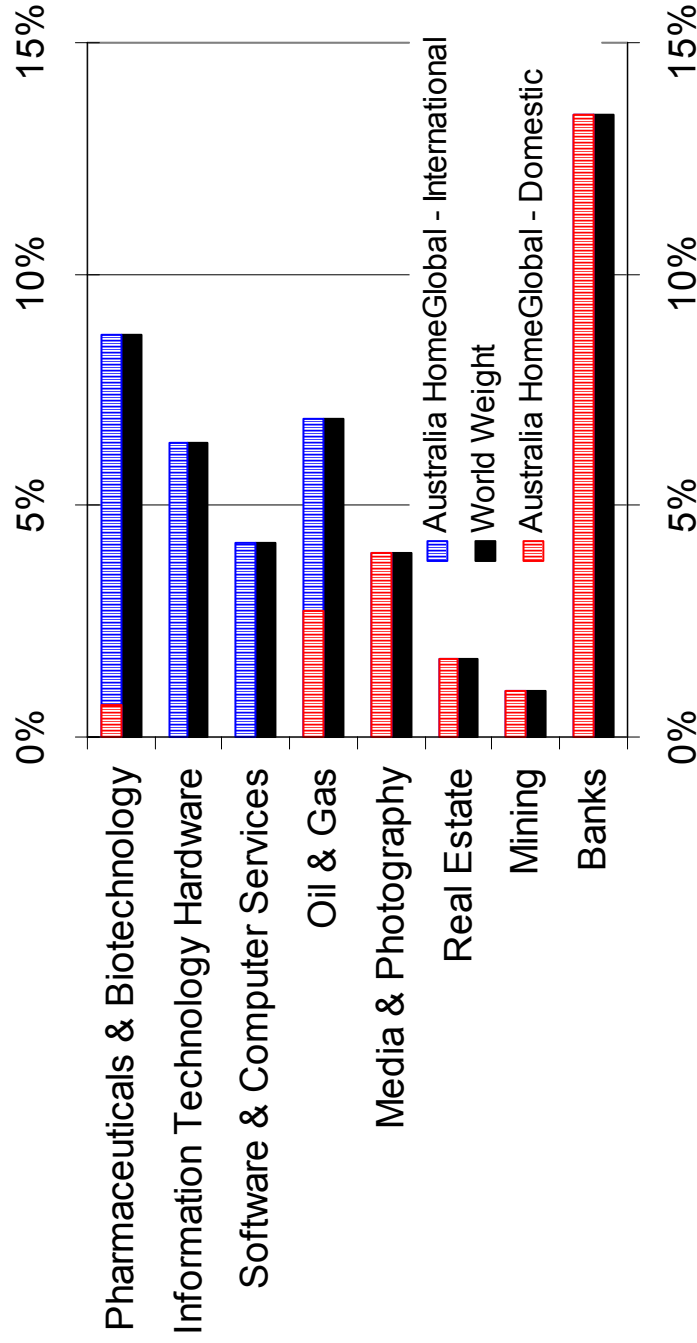


Source: FTSE Global Index, Mercer, Constellation

* Current paradigm invests 60% domestically and 40% internationally

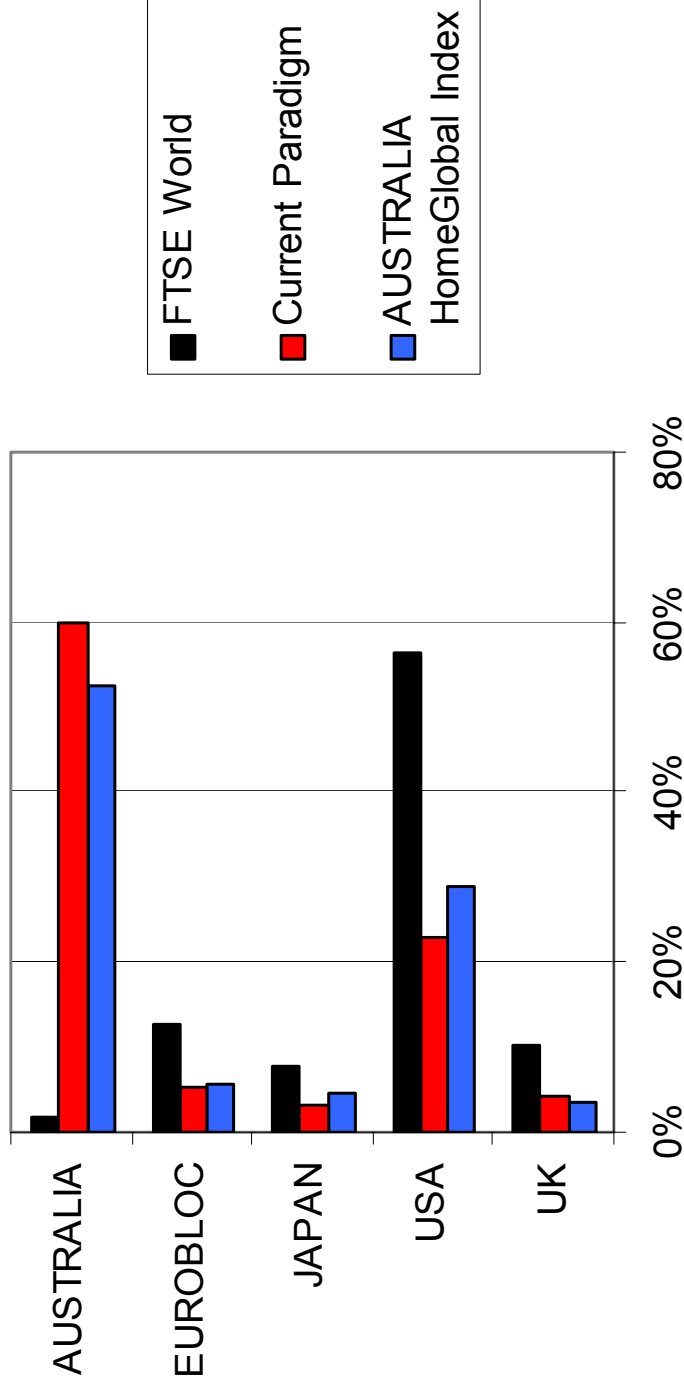
HomeGlobal™ Solution

Industries balanced



Source: FTSE Global Equity Index June 2003, Constellation

HomeGlobal™ Solution Country diversification



HomeGlobal™ Market Weights

Industry	Market weights		HomeGlobal™ Weights		Austalian Component	International Component
	Global	Domestic	Domestic	International		
Aerospace & Defence	1.1%	0.0%	0.0%	1.1%	0.0%	2.2%
Automobiles & Parts	2.2%	0.3%	0.3%	1.9%	0.5%	4.0%
Banks	13.4%	31.2%	13.4%	0.0%	25.6%	0.0%
Beverages	2.0%	3.1%	2.0%	0.0%	3.8%	0.0%
Construction & Building Materials	1.5%	3.2%	1.5%	0.0%	2.8%	0.0%
Chemicals	2.1%	0.8%	0.8%	1.3%	1.6%	2.7%
Diversified Industrials	2.7%	2.6%	2.6%	0.1%	5.0%	0.2%
Electronic & Electrical Equipment	2.4%	0.1%	0.1%	2.3%	0.1%	4.9%
Electricity	2.6%	0.2%	0.2%	2.3%	0.5%	4.9%
Engineering & Machinery	1.5%	0.3%	0.3%	1.3%	0.5%	2.7%
Food & Drug Retailers	1.2%	3.0%	1.2%	0.0%	2.3%	0.0%
Food Producers & Processors	2.2%	1.0%	1.0%	1.2%	2.0%	2.5%
Forestry & Paper	0.6%	0.5%	0.5%	0.1%	1.0%	0.2%
General Retailers	4.2%	2.4%	2.4%	1.8%	4.5%	3.8%
Household Goods & Textiles	1.3%	0.4%	0.4%	0.9%	0.8%	1.9%
Health	3.0%	1.6%	1.6%	1.4%	3.0%	3.0%
Investment Companies	0.4%	0.6%	0.4%	0.0%	0.7%	0.0%
Information Technology Hardware	6.4%	0.0%	0.0%	6.4%	0.0%	13.3%
Insurance	3.5%	2.2%	2.2%	1.3%	4.1%	2.8%
Life Assurance	1.0%	2.0%	1.0%	0.0%	1.9%	0.0%
Leisure, Entertainment & Hotels	1.4%	1.9%	1.4%	0.0%	2.6%	0.0%
Mining	1.0%	10.9%	1.0%	0.0%	1.9%	0.0%
Media & Photography	4.0%	8.7%	4.0%	0.0%	7.6%	0.0%
Oil & Gas	6.9%	2.7%	2.7%	4.2%	5.2%	8.7%
Personal Care & Household Products	1.7%	0.0%	0.0%	1.7%	0.0%	3.5%
Pharmaceuticals & Biotechnology	8.7%	0.7%	0.7%	8.0%	1.3%	16.8%
Real Estate	1.7%	7.4%	1.7%	0.0%	3.3%	0.0%
Software & Computer Services	4.2%	0.0%	0.0%	4.2%	0.0%	8.8%
Speciality & Other Finance	3.8%	1.9%	1.9%	1.9%	3.7%	4.0%
Steel & Other Materials	0.7%	1.0%	0.7%	0.0%	1.4%	0.0%
Support Services	1.9%	2.6%	1.9%	0.0%	3.6%	0.0%
Tobacco	0.9%	0.0%	0.0%	0.9%	0.0%	1.8%
Transport	1.5%	3.6%	1.5%	0.0%	2.9%	0.0%
Telecommunication Services	5.3%	1.9%	1.9%	3.4%	3.6%	7.1%
Utilities, Other	1.3%	1.2%	1.2%	0.1%	2.3%	0.2%
Total	100.0%	100.0%	52.4%	47.6%	100.0%	100.0%

Source: FTSE Global Equity Index June 2003, Constellation