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TAIPAN

FORESIGHT

COURAGE

PROFITS

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Trench warfare and the Viagra syndrome:

Welcome to the most exciting market in U.S. history!

By J. Christoph Amberger

If you've found yourself forced to watch children's movies in recent years (and what parent and grandparent hasn't?), chances are you're familiar with the movie *Babe*. As the year 2000 ground to a screeching halt, I was reminded of that flick's resident duck, standing on a rooftop, screaming "Christmas is Carnage!"

In this sense, Christmas came early for investors in 2000. The final massacre in the U.S. markets began in October, and as of this writing, it shows no sign of abating.

The juggernaut of Internet high-fliers stalled in midyear. Like overweight novice skiers at the top of the Super-G slope, they began to slip... then slide... then careen downhill – straight into the stands filled with perfectly good companies and stocks that got mowed down indiscriminately as panic began to spread.

"Value" = -8%?

In early January, the *Baltimore Sun* ran a piece in their business section that highlighted a local financial guru and "value-based" mutual fund manager – who had just finished another year of "beating the Dow AND the S&P."

If you ask me, I'd say that's a Pyrrhic victory at best. Because for 2000, that only meant he lost a little bit less than the overall indices. (In a way, it's like Baltimore's Mayor O'Malley... who is currently playing up the enormous success story that in 2000, "only" 255 people

were murdered in Baltimore City. That's great... as long as you're able to keep our expectations low enough!)

But it fits the picture. After the slaughter in the markets, everyone seems to be ready to settle for second-best. Analysts are now saying a recovery in the market won't take place until summer... and late summer at that. And that can only mean the roller coaster market of late 2000 is going to continue... up 160 points one day... down 150, then 200, then another 180... and then in a steep trajectory up 300 points in a single day.

And that's just the Dow, not some heavily manipulated Canadian junior mining stock index.

...but wait, there's more!

Then, of course, there's the NASDAQ... down 41% over the period from January 1, 2000 to January 1, 2001... and down a whopping 56% from its 2000 highs.

That's not just the pure capriciousness of feeble-minded lemmings. The underlying economic statistics are indeed sufficient to set even the stoutest-hearted investor scurrying for the nearest bolt-hole.

The December numbers from the bean counters at the National Association of Purchasing Agents indicate that manufacturing activity fell to its lowest level in a decade, with the association's purchasing index dropping to 43.7% – the

(over, please...)

TAIPAN

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4tune

worst figures since 1991. *That's as close to zero economic growth as you can get.*

Consumer spending is even more depressing: new car sales dropped nearly 8%. Christmas sales were a debacle for most retailers... causing American retailing icon Montgomery Wards to close down shop for good, and giant Sears to shut 89 full-line and specialty stores.

Duct tape and pick-me-ups

That sure is bleak.

Bleak enough for Alan Greenspan to unexpectedly break out his secret stash of financial aphrodisiac in the first week of January, when the hoped-for boost in investor confidence failed to materialize.

And like Pfizer's blockbuster product, the effect of the January 3 rate cut was strong but temporary. It took about an hour to reach full "working order"... made a few people ecstatic for a few hours... and just a day later, everything slowly started pointing south again.

Can the Fed keep it up? How often can Greenspan whip out the market Viagra? After all, he's got big shoes to fill: the dot-com boom of 1999-2000 was subsidized by billions and billions in venture capital and marketing dollars. And it will take more than a few rate cuts to convince investors to put more money at risk in the markets. After all, a 2.6% annual return on a savings account looks better than most of the Q4/00 mutual fund statements that are being mailed as I write...

The decreasing effectiveness of rate cuts is partly due to the overall acceleration in the way markets work.

Remember the Asian Contagion? Only a decade or two ago, spectacular corrections in markets like those affected by the 1998 "Bahtuslism" – such as Malaysia, Thailand, South Korea, and even Hong Kong – would have taken five to ten years to work themselves out. But, while most of the underlying problems remain unfixed, it took most of them less than a year to stabilize.

The same goes for the U.S. markets. "Bad news" is being digested within hours of – sometimes even before! – the actual announcements. "Good news" that would have buoyed a market for at least a week or two back in 1994 today sparks intense rallies that wear off in a few hours.

I love this market!

But don't get me wrong. While the markets seem doomed to a murderous back and forth vaguely reminiscent of the trench warfare at Verdun, this doesn't mean there's no money to be made! *In fact, when was the last time in your experience as an investor... when you could make use of double-digit percentage jumps and dips occurring in a single day?*

As in the last half of 2000, making a profit in the markets of 2001 requires an uncanny eye for opportunity... the willingness and ability to act fast... and the discipline to take profits whenever you have an opportunity. (More on this in our 2000 performance update on Page 10.)

With this completely redesigned, sleek new edition of *Taipan*, we at the *Taipan* Group are proud to introduce our upgraded advisory service to friends and readers worldwide.

At the core of your *Taipan* subscription remains, of course, your monthly issue. But to better alert you to those cataclysmic short-term events that will rock global markets in 2001, we are offering you... at absolutely no additional cost... a daily alert letter updating you on the day's main events and opportunities in the most exciting global markets.

(You can sign up for this service completely free of charge at either the *Taipan* website, www.taipanonline.com, or at the *Taipan* bureau on www.247profits.com.)

On February 15, please check out these sites for *Taipan* editor Brit Ryle's hot new stock recommendation... presented exclusively to *Taipan* subscribers.

With this, I wish you Happy Hunting in the *Viagra* markets of 2001!

**FOR YOUR WEEKLY
HOTLINE UPDATE
CHECK
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Bombed again in Bali

Let Osama bin Laden put coin in your pocket and make an easy 166 percent

By Christian DeHaemer

In October of 1999, *Taipan* regaled you with stories of fires and bloodshed in East Timor.

We told you how to buy the fear and pocket the greed, and gave you the means to profit from the Jakarta selloff and rebirth. If you'd taken my advice, you'd have made 54% in just a few short months.

Some time later, I recommended that you take a position in **South African Breweries (SAB.L)**, which trades as an ADR on the London exchange as a safe play on emerging markets and a hedge against a falling dollar. It's up more than 20% as I write this.

Murder, Inc.

I've often thought that the way to make serious ducats in this world would be to set up a terrorist organization as a backend to an international brokerage house. Then you could, for instance, sell a leveraged mass of Philippine peso before tossing a series of bombs in downtown Manila, while blaming a crooked President and threatening an army coup.

Just like what happened on December 30, when a number of bomb blasts in Manila did more than just rattle windows, dropping the peso from 40 to 50 to the dollar. It's a shame that Bin Laden is an Islamic fundamentalist, in that Muslims don't believe in interest debt. There are no margin accounts in Iran – or so I'm told. Otherwise, old Bin could give up the arms smuggling business and become a terrorist trader.

It's an odd quirk of fate that *Taipan* members will profit from his shortsightedness.

Now, I certainly don't condone religious fanatics, CIA agents or any of the other gnawing vermin who crisscross the planet with a primordial urge to maim. But it is a given that when these fellows get in the mix, the money flows out and markets take a plunge. It's also a trite market adage that you should be buying when there is blood in the streets.

The great Asian reflation

The latest *Economist* – that widely renowned fount of British wit – forecasts the growth prospects of world. According to the London punditocracy, the developing regions will grow faster than Europe and North America. Countries that are dependent on oil income will continue to do well. Turkmenistan, for example, is expected to grow more than 8 percent next year. Indonesia, which has some 35 percent of GDP coming from oil, is expected to grow more than 4.5 percent.

This is a perfect time to get back into some emerging

markets. We are over two years removed from the Asian Contagion of 1998. Much of the cronyism and thuggery have been left behind. And with a falling U.S. market, you can argue that money will be brought back home where oil money is driving growth off of a low base. A falling U.S. dollar (the Euro is back up to 95 cents from a low of 79), coupled with a falling U.S. equity market, supports the repatriation argument.

The rising rupiah

The Indonesian rupiah recently gained some strength, rising above the 9,500 level on the back of dollar sales by foreign banks in Jakarta earlier this week.

Dealers are selling the dollar based on the stronger baht and Singapore dollar. But the real strength will come from Indonesia's new ability to lower interest rates following the U.S. Federal Reserve cut a few weeks ago.

Taipan believes that the fair value for the rupiah is somewhere between 6,000 and 7,000 on the dollar. At the depth of the Asian crisis, when students were rioting in the streets, the army was taking potshots at the mob, and the inflation rate was at 85 percent – the rupiah stopped trading at 18,000. Before the crisis, it was at 3,000.

Things have changed significantly since then. Indonesia is now a "true democracy," and the East Timor separation has been completed. I'm not saying that doing business in Jakarta is as straightforward as making deals in Jacksonville; I'm simply pointing out that the situation is improving – and given current valuations, it seems ripe for speculation.

Dialing for dollars

P.T. Telekomunikasi Indonesia (TLK:NYSE-ADR) is the local telecom provider for Indonesia, and it's my play on the reemergence of an emerging economy. The reason is quite simple – Indonesia has the fourth-highest population on earth, with one of the lowest phone per capita rates. And then there's this: I can't think of a single national telecom that has gone out of business.

TLK is a solid company. It has a current price to earnings ratio of 7.5 and a market cap of only US\$2.2 billion. As you can see from the revenue and EPS charts, TLK has been moving in the right direction over the past two years. For the nine months ended 9/30/00, revenues increased 21% to 6.94 trillion rupiah. Net income increased 48% to 2.18 trillion rupiah.

Gross margins are at 32%, total cash is more than US\$700 million, and debt-to-equity is only 0.75. TLK trades at 1.6 times book. Solid.

**Buy P.T.
Telekomunikasi
Indonesia under
US\$4.50!**

REVENUE

Quarters	1999	2000
MAR	1,753,403	2,228,764
JUN	1,978,572	2,282,318
SEP	2,008,675	2,432,743
DEC	2,049,559	
Totals	7,790,209	6,943,825

Note: Units in Millions of Rupiah

EARNINGS PER SHARE

Quarters	1999	2000
MAR	32.790	74.600
JUN	125.130	49.400
SEP	0.010	92.490
DEC	72.400	
Totals	230.330	216.490

Note: Units in Rupiah

floor.

If you went back three-and-a-half years, you would see the share price around US\$30. I don't think we'll get there any time soon. But a decent bounce will get you above the next resistance level at US\$7. If you are the type who believes that a stock should trade at a PEG ratio of 1 – that is, it should have a P/E equal to its earnings growth – then TLK should have a share price of US\$11.99 today. **That's 166 percent from where it is right now!**

China Telecom, for instance, has a P/E of 196 and a market cap of US\$78 billion. It has double the growth rate and a more stable government behind it – but that doesn't justify the fact that it trades at 26 times TLK's valuation.

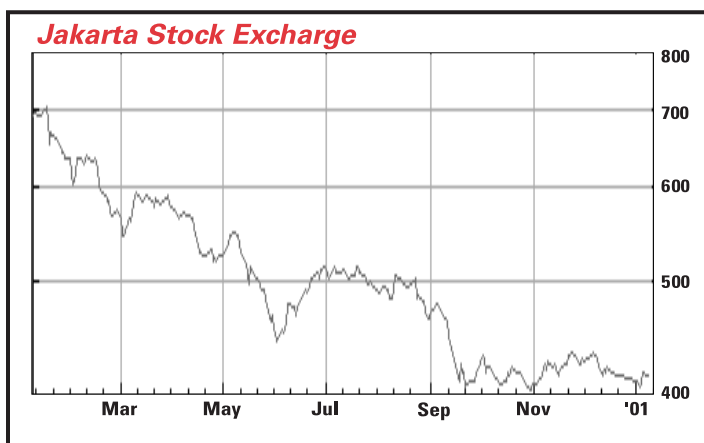
Reason for the selloff

Most of the recent selloff has to do with Osama bin Laden exporting terrorism to some of Indonesia's Islamic regions. Bombs have been going off in Jakarta. And the market has taken a plunge.

There have also been plenty of complaints regarding its democratically elected leader and his ability to manage the shift of power away from the central government and back into the control of the various regions.

The risk is that the military will regain power through a coup. That is a remote possibility. But given the fact that no former authoritarian ruler has regained power since the end of the Soviet Union (Pakistan is the notable exception), I'm willing to take that bet. Furthermore, during the East Timor crisis, phone usage went up and TLK had a small surge in revenue.

As a textbook blood-in-the-streets, market psychology play, I strongly suggest that you buy P.T. Telekomunikasi Indonesia under US\$4.50. Contact: Jalan Japati 1, Bandung 40133, Indonesia. Phone: (212) 815-2345



As you can tell from the three-year chart on page 4, this is not a buy-and-hold type of investment. You buy when it looks like it can't get any cheaper and sell on any resurgence of optimism. For those of you who remember the Asian crisis of September 1998, when emerging markets around the globe were devaluing their currencies and money flowed out faster than Suharto could say "martial law" – I just don't believe anything can be as bad as that in terms of market psychology. So that US\$3.50 on the share price is a natural

ACTION ALERT

Cover your shorts – lock in 74% profits on Capstone (CPST:NASDAQ)

The "Flying-V" lockup scenario strikes again. If you missed my hotline, it's time to cover our shorts. The Fed is in rate-cutting mode. And for the past 50 years, Fed rate cuts were followed 13 out of 14 times by a 20 percent rise in the S&P a year later. And that one time it was down, it fell by only 3 percent.

Now, those are some bullish odds I can live with. Don't fight the Fed. It's time to get out of our shorts and start looking for longs. There is no reason to get greedy. The Fed is force-feeding a new bull market. I can't think of a reason to go against that.

Now's the time to make hay in biotechs

Look for consolidation this year after the massive gains of 2000

By Brian Hicks

Just the other day, a former junior researcher for the *Taipan* Group walked into the office.

I was a bit startled to see him.

No, he wasn't decked out in a black trench coat and carrying a shotgun. Leaving *Taipan* for a promising career as chick magnet and lead keyboarder in a grunge band was his decision. This was something even more disturbing.

You see, he had dyed his hair blue.

Now this is a guy who started with *Taipan* about the same time I did, in 1994. I helped him find a house in Baltimore. And even introduced him to his fiancée.

But that was then.

Today, at the ripe old age of 31, he's going through a mid-life crisis. The house is sold. The fiancée has hit the bricks. And I think he even intentionally defaulted on some school loans. He's now touring the East Coast with a "promising local band."

This is the psychological aftermath of the Internet crash.

Too many dollars chasing too few stocks

If you look around, you'll see plenty of hot-shot twentysomethings – having vainly imagined they'd be retiring before the age of 35 on the stock options from their Internet startups – who are now asking their fathers if the hardware store is hiring.

They thought their path to gold was paved with the paper of Stamps.com, Petsmart.com, and DrKoop.com. But Internet investors failed to acknowledge one important fact. The Internet bull market was started by too many investors chasing just a handful of stocks.

In fact, you can track the birth of the Internet bull market back to the summer of 1998.

Only a few Internet stocks were trading then: AOL, Yahoo, Amazon.com, Broadcast.com, and RealNetworks. With investors clamoring for these stocks, prices naturally shot through the roof.

This spawned the venture capital frenzy of 1999, which culminated in the IPOs of all those online gardening, automobile, furniture, and pet supply stores.

But, inevitably, the supply of stock not only caught up, it overwhelmed the demand for Internet shares. What resulted was a crash.

We could witness the same thing with biotechnology stocks this year. But instead of a crash, it'll be a correction.

It's fundamentally different with biotechs

Last year saw the best biotech IPO market ever, with dozens of new biotech issues coming to market.

And why not?

While the NASDAQ lost roughly 54% of its entire value in 2000 – with Internets alone dropping a bowl-shaking 93% – biotech stocks gained 62% for the year. (As you will see in our 2000 review on Page 10, *Taipan*

subscribers were able to bag their fair share of the profits with our Microcap picks.)

But don't look for gains like that in 2001.

What with all of those biotech IPOs last year, a huge group of insiders now holding stock options are approaching the end of the lock-up period.

What will happen is this: a flood of stock will swamp the market. With an overwhelming supply of biotech stock hitting the trading floors, share prices will naturally decline.

Opportunity knocks twice

But I consider this a buying opportunity, because biotechs have replaced high-techs as the next big growth sector.

And, unlike Internets, there's a mountain of reasons to buy biotechs. For one, biotechs are still incredibly cheap. I know, I know, the AMEX Biotechnology Index climbed 62% last year. It was the best performing index of the entire market.

But that doesn't matter. Biotechs were absurdly cheap to begin with. The entire biotech sector (nearly 400 publicly traded stocks) doesn't equal the combined value of just two big pharma companies, Pfizer and Merck.

Yet the lion's share of the future growth and product pipeline remains in the biotech sector.

Moreover, unlike Internets, biotechs have been around for a quarter of a century. The sector is profitable. Amgen, for instance, is expected to net US\$1.5 billion this year. Amgen's net profit is more than Yahoo's gross revenues for the past five years combined!

Third, unlike Internets, it's difficult to duplicate the business model of an Amgen, MedImmune, Millennium, InHale, or Aviron.

Patent protection and US\$500 million in drug development costs are high barriers to entry.

So, even though I believe 2001 will be a flat year for biotechs, I consider it a golden opportunity to accumulate shares of the next growth sector on the cheap.

ACTION ALERT

MedImmune (MEDI:NASDAQ)

Following in the footsteps of Amgen, MedImmune produces two FDA-approved drugs, Synagis and CytoGam. It's a great long-term buy under US\$55 a share.

Aviron (AVIR:NASDAQ)

Aviron's lead product, FluMist, is an influenza vaccine delivered by nasal spray. Grab it under US\$50.

Inhale Therapeutic Systems, Inc. (IHNL:NASDAQ)

Inhale is creating a new drug delivery system, in the form of aerosolized powders. They've got an inhalable insulin that could be a blockbuster. I rate IHNL a buy anywhere under US\$38 a share.

With dot-coms in the dumps, lock in steady gains

Now's the time to look overseas to beat Greenspan's rate cuts

By Charles R. Wolpoff

Alan Greenspan has finally decided to cut rates. And he's not done yet.

In the long run, it's great for the stock market. But not so hot for the rates you get from safe income investments. They'll be heading down.

Which makes this as good a time as any to look into foreign currency CDs.

I'll tell you right up front, unlike the typical certificates of deposit, this does have a bit of risk to it. But it also has some advantages you don't get from the run-of-the-mill CD.

Betting against the greenback

For one thing, you get to hedge your bets against the dollar.

And you often get a higher yield.

You see, certificates of deposit are usually pretty bland stuff. They're nice places to park a little cash while you're waiting for the market to calm down, a cozy nook to hide away money you may need in the medium term (3 to 6 months), or a temporary solution for a portion of your portfolio you just haven't decided what to do with.

But currency CDs are different.

In reality, what the bank is doing is buying "futures contracts" on these currencies. This means they have a right to buy the currency at the end of the term of the CD.

But you don't have to worry about the mechanics. What is important is that you are converting dollars into these currencies, getting in effect CD-type interest for the term of your instrument, then reconverting back to dollars at the end.

You benefit from the higher yields offered by other countries. Plus, if the dollar has weakened during this term, you get a little more return once you convert back to dollars.

Sure, if the dollar has strengthened, your return is reduced. But if all your other money is in dollars, placing a small percentage of your investment portfolio in other currencies for diversification is a shrewd maneuver.

Many analysts believe that the dollar will be getting weaker in the coming months, and some beaten-down currencies will be rising.

Let's face it, when the dollar tanks, most of us have no protection.

Sure thing

And CDs offered by banks, even currency CDs, are insured by the FDIC. This insurance does not protect

you from currency fluctuations. But it does protect you from bank failures and the like.

Not many banks offer this type of CD. One that does is an online bank called everbank (yes, small "e"). It's a division of Wilmington Savings Fund Society.

If you're looking for a currency CD with some extra pizzazz, take a look at everbank's Currency Opportunity CD. When we checked with them recently, this CD was offering an annual rate of 7.5% percent for a six-month term. Even the higher-rate domestic CDs won't give much more than 6%. (Whatever you do, when you buy a CD, confirm the rate at the time of purchase. Rates change daily. Of course, once you buy the CD, the rate is locked in for the full term.)

Basket case

When you buy the Currency Opportunity CD, you in effect buy CDs in a "basket" of four currencies: the Euro, the Mexican peso, and the Australian and New Zealand dollars.

Don't worry. You don't have to hop planes to destinations across the globe. The bank does it for you.

The high yield comes from the relatively high interest rates in the countries involved, particularly Mexico, where rates are hovering around 14%. In 2000, the peso was one of the best-performing currencies against the dollar.

The minimum investment for a Currency Opportunity CD is US\$20,000.

When you buy the Currency Opportunity CD, you in effect buy CDs in four currencies: the Euro, the Mexican peso, and the Australian and New Zealand dollars

ACTION ALERT

For more information about this CD, and other currency CDs, contact everbank at 800-926-4922, ext. 1, or by email at worldmarkets@everbank.com.

Not interested in any fancy-pants international currency CDs? Just want to park a little cash while the sharks are still in the water? Try some of these relatively high-yielding CDs:

3-month CDs:

Wingspan Bank.com, Wilmington, DE, annual rate 6.07, annual percentage yield 6.25, minimum deposit US\$2500, phone 800-378-2421.

6 month CD:

1st Source Bank, South Bend, IN, annual rate 6.40, annual percentage yield 6.50, minimum deposit US\$500, phone 888-258-3150.

IPO Highlights for Q1-2001:

Java jitters, crooked teeth, and no static

By *Siu-Yee Ng*

Bean counters at the Specialty Coffee Association of America claim that sales of brewed, whole bean and ground specialty coffee totaled approximately US\$7.5 billion in 1999. Specialty coffeehouses grew in number from 500 in 1991 to over 12,000 in 2000. Consumers have been switching from swilling instant to whole bean specialty coffee in droves.

Peet's, a coffee and tea chain with almost 60 specialty stores in four states (two-thirds in Northern California), sells its products in grocery stores and by mail order. (Yes, they have Web sales, too, but probably don't play that up these days...)

Its closest competitor is Starbucks (SBUX:NASDAQ), which managed to have a stock gain of 48% with an increase in sales last year. (Hey, even unemployed dot-com geeks can still afford to pay two bucks for a cuppa Joe!)

The Peet's offering will be made through the OpenIPO process, which will help stabilize the offering. So investors will not see a first day pop, but ideally a steady trend up. The company is expected to price 3.3 million shares between US\$10 and US\$14. For more information contact Peet's Coffee & Tea, Inc., 1400 Park Avenue, Emeryville, CA 94608, tel. 510-594-2100, fax 510-594-2180.



Each year, approximately two million Americans – less than one percent of those afflicted with crooked teeth – spend approximately US\$7 billion to have their pearly whites straightened. **Align Technology Inc.**'s Invisalign System corrects malocclusion without ceramic mounts or connected wires. Instead, they use an array of clear, removable dental aligners to move a patient's teeth into the desired position.

The company received FDA

clearance to market the Invisalign System in 1998, and started commercial sales of the system in July 1999. As of October 2000, more than 5,300 orthodontists had been trained to use the Invisalign System, representing over 60% of all U.S. and Canadian orthodontists.

Over 7,600 patients have begun treatment with the Invisalign System to date. The company is expected to price 10 million shares between US\$14 and US\$16. For more information on the technology or the company, contact Align Technology Inc., 851 Martin Avenue, Santa Clara, CA 95050, tel. 408 470-1000, toll free 888-822-5446, fax 408-470-1010.



Verizon Wireless serves more than 26 million mobile phone customers and about 3.5 million paging clients nationwide – the largest customer base of any U.S. wireless provider.

With low prices and increasing numbers of minutes included in pricing plans without additional charge, wireless service has become an affordable consumer product. Another plus: Verizon Wireless is owned by Verizon Communications, the largest provider of wireline voice and data services in the U.S., and Vodafone Group Plc, one of the leading wireless telecommunications companies in the world.

This combination brings together the business and management teams of four well-recognized wireless franchises in the U.S. market: Bell Atlantic Mobile, AirTouch, GTE Wireless and PrimeCo Personal Communications.

Because of market conditions, Verizon Wireless has postponed its IPO. But I believe that it will debut before June. For more information, contact Verizon Wireless Inc., 180 Washington Valley Road, Bedminster, NJ 07921, tel. 908-306-7000, fax 908-306-4388.

Pass a hanky to the emotional robots

By *Michael Riska*

Sci-fi has prepared us for a world of machines that look, act and feel like us. But robots are still glorified mechanical arms and wheeled contraptions that can barely navigate an empty room without bashing themselves into artificial unintelligence against every wall in sight.

For industrial applications, that's fine. A robot doesn't have to be that smart to spin lug nuts onto wheels in an auto plant.

But as designers create a new breed of robot for service applications, the machines will have to interact with people on a more personal and intuitive level.

This is for practical reasons. You don't want to have to hack away in raw programming language to tell your robot to fetch the newspaper. You want to say "Robot, fetch the newspaper," have the robot acknowledge the command and go do it. In this way, the language of command-and-response becomes speech and movement. Recognition of these patterns is how humans interpret emotion and intent, and it is how the robots of the future will interact with their human masters.

But this isn't just to let us boss our robots around in the same way we'd boss our kids. The robots will also signal their needs in ways that are meaningful to humans.

Kismet, a robot under development at MIT, has a sensory system made up of cameras, sensors and microphones. If you get too close to its big childlike eyes – and therefore block the cameras that it uses to see – Kismet will jerk its head back.

A human would instantly interpret this response as a "violation of personal space" and react by jerking his own head back. In this example, the robot's emotional response fulfills a very practical need: its field of vision is cleared and it can resume normal functioning.

In this way, emotional response becomes a sophisticated interface between man and machine. And studies show that humans have a better psychological response to machines that look and act more like them.

Instead of having to learn complicated programming languages to command or listen to the robots, users will be able to employ the same skills they've gained from a lifetime of interacting with people.

The Japanese, always a step ahead of the U.S. in gizmos and irradiated dinosaurs, already have sushi-rolling automatons and masseuse-bots.

In the U.S., funding is flowing from NASA, the Defense Advanced Research Projects Agency and the National Science Foundation to research universities like Carnegie-Mellon, U of Maryland's Space Systems Lab, and MIT; and private companies like LunaCorp, Cybermotion and SRI Consulting are heavily invested in what should soon become a major growth sector.

Come Discover the Opportunities in CHILE'S FREE-TRADE ZONE March 12 to April 1, 2001

By Siu-Yee Ng

Since 1991, Chile's economy has been growing at an average rate of more than 6% per year in real terms, making it the fastest-growing economy in the Americas. Total GDP is US\$50 billion. Chile's unemployment and inflation rates are among the lowest in the world.

Chile has been running a trade surplus with the rest of the world since 1982, helping to stabilize its currency. Indeed, the country's political and economic success has been so dramatic that there's talk of making it the next country to be considered for membership in NAFTA.

Chile was the first nation in the world to privatize its social security system. Partly as a result of this, the country is seeing the rapid emergence of a middle class.

Although, clearly, its economic growth has been impressive in recent years, Chile gets little recognition. Unlike other countries with stronger public relations campaigns (Costa Rica, for example), Chile has not yet been able to take full advantage of its competitive lead to attract both investment and tourist dollars.

This is good news for you.

Few people think of Chile as a place to invest in beachfront property, for example. Consequently, real estate along Chile's 2,650-mile coastline is some of the cheapest in the world. You can buy a 4-bedroom, 3-bath duplex apartment with ocean views and maid facilities just outside the bustling city of Santiago for less than US\$150,000... including full membership in the local country club!

Wages are low compared with those in industrialized countries. The average Chilean makes about US\$3,500 per year. Seven million people (half the population) are under the age of 24, providing for a strong, well-educated (and cheap) labor pool. The roads, telecommunications, and public utilities are among the best in Central and South America, with reasonable prices driven by a privatized economy.

Year-round spring

This month, we want to tell you not about an industry in Chile, but a region. Situated in northern Chile, Iquique offers more than 60 miles of beautiful and mostly empty white-sand beaches and excellent salt-water fishing... as well as the country's only free-trade zone. Temperatures here range from 60 to 72 degrees Fahrenheit year-round. In other words, it's always spring in Iquique.

Although it is best known for its warm beaches, Iquique is also a good starting point for excursions to the interior. Colossal geoglyphs (those giant etchings on desert hillsides), mountain oases, and thermal springs are everywhere.

Enormous (but dormant) volcanoes and the driest desert in the world surround northern Chile, where picturesque Andean villages, the haunting ruins of pre-Columbian cultures, and abandoned nitrate mines add to the dramatic landscapes.

Chile was the world's primary producer of natural nitrate from the mid-1800s through the 1930s. During this period, more than 160 companies mined nitrate in the desert. Iquique became a major port... and an infrastruc-

ture was built to support it. Although the discovery of artificial nitrate in Germany brought an end to the local mining industry, Chile was left with an efficient infrastructure that now benefits travelers... and investors.

Today, copper is a cash cow for Chile, but the country's mines also produce gold, silver, and precious stones. On a recent trip, I bought a lapis lazuli bracelet for a fraction the price I would have paid in the States.

The Iquique region also produces great quantities of llama, alpaca, and sheep's wool... used to make ponchos, blankets, vests, sweaters, and hats. And what a bargain I got on a hand-knit alpaca sweater!

The benefits of ZOFRI

As I've mentioned, however, the biggest business in Iquique is its free-trade zone, which covers 600 acres. Here, merchandise can be bought, sold, stored, and exported exempt from customs fees and VAT, and companies enjoy special tax benefits, including exemption from the first category of income taxes.

These benefits are available to anyone running a business here, including foreigners. The Iquique Free Trade Zone (or ZOFRI) was created by the Chilean government in 1975 to encourage development of the country's remote "First Region," 2,000 miles from the capital city, Santiago. Today, as a result of ZOFRI, Iquique is one of the country's most thriving cities and a major business gateway between the countries of the Pacific Basin and the Americas.

The region is home to more than 1,800 companies and sees an annual turnover of more than US\$4 billion. These businesses enjoy first-rate infrastructure... from transportation to customs agencies... from shipping and insurance brokers to banks... from warehouse warrants to money exchange offices... from travel agencies to attorneys and a top-rate logistics service.

The best of Europe... half the cost... in Chile's fertile central valley

Iquique is a dramatic desert region in the far north of the country. Chile's fertile Central Valley, on the other hand, is like the best of the Mediterranean... or maybe California. But neither California nor Mediterranean Europe can compare with what central Chile has to offer: beautiful beaches, idyllic countryside, bustling cities, and towering Andean peaks. The Central Valley, nestled between the Andes and the Coastal Range, is Chile's breadbasket, bursting with orchards and vineyards.

This is just one of the places you'll visit when you join us on an **insider's expedition to Chile from March 12 to April 1, 2000**. Space is limited, so contact AGORA TRAVEL toll-free at (800) 926-6575 or (561) 243-6276, fax (561) 278-8765, e-mail: Tours@gate.net.

And if you want to extend your trip in South America, you can join us in Argentina as well. We'll explore this South American paradise with a group of local experts and fellow investors. Read this month's insert on Argentina for more information.

Sail Your Way to Wealth on TAIPAN'S GLOBAL WEALTH CRUISE 2001 in the Caribbean, February 10 through 17, 2001

It's hard to imagine a more pleasurable way to gain inside information on the world's safest and potentially best-performing investments than this: being pampered with world-class service and amenities as you tour the picturesque islands of the Caribbean aboard one of the most spacious, luxurious, and fun-filled cruise ships ever built. But that's exactly the opportunity *Taipan* has helped to arrange. You'll meet with some of the world's foremost financial experts aboard the brand new, colossal luxury liner, "Explorer of the Seas."

For seven days and nights, you'll stay in lavish surroundings, enjoying fine dining and an unparalleled array of sports, recreation, and leisure activities. You'll be transported to pristine beaches, lush rain forests, and exotic duty-free markets. You'll have the opportunity to relax and socialize with like-minded people from all over North America. And best of all, you'll hear firsthand about little known and timely opportunities to rapidly increase your personal wealth.

This is no ordinary cruise. And at 142,000 tons, Explorer of the Seas is no ordinary ship. Your gateway to exotic destinations and higher investment profits, Explorer is a floating resort and conference center with facilities to rival anything found on land. You'll see, for example, that Explorer's luxurious staterooms (many with private balconies overlooking the sea) are complemented by such spacious features as the ornate 5-story Palace Theater and the magnificent 3-floor, open-concept dining facility, lavishly decorated in honor of three famous explorers.

Even more remarkable is Explorer's four-story Royal Promenade, featuring shops, street performers, and cafés. You'll enjoy non-stop fun at the on-board ice rink, rock-climbing wall, inline skating track, casino, nightclub/disco, ballroom dancing lounge, full-sized basketball court, fitness center, golf simulator, jogging track, and concert hall – amenities few other ships can boast of.

Or you can relax in one of the 3 pools, 6 whirlpools, solarium, sunbathing area, or 2-story library and CD lounge. You can also treat yourself to a massage, facial, sauna, or pedicure in the fully equipped health spa. Or you can enjoy food and beverages at over 15 theme bars and restaurants, including an aquarium bar, live jazz club, sports bar, seaside diner, island grill, champagne bar, cigar lounge, English pub, and up-scale Euro-Italian restaurant.

More importantly, as a participant in the Wealth Cruise 2001, you'll have privileged access to exclusive presentations by our all-star team of financial experts in Explorer's state-of-the-art conference center (featuring comfortable seating, laptop stations, and more).

You see, what really sets the Wealth Cruise 2001

apart from ordinary vacations is the chance to go home with information that can help you make a lot more money in the months that follow. How much more? Well, that partly depends on you. But I'm confident the information you'll receive will be worth much more to you than the cost of the cruise.

Among the many financial gurus you'll meet, *Taipan* is sending its "original biotech bug," Brian Hicks. Learn why biotechnology will lead the economy for the next 30 years, and how you can profit from it. As the editor of *The Cutting Edge*, *Rogue Trader*, and a contributing editor to *Taipan*, Brian made his bones by researching and recommending stocks that big Wall Street hotshots laughed at – small and microcap stocks. Brian's first two recommendations, Closure Medical and Microvision, went on to post impressive gains of 434% and 333%, respectively. His recommendations have been stellar, with gains in excess of 848% in Alexion Pharmaceuticals, 526% in Optimal Robotics, 576% in Genome Therapeutics, 889% in Millennium, and 1252% in AVI Biopharma warrants.

One small warning... Even with a ship as large as Explorer, there are only a limited number of cabins available. Frankly, we're running out of cabins fast, so reserve your space now. Just phone our cruise specialists at (800) 926-6575 or (561) 243-6276, ext. 103, fax (561) 278-8765, or e-mail tours@gate.net today. They can answer all your questions, and help you reserve your choice of accommodations before they sell out.

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24/7 PROFITS

Millennial madness: you did well in 2000, if you hedged your bets

Year of conversions

By J. Christoph Amberger

If the market of 1999 was the market of bellhops and waitresses getting rich on inflated dot-coms, the year 2000 was the year of Pauline Conversions.

Sure, there were revelations back in '99, as the acolytes of the "Depression of 1999" found out at first hand just why prophets aren't recognized in their own time. But it was in early 2000 that the gloom-and-doom prognosticators found themselves sitting on the smoldering ruins of their ideologies.

Crushed by the non-occurrence of the Y2K apocalypse and worn down by forecasting market Armageddon and depression since the First Bush Era, many of the perennial bears among the financial advisers abandoned the intricate philosophical artifices they had nurtured for years like so much rare Camembert. And, for the most part, turned themselves into instant technology gurus.

Of course, falling off your ass and on the same when faced with the blinding light of reality is a feat that requires apostolic stature and character to successfully pull off. Most, however, saw their new-found faith pummeled just as badly as their former brethren of the cloth who lost their shirts on utilities... with nothing but a meager 20% rise in the Philadelphia Gold and Silver Index between November 2000 and January 2001 (which quickly evaporated)... barely enough to offset the trading cost of 15 years' worth of precious metals losses.

Dogmatic doghouses

I believe the underlying insight of the post-Cold War era is that ideology and dogma may provide an ethical and moral backbone to an individual's personality... but that they make for poor tools when you need to survive in markets driven by fear and greed.

In the Age of Opportunity, it's the opportunists who stand a chance of walking out with their profits intact. But, to be successful, opportunism in turbulent stock markets requires self-control, decisiveness, risk management, and, most of all, the rational avoidance of emotional attachments.

Accordingly, the year 2000 should be called the Year of the Trader. Or, even more appropriately, the year of Managed Risk.

Cutting bait

At *Taipan*, we tend to be pragmatic. We love to make hay when the sun is shining... take advantage of opportunities as they arise. But that doesn't mean we're happy-go-lucky naïfs who aren't aware that markets can turn against you at the drop of a hat.

Last February in this column, I recommended that you closely observe a -20% trailing stop on all your *Taipan* positions. To *Taipan* readers of long standing, this advice was nothing new or special... but in fact part of our overall strategic positioning.

The difference between heeding the warning and car-

Company Name (Symbol)	1/3/00 of Entry Date	Current/Exit Date	Current/Exit Price	Dividends	High Since Rec.	20% Trailing Stop	Gains at Trailing Stop	2000 Total Gains	2000 Gains at Trailing Stop
E-Pub Holdings Ltd. (changed to UPRO:NASDAQ)	\$46.62	12/29/00	\$0.97	—	N/A	N/A	N/A	-98%	-20%
Aramex (ARMX:NASDAQ)	\$9.25	12/29/00	\$8.88	—	\$15.00	\$12.00	30%	-4%	-4%
Restaurant Brands (RBD:NZSE)	\$0.86	12/29/00	\$0.57	\$0.04	N/A	N/A	N/A	-30%	-20%
Elron (ELRNF:NASDAQ)	\$30.31	12/29/00	\$28.63	\$2.12	\$53.75	\$43.00	42%	2%	2%
Elbit Ltd. (ELBTF:NASDAQ)	\$17.50	12/29/00	\$5.38	\$1.13	\$19.50	\$15.60	-11%	-67%	-20%
Orckit (ORCT:NASDAQ)	\$32.44	12/29/00	\$2.13	\$2.00	\$90.88	\$72.70	124%	-93%	-20%
Hurricane Hydrocarbons (HHLFQ)	\$2.28	12/29/00	\$4.97	—	\$6.92	\$5.54	143%	118%	118%
Hurricane Warrants (HUHY:TSE)	\$0.34	12/29/00	\$1.00	—	N/A	N/A	N/A	194%	194%
Ashanti Goldfields (ASL:NYSE)	\$2.69	12/29/00	\$1.88	—	\$3.75	\$3.00	12%	-30%	-20%
Surgutneftegaz ADR (SGTZY)	\$18.00	12/29/00	\$10.50	—	\$19.64	\$15.71	-13%	-42%	-20%
Suez Cement (SZCD)	\$16.52	12/29/00	\$8.78	—	N/A	N/A	N/A	-47%	-20%
Sasol Ltd. (SASOY:NASDAQ)	\$8.38	12/29/00	\$6.50	\$0.30	\$8.75	\$7.00	-16%	-20%	-20%
Monsenergo ADR (AOMOY)	\$4.00	12/29/00	\$2.30	—	N/A	N/A	N/A	-43%	-20%
TyumenAvia Trans (TVAVY)	\$0.50	12/29/00	\$1.50	—	N/A	N/A	N/A	200%	200%
Xoma Ltd. (XOMA:NASDAQ)	\$2.97	12/29/00	\$9.75	—	\$15.13	\$12.10	308%	228%	228%
Avant Immunotherapeutics (AVAN:NASDAQ)	\$2.31	12/29/00	\$6.88	—	\$16.75	\$13.40	480%	198%	198%
Williams Control (WMCO:NASDAQ)	\$2.38	12/29/00	\$0.91	—	\$2.44	\$1.95	-18%	-62%	-20%
Exponent Inc. (EXPO:NASDAQ)	\$7.00	11/1/00	\$9.00	—	\$10.50	\$8.40	20%	29%	29%
Genus Inc. (GGNS:NASDAQ)	\$4.88	4/1/00	\$14.00	—	\$16.75	\$13.40	175%	187%	187%
Computer Learning Centers (CLCX:NASDAQ)	\$2.63	12/29/00	\$0.16	—	\$3.13	\$2.50	-5%	-94%	-20%
Uni-charm (8113:Tokyo)	\$57.50	12/29/00	\$51.00	—	N/A	N/A	N/A	-11%	-11%
Herzfeld Caribbean Fund (CUBA)	\$6.00	—	\$5.00	—	N/A	N/A	N/A	-17%	-17%
Fischer & Paykel (FAP:NZSE)	\$3.80	12/29/00	\$3.51	\$0.18	N/A	N/A	N/A	-3%	-3%
Ventspils Nafta (VNFT)	\$0.94	12/29/00	\$1.20	—	N/A	N/A	N/A	28%	28%
Lukoil Preferred (LUKPY:OTC)	\$10.25	12/29/00	\$18.40	\$1.24	\$24.80	\$19.84	94%	104%	104%
"Casio Computer Co., Ltd. (CSIOY-OTC)"	\$100.00	12/29/00	\$87.50	—	N/A	N/A	N/A	-13%	-13%
ECTel Ltd. (ECTX:NASDAQ)	\$22.00	12/29/00	\$11.44	—	\$24.13	\$19.30	-12%	-48%	-20%
Leisure Canada (LCN:CDNX)	\$1.10	12/29/00	\$0.96	—	\$1.34	\$1.07	-3%	-13%	-13%
Demegen (DBOT:OTC)	\$0.75	Open	12/29/00	\$0.75	—	\$1.00	\$0.80	7%	0%

Passin's '00 Track Record

2000 Average Gains 19%

2000 Average Gains at Trailing Stop 34%

Company Name (Symbol)	Entry Date	Entry Price	1/300 Date	End of Year/ Exit Date	End of Year/ Exit Price	High Since Entry	20% Trailing Stop	Gains at Trailing Stop	2000 Gains	2000 Gains at Trailing Stop	Total Gains
ision Twenty-One (EYES.OB:NASDAQ)	8/25/98	\$5.25	\$1.50	1/25/00		N/A	N/A	N/A			
uman Pheromones (EROX:NASDAQ)	10/25/98	\$0.75	\$0.75	6/22/00	\$0.75	\$3.00	\$2.40	220%	0%	0%	0%
analytical Surveys (ANLT:NASDAQ)	12/30/98	\$32.00	\$11.63	\$14.38	\$36.88	\$29.50	-8%	24%	24%	-55%	-18%
un Microsystems (SUNW:NASDAQ)	3/29/99	\$8.66	\$38.25	12/29/00	\$27.88	\$64.00	\$51.20	491%	-27%	-20%	222%
edia Arts Group (MDA:NYSE)	4/30/99	\$8.75	\$6.50	2/22/00	\$7.63	\$8.88	\$7.10	-19%	17%	17%	-13%
acle (ORCL:NASDAQ)	6/25/99	\$17.50	\$59.06	7/25/00	\$76.00	\$118.13	\$94.50	440%	29%	29%	334%
M&A Corp. (WINS:NASDAQ)	7/23/99	\$7.56	\$6.13	3/21/00	\$5.06	N/A	N/A	N/A	-17%	-17%	-33%
Corp. (ZICA:NASDAQ)	8/27/99	\$7.97	\$20.00	2/22/00	\$30.50	\$39.88	\$31.90	300%	53%	53%	283%
ekom Indonesia (TLK:NYSE)	9/24/99	\$6.44	\$11.88	1/25/00	\$10.19	\$12.00	\$9.60	49%	-14%	-14%	58%
rticalNet (VERT:NASDAQ)4	10/25/99	\$59.00	\$172.63	12/29/00	\$6.66	\$148.38	\$118.70	101%	-96%	-20%	-89%
ntureCatalyst(VCAT:NASDAQ)	10/25/99	\$3.06	\$5.63	4/25/00	\$9.75	\$18.13	\$14.50	374%	73%	73%	219%
afeguard Scientific (SFE:NASDAQ)	10/29/99	\$84.13	\$189.63	12/29/00	\$6.63	\$295.50	\$236.40	181%	-97%	-20%	-92%
ermet Capital Group (ICGE:NASDAQ)	10/29/99	\$116.38	\$200.00	12/29/00	\$3.28	\$224.94	\$179.95	55%	-98%	-20%	-97%
vo (TIVO:NASDAQ)	12/16/99	\$25.13	\$34.81	3/21/00	\$31.44	\$71.50	\$57.20	128%	-10%	-10%	25%
lk.com (TALK:NASDAQ)	1/25/00	\$17.34	—	12/29/00	\$1.44	\$22.88	\$18.30	6%	-92%	-20%	-92%
ell Robotics (CRLI.OB:OTC BB)	2/22/00	\$3.36	—	12/29/00	\$0.50	\$7.88	\$6.30	88%	-85%	-20%	-82%
learWorks.net, Inc. (CLW:AMEX)"	3/21/00	\$9.88	—	12/29/00	\$1.31	\$12.81	\$10.25	4%	-87%	-20%	-87%
alance Technology, Inc. (VLNC:NASDAQ)"	4/25/00	\$15.75	—	12/29/00	\$9.31	\$22.25	\$17.80	13%	-41%	-20%	-41%
edia 100 Inc. (MDEA:NASDAQ)	5/23/00	\$19.88	—	12/29/00	\$2.56	\$26.00	\$20.80	5%	-87%	-20%	-87%
outh African Breweries (SAB.L:London GDR)	6/20/00	\$410.00	—	12/29/00	\$648.33	\$740.73	\$592.58	45%	58%	58%	58%
altimore Technologies (BALT:NASDAQ)	7/25/00	\$19.50	—	12/29/00	\$9.88	\$26.25	\$21.00	8%	-49%	-20%	-49%
apstone								74%	74%	74%	74%
intrak (AFIS:NASDAQ)	1/1/97	\$8.00		12/29/00	\$12.06	N/A	N/A	N/A			51%
odtech (MODT:NASDAQ)	11/1/97	\$18.00	\$6.13	12/29/00	\$7.25	\$29.13	\$23.30	29%	18%	18%	-60%
astech Pharmaceutical (NSTK:NASDAQ)	11/1/97	\$8.50	\$3.31	12/29/00	\$7.00	\$16.13	\$12.90	52%	111%	111%	-18%
iron (AVIR:NASDAQ)	4/1/98	\$22.00	\$16.94	12/29/00	\$66.81	\$69.56	\$55.65	153%	294%	294%	204%
ros Systems (MCRS:NASDAQ)	5/1/98	\$27.00	\$64.75	12/29/00	\$18.25	\$76.25	\$61.00	126%	-72%	-20%	-32%
VI Biopharma (AVII:NASDAQ)	11/1/98	\$3.25	\$5.75	10/24/00	\$6.44	N/A	N/A	N/A	12%	12%	98%
osure Medical (CLSR:NASDAQ)	12/1/98	\$22.50	\$14.00	12/29/00	\$36.00	\$47.50	\$38.00	69%	157%	157%	60%
edimmune (MEDI:NASDAQ)	12/30/98	\$25.00	\$77.75	12/29/00	\$47.69	\$222.06	\$177.65	611%	-39%	-20%	91%
haramaceutical Product Develop. (PPDI:NASDAQ)	2/26/99	\$35.00	\$12.31	12/29/00	\$49.69	\$42.63	\$34.10	-3%	304%	304%	42%
ital Sciences (ORB:NYSE)	2/26/99	\$22.00	\$18.50	12/29/00	\$4.13	\$28.94	\$23.15	5%	-78%	-20%	-81%
sx (VISX:NASDAQ)	3/29/99	\$101.75	\$52.09	9/19/00	\$29.81	N/A	N/A	N/A	-43%	-20%	-71%
llennium Pharmaceuticals (MLNM:NASDAQ)	4/30/99	\$18.00	\$69.97	12/29/00	\$61.88	\$314.56	\$251.65	1298%	-12%	-12%	244%
heckFree Holdings (CKFR:NASDAQ)	5/28/99	\$50.00	\$99.75	12/29/00	\$42.50	\$104.69	\$83.75	68%	-57%	-20%	-15%
nivision (UVN:NYSE)	6/25/99	\$30.00	\$50.13	12/29/00	\$40.94	\$124.28	\$99.42	231%	-18%	-18%	36%
ptimal Robotics (OPMR:NASDAQ)	7/23/99	\$12.00	\$36.88	12/29/00	\$33.56	\$47.00	\$37.60	213%	-9%	-9%	180%
allistic Recovery System (BRSI.OB:OTC BB)	8/27/99	\$3.00	\$1.19	12/29/00	\$0.41	\$1.69	\$1.35	-55%	-66%	-20%	-86%
ensormatic Electronics (SRM:NYSE)	10/29/99	\$12.50	\$15.75	12/29/00	\$20.06	\$22.69	\$18.15	45%	27%	27%	60%
ational Information Consortium Inc. (EGOV:NASDAQ)2/22/00		\$52.13	\$32.88		\$1.53	\$67.88	\$54.30	4%	-95%	-20%	-97%
griptide (AGTO:NASDAQ)	6/20/00	\$4.00	\$1.09	10/24/00	\$11.00	N/A	N/A	N/A	909%	909%	175%
onova Holding Corp (BVA:AMEX)	36697	\$2.88	\$1.38	12/29/00	\$1.50	\$3.31	\$2.65	-8%	9%	9%	-48%
eoworks (GWRX:NASDAQ)	12/10/99	\$7.00	\$19.50	12/1/00	\$2.03	\$51.75	\$41.40	491%	-90%	-20%	-71%
afLink Corp. (ESAF:NASDAQ)	12/27/99	\$1.75	\$2.63	3/21/00	\$7.25	\$7.63	\$6.10	249%	176%	176%	314%
hton Technology Group (ASTN:NASDAQ)	12/27/99	\$6.88	\$8.13	3/21/00	\$8.84	\$10.75	\$8.60	25%	9%	9%	28%
nois Superconductor (ISCO.OB:OTC BB)	1/24/00	\$4.31	—	12/1/00	\$1.69	\$39.00	\$31.20	624%	-61%	-20%	-61%
stComm Comm. Corp. (FSCX.OB:OTC BB)	1/25/00	\$4.00	—	12/1/00	\$1.22	\$5.19	\$4.15	4%	-70%	-20%	-70%
ant Systems (PLNS.OB:OTC BB)	1/25/00	\$9.31	—	12/1/00	\$2.50	\$15.00	\$12.00	29%	-73%	-20%	-73%
PA Optics (APAT:NASDAQ)	2/22/00	\$40.00	—	12/1/00	\$8.75	\$54.50	\$43.60	9%	-78%	-20%	-78%
ecision Optics (POCI:NASDAQ)	3/21/00	\$20.88	—	12/1/00	\$3.06	\$25.56	\$20.45	-2%	-85%	-20%	-85%
ave Systems (WAVX:NASDAQ)	4/25/00	\$18.50	—	8/22/00	\$21.00	\$22.69	\$18.15	-2%	14%	14%	14%
arpoint.com (BPNT:NASDAQ)	4/25/00	\$8.75	—	12/1/00	\$1.25	\$9.38	\$7.50	-14%	-86%	-20%	-86%
ellPoint (CLPT:NASDAQ)	5/23/00	\$27.88	—	12/1/00	\$9.16	\$44.50	\$35.60	28%	-67%	-20%	-67%
erwave Communications (IWAV:NASDAQ)	5/23/00	\$9.50	—	12/1/00	\$2.53	\$22.94	\$18.35	93%	-73%	-20%	-73%
atalink.net (XLNK:AMEX)	6/20/00	\$14.50	—	12/1/00	\$3.91	\$27.00	\$21.60	49%	-73%	-20%	-73%
omTech Telecom (CMTL:NASDAQ)	7/25/00	\$13.81	—	12/1/00	\$14.75	\$19.75	\$15.80	14%	7%	7%	7%
RV Communications (MRVC:NASDAQ)	8/22/00	\$57.00	—	12/1/00	\$18.06	\$80.38	\$64.30	13%	-68%	-20%	-68%
rint PCS (PCS:NYSE)	10/24/00	\$35.00	—	12/6/00	\$28.44	\$38.13	\$30.50	-13%	-19%	-19%	-19%
ap Wireless (LWIN:NASDAQ)	10/24/00	\$45.25	—	12/6/00	\$32.50	\$49.75	\$39.80	-12%	-28%	-20%	-28%
olden State Vintners (VINT:NASDAQ)	7/22/98	\$17.00	\$5.13	12/29/00	\$7.38	\$18.13	\$14.50	-15%	44%	44%	-57%
x Entertainment (FOX:NYSE)	11/1/98	\$22.50	\$24.81	July '00	\$32.00	\$34.75	\$27.80	24%	29%	29%	42%
arnes and Noble (BNBN:NASDAQ)	5/25/99	\$22.94	\$14.63	12/29/00	\$1.31	\$26.50	\$21.20	-8%	-91%	-20%	-94%
"Red Hat, Inc."" (RHAT:NASDAQ)"	8/9/99	\$7.00	\$114.13	12/29/00	\$6.25	\$151.31	\$121.05	1629%	-95%	-20%	-11%
erwoven (IWOV:NASDAQ)	10/8/99	\$17.00	\$63.23	Oct. '00	\$104.50	\$136.94	\$109.55	544%	65%	65%	515%
kami Technologies (AKAM:NASDAQ)	10/29/99	\$26.00	\$344.19	12/29/00	\$21.06	\$345.50	\$276.40	963%	-94%	-20%	-19%
eeMarkets (FMKT:NASDAQ)	12/10/99	\$48.00	\$361.50	12/29/00	\$19.00	\$370.00	\$296.00	517%	-95%	-20%	-60%
Web Methods, Inc. (WEBM:NASDAQ)"	2/11/00	\$35.00	\$35.00	12/29/00	\$88.94	\$336.25	\$269.00	669%	154%	154%	154%
icon Laboratory (SLAB:NASDAQ)	3/24/00	\$31.00	\$31.00	12/29/00	\$14.38	\$105.75	\$84.60	173%	-54%	-20%	-54%
angamo Biosciences (SGMO:NASDAQ)	4/6/00	\$15.00	\$15.00	Dec. '00	\$20.00	\$51.38	\$41.10	174%	33%	33%	33%
ew Focus (NUFO:NASDAQ)	5/18/00	\$20.00	\$20.00	12/29/00	\$34.75	\$165.13	\$132.10	561%	74%	74%	74%
umina (ILMN:NASDAQ)	7/28/00	\$16.00	\$16.00	12/29/00	\$16.06	\$51.63	\$41.30	158%	0%	0%	0%
"Resonate, Inc."" (RSNT:NASDAQ)"	8/3/00	\$21.00	\$21.00	12/29/00	\$9.50	\$50.56	\$40.45	93%	-55%	-20%	-55%
uminent, Inc. (LMNE:NASDAQ)"	11/10/00	\$12.00	\$12.00	12/29/00	\$6.02	\$13.13	\$10.50	-13%	-50%	-20%	-50%
erogen, Inc. (AEGN:NASDAQ)"	11/10/00	\$12.00	\$12.00	12/29/00	\$10.63	\$13.94	\$11.15	-7%	-11%	-11%	-11%
ion Power Holdings Inc. (ORN:NYSE)	11/14/00	\$20.00	\$20.00	12/29/00	\$24.63	\$24.75	\$19.80	-1%	23%	23%	23%

DeHaemer '00 Track Record
Total Average Gains 22%

Hick's '00 Track Record
Total Average Gains 37%

Ryle's '00 Track Record
Total Average Gains -29%

Ng's '00 Track Record
Total Average Gains 27%

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EDITORIAL

2000 Average Gains

	w/o 20% stop loss	w/ 20% trailing stop
Dow Jones	-6.21%	
NASDAQ	-40.98%	
S&P 500	-10.14	
Russell 2000	-4.2	
TAIPAN		
C. DeHaemer	-23%	+4%
B. Hicks	71%	81%
J. Passin	19%	34%
B. Ryle	-39%	-3%
S. Ng	0%	17%
AVERAGE	5.6%	26.2%

rying on as before was made dramatically evident in what the *Taipan* picks were able to do for you in 2000.

Had you strictly observed a -20% trailing stop on all positions at the original date of recommendation... meaning, if you had rigorously taken profits (or stopped out losses) at 20% off the post-recommendation highs (or, conversely, at 20% below your entry price), you could have locked in average gains such as

- **128% gains on Christian DeHaemer's open positions¹**
- **177% on Brian Hicks's Microcaps Portfolio²**
- **93% gains on Briton Ryle's 2000 picks**
- **341% gains on Siu-Yee Ng's IPO recommendations³**

But so much for carryover positions. Gains and losses that occurred in the 2000 calendar year (and for which we determined the entry price of open pre-2000 recommendations on the first trading day of 2000) illustrate the importance of stop-loss discipline.

Because if you instituted as little as a -20% stop-loss provision on your Year 2000 entry prices, average gains on the portfolios of our five editors would have amounted to 26.2% for

the calendar year.

If you hung on to every open position to the bitter end without stop-loss protection... followed every IPO, every tech stock along its upward and downward trajectory, **you only averaged a total of 5.6%** average gains between January 1 and December 31, 2000.

See top of page 12 for the individual breakdown of the *Taipan* team.

A word

Which doesn't mean that our tally reflects exactly what your brokerage account did last year. We are very aware of the fact that any kind of formal tracking requires a healthy dose of generalizations and assumptions.

These are the criteria we apply to our track record:

1. Buy and sell dates

Unless marked otherwise, buy and sell dates are determined by the publication date. Throughout 2000, we assumed the publication date to be 3 days after the U.S. issue was mailed. Which means the date on which the majority of our subscribers (based on USPS distribution statistics) would have received the issue in the mail.

2. Prices and dividends

Any gains and losses reported in this overview apply only to the time period between January 1 and December 31, 2000. For recommendations and open positions carried over from previous years, we have taken the first trading day in 2000 as our entry level, thus providing an overview of performance in the past calendar year only.

As I mentioned above, portfolio tracking requires generalizations. To arrive at a meaningful workup of the numbers and "average gains," we have to make certain assumptions. Such as that the hypothetical *Taipan* member invested an equal amount of money into each and every stock recommended. And that each and every *Taipan* member was able to buy the stock at exactly the publication date level.

Taipan considers itself a smorgasbord of profitable investment ideas for independent individuals. Your individual decision to take us up on some recommendations and not on others can result in drastic discrepancies between your own portfolio tally and our general overview.

1. This includes recommendations first made in the years 1998, 1999, and 2000 that were not sold in previous years.
2. Including open positions from 1997-2000 that were not closed out in previous years.
3. Open positions 1998-2000.