

Two banks allow investors to buy their first shares of a number of foreign stocks that trade on U.S. exchanges in American depositary receipts.

No-Load International Stock Investing: Direct Purchase of ADRs

by Jean Henrich and Marie Swick

Direct stock purchase plans have been growing in popularity over the last couple years. One area they have spread to is American depositary receipts (ADRs). An ADR is a security representing the ownership interest in a foreign company's common stock and is traded on a U.S. exchange. It provides a convenient way for U.S. investors to invest in foreign companies. The Bank of New York and Morgan Guaranty Trust, two issuers of ADRs, have set up programs that allow individual investors to purchase shares in many of the ADRs that they sponsor. The participating firms are listed in Table 1. Each bank has one set of requirements and fees that apply to any stock participating in their direct purchase plan; these are outlined below.

Unlike most traditional dividend reinvestment plans, these firms may not be paying dividends. The major draw of the plans is that they allow those who are not currently shareholders to buy initial ADR shares, although minimum purchases apply and an initial enrollment fee is charged. Be sure to contact the bank and request a plan prospectus before investing.

Plan Details

Investors can purchase shares of 37 ADRs for which Bank of New York is the sponsor and 59 ADRs for which Morgan Guaranty Trust is the sponsor. Most investors do not have to be a registered shareholder to enter the plans (North Dakota and Oregon residents are currently prohibited from making direct initial purchases through Morgan Guaranty's plan).

Dividend reinvestment options: Where dividends are paid, current shareholders may choose to reinvest dividends on all or a portion of shares held in either bank's plan. However, participants may continue receiving cash dividends on shares held outside the plans and still make cash

contributions to the plans.

Direct initial purchase: Those who are not currently shareholders may purchase their first shares directly from the ADR agent, except for residents of North Dakota and Oregon investing through the Morgan plan. The minimum dollar amount for initial purchase of shares of Bank of New York ADRs is \$200; an initial enrollment fee of \$10 is charged. The minimum dollar amount for initial purchase of shares of Morgan ADRs is \$250, and an initial enrollment fee of \$15 is charged.

Optional cash purchases: Shareholders who wish to purchase additional shares of a participating ADR may do so by sending cash payments to the agent. The minimum purchase for Bank of New York ADRs is \$50 and the maximum is \$250,000 per investment. The minimum purchase for Morgan Guaranty Trust ADRs is \$50 and the maximum is \$100,000 per year. Cash payments received by either plan agent are invested on a weekly basis. Participants may elect to have periodic withdrawals made automatically from their checking or savings accounts by either plan agent. The minimum automatic withdrawal in both plans is \$50; a service charge of \$5.00 is levied on each automatic withdrawal plus prorated brokerage commissions.

Dividend reinvestment costs: The Bank of New York charges \$5.00 for each dividend reinvestment made with dividends or optional cash purchases. In addition, participants pay prorated brokerage commissions of \$0.10 per share for open market purchase of shares made with dividends or cash. Cash dividends that are reinvested in Morgan ADRs are charged a 5% fee up to a maximum of \$2.50 for each dividend reinvestment. Morgan charges \$5.00 plus \$0.12 per share brokerage commission for optional cash payments.

For more information on the Bank of New York's Global BuyDirect program contact: Shareholder Relations Department, P.O. Box 11258, Church Street Station, New York, NY 10286-1258, (800) 943-9715, www.bankofny.com/adr.

You can obtain more information on Morgan Guaranty Trust's Shareholder Services plan through P.O. Box 8205, Boston, MA 02266-8205, (800) 749-1687.



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Table 1.
ADRs Participating in Direct Purchase Programs

Ticker	Company	Country	Agent*	Ticker	Company	Country	Agent*
ADECY	Adecco	Switzerland	MGT	LONDY	London International Group Plc	U.K.	BNY
AEG	Aegon N.V.	Netherlands	MGT	LUX	Luxottica Group S.P.A.	Italy	BNY
ELUXY	Aktiebolaget Electrolux	Sweden	MGT	MKTAY	Makita	Japan	BNY
AKZOY	Akzo Nobel N.V.	Netherlands	MGT	MATVY	Matav-Cable Systems Media Ltd.	Israel	BNY
AMCRY	Ancor Limited	Australia	MGT	MVSAY	Mavesa	Venezuela	BNY
AJL	Amway Japan Limited	Japan	MGT	MAV	Mavesa	Venezuela	BNY
SAT	Asia Satellite Telecommun Holdings Ltd	Hong Kong	MGT	MIFGY	Micro Focus Group Plc	U.K.	BNY
BGALY	Banco de Galicia Y Buenos Aires	Argentina	BNY	MSADY	Mid-States Plc	U.K.	BNY
STD	Banco De Santander	Spain	MGT	NW	National Westminster Bank Plc	U.K.	MGT
OHG	Banco de Santiago	Chile	MGT	NIPNY	NEC Corporation	Japan	BNY
BWP	Banco Wiese Ltd	Peru	MGT	NERAY	Nera A.S.	Norway	BNY
BOT	Bank of Tokyo-Mitsubishi	Japan	BNY	NICEY	Nice Systems Ltd.	Israel	BNY
BCS	Barclays Bank Plc	U.K.	MGT	NTT	Nippon Telephone & Telegraph	Japan	MGT
BNG	Benetton Group S.P.A.	Italy	MGT	NHY	Norsk Hydro A/S	Norway	MGT
BTAHY	Biota Holdings Limited	Australia	BNY	NVO	Novo Nordisk AS	Denmark	MGT
BSI	Blue Square-Israel Ltd.	Israel	BNY	OCENY	Oce-Van Der Grinten N.V.	Netherlands	MGT
BOX	BOC Group Plc	U.K.	MGT	OZEMY	OzEmail Limited	Australia	BNY
BAB	British Airways Plc	U.K.	MGT	PDLPY	Pacific Dunlop Limited	Australia	MGT
BTY	British Telecommunications Plc	U.K.	MGT	PSALY	Petsec Energy	Australia	BNY
CSG	Cadbury Schweppes Plc	U.K.	MGT	RANKY	Rank Group Plc	U.K.	MGT
CNTBY	Cantab Pharmaceuticals	U.K.	BNY	REP	Repsol S.A.	Spain	BNY
CCUUY	Companias Cervecerias Unidas S.A.	Chile	MGT	RTRSY	Reuters Holdings Plc	U.K.	MGT
DIN	Concorcio Group Dina S.A. DE C.V.	Mexico	MGT	RICOY	Ricoh Company Ltd.	Japan	BNY
AGR	Corp Bancaria De Espana S.A. Argentina	Spain	MGT	RD	Royal Dutch Petroleum Company	Netherlands	MGT
csrly	CSR Limited	Australia	MGT	STOSY	Santos Limited	Australia	MGT
DAST	Dassault Systems S.A.	France	MGT	SAVLY	Saville Systems Plc	Ireland	BNY
DER	De Rigo S.P.A.	Italy	BNY	SCO	SCOR	France	BNY
DCS	Doncasters	U.K.	BNY	SNTKY	Senetek Plc	U.K.	BNY
ICA	Empresas ICA, S.A. de C.V.	Mexico	BNY	SWLDY	Small World Plc	U.K.	BNY
ELM	Empresas La Moderna, S.A. de C.V.	Mexico	BNY	SNE	Sony Corporation	Japan	MGT
ELE	Empress Nacional De Electricidad S.A.	Spain	MGT	STE	Stet - Societa Finanziaria Telefonica p.a.	Italy	MGT
FIA	Fiat S.P.A. - Ordinary	Italy	MGT	STEA	Stet - Societa Finanziaria Tele p.a. Savings	Italy	MGT
FIAA	Fiat Savings Shares	Italy	MGT	THW	Tag Heuer International S.A.	Switzerland	MGT
FIAP	Firat Preference Shares	Italy	MGT	TDK	TDK Corporation	Japan	MGT
FLMLY	Flamel Technologies S.A.	France	BNY	TEO	Telecom Argen Stet - France Telecom S.A.	Argentina	MGT
FMS	Fresenius Medical Care AG	Germany	MGT	TDP	Telefonica Del Peru S.A.	Peru	MGT
GRM	Grand Metropolitan	U.K.	MGT	TMX	Telefonos De Mexico S.A. DE C.V. Series L	Mexico	MGT
ABG	Groupe AB	France	BNY	THRNY	Thorn Plc	U.K.	MGT
ATY	Grupo Casa Autrey S.A. DE C.V.	Mexico	MGT	TAM	Tubos De Acero De Mexico S.A.	Mexico	MGT
GSH	Guangshen Railway Company Limited	China	MGT	UN	Unilever N.V.	Netherlands	MGT
HTD	Huntingdon International	U.K.	BNY	UL	Unilever Plc	Netherlands	MGT
ICI	Imperial Chemical Industries Plc	U.K.	MGT	UA	Unionamerica Holdings Plc	U.K.	MGT
NTZ	Industrie Natuzzi SPA	Italy	BNY	VIP	Vimpel Communications	Russia	BNY
IVC	Invesco Plc	U.K.	MGT	WATFZ	Waterford Wedgwood Plc	Ireland	MGT
IMI	Istituto Mobiliare Italiano	Italy	MGT	WBK	Westpac Banking Corporation	Australia	MGT
AHO	Koninklijke Ahold N.V.	Netherlands	MGT	XNWAY	Xenova Group Plc	UK	BNY
KOR	Koor Industries Ltd.	Israel	BNY	YPF	YPF Sociedad Anonima	Argentina	BNY
LIHRY	Lihir Gold Limited	Australia	BNY	ZEN	Zeneca Group Plc	U.K.	MGT

* BNY = Bank of New York; MGT = Morgan Guaranty Trust

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