

ISRAEL HIGH-TECH & INVESTMENT REPORT

A MONTHLY REPORT COVERING NEWS AND INVESTMENT OPPORTUNITIES

JOSEPH MORGENSTERN, EDITOR

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From the Editor's Desk

WHO CAN HATE A SICK CHILD?

If people are ever going to know real peace, they will first have to realize that they have common concerns and common goals. What concern is more universal than that felt by parents for sick children, what goal more universal than to see those children well again?

American Irving Schneider is an outstanding developer of medical centers in the United States. In 1986 he met Professor Yehuda Danon, an army doctor with a vision of peace. Danon started his career as a medical officer in the Six Day War, was promoted to Battalion Officer on the Suez Canal during the Yom Kippur War, was Chief Medical Officer of the Northern Command in the Lebanon War, and Surgeon General during the Gulf War. In the aftermath of the Six Day War he was responsible for eight hospitals in East Jerusalem. He also established clinics along Israel's northern border to serve the needs of residents in Southern Lebanon. Danon and Schneider found a common language. Both visualized a medical center that would serve a population of 1.8 million children by the year 2000.

The project was so large that approvals had to be obtained on a ministerial and parliamentary level. The Children's Medical Center of Israel was dedicated and opened in October 1992. Danon had insisted that the CMCI include units which either did not exist or were not fully developed in other Israeli hospitals. These include facilities for bone marrow transplants, a genetics institute, an intensive-care wing, and a catheterization lab for diagnosing congenital medical diseases. The CMCI also operates a cancer treatment unit with a 75% success rate in treating leukemia, an organ transplant unit, and an endocrinology unit for treating hormonal disease. All these departments are at a world-class level.

The CMCI maintains close links with hospitals and doctors in the administered territories. Arabs bring their children in spite of the intifada. A child from the royal court of one of Israel's neighboring kingdoms has already been treated there -- proof of its growing reputation.

The CMCI treatment record for all segments of the population has exceeded projections since its opening. Schneider points out that the CMCI has no parallel in the US. He views the Israeli facility as an answer to the needs

of the region, Jewish and Arab.

US Ambassador William Harrop, during a visit to CMCI, asked Prof. Danon to prepare a report for cooperation with Arab hospitals. The report is to serve as an agenda topic for the peace talks. Egyptian Ambassador to Israel, Mohammed Bassouny, has suggested medical cooperation between the center and Egyptian institutions.

During a recent ceremony at the CMCI, a unique Pediatric Ophthalmology and Blindness Prevention Center was dedicated. Maurice and Vivienne Wohl had come from Geneva for the occasion. The businessman/philanthropist -- a recipient of the Commander of the British Empire -- had "invested" in the infrastructure and equipment.

The range of treatment is broad, including therapy for such things as crossed eyes, lazy eyes and systemic disease. The center's staff also deals with the more complicated problems of retino blastoma, undeveloped retina and hereditary eye diseases. The medical laser -- an Israeli specialty -- is being applied to two newly developed techniques for the treatment of premature children born with undeveloped retinas, which tend to scar and may lead to blindness. Blocked tear ducts are also treated. Initial results are highly encouraging.

The activities of Children's Medical Center of Israel, to which has now been added the Pediatric Ophthalmology and Blindness Prevention Center, already point to the correctness of Danon's and Schneider's dream of building an advanced medical facility which would offer its services to the whole Middle East -- a catalyst to improve relations between people who live in conflict.

In this Issue

Who can Refuse a Sick Child

Spring Madness: Investors Inflate IIS shares as Taru

Vit shares retreat, Rada a turnaround possibility

Peptor Corp. for Biotechnology "bugs" and Investors - a startup that will seek investment capital

4D targets IBM and Computer Associates customers

Fundamental and Applied Research: Cancer Research Activity

Mutual Funds: Invest in the best performers for best results

On the Verge of a Diamond Find?

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Circulation Offices: Israel Publications Inc., 47 Byron Place, Scarsdale, N.Y. 10583, USA.

Attention: Mr. Robert M. Bruckenthal Tel.: 914-723 8321 Fax: 914-723 8340

Editorial Offices: P.O. Box 33633, Tel Aviv 61336, Israel

Tel: 972-3-6938235 Fax: 972-3-6938236

ISRAELI AND ISRAELI RELATED COMPANIES TRADED PUBLICLY IN THE US

Ticker Symbol	Company Name	Marketplace	Market Value	Sales (Projected)	Profits (Projected)	Equity	P/E	Year High	Year Low	% Change	Last Price Mar. 16, 1993
AIP	American Israeli Paper	AMEX	155	270.5	11.5	132	13	44 3/8	38 5/8	-3	40 7/8
AIS.a	Ampal American Israel	AMEX	146	853	10.3	119.3	14	9 7/8	5 1/4	+55	8 3/8
ARYTF	Aryt Optronics Ltd	NASDAQ	21	17.4	1	10	21	4 3/8	3 1/8	+38	4 5/16
BTGC	BioTechnology General	NASDAQ	131	6	-9.8	14	N	6 3/4	4 1/2	-12	5 3/16
BVRTF	BVR Technologies Ltd	NASDAQ	75	8.6	-0.5	6	N	17 3/8	11 1/2	+17	14 1/2
KML	Carmel Container Sys	AMEX	15	72.3	0.04	13	375	7 1/4	5 3/8	-2	6 1/8
CMVT	Comverse Technology Inc	NASDAQ	225	38.4	5.7	32.1	39	21 3/4	15 1/2	-8	16 3/8
DSSI	Defence Software & Sys	NASDAQ/NMS	45	16	4.3	12.1	10	23 1/4	11 1/2	+88	21
ECILF	ECI Telecommunications	NASDAQ/NMS	1070	160.5	38.5	148	27	44 3/4	33	-7	33 7/8
EDUSF	Edusoft Ltd	NASDAQ	45	4.1	1.0	5.2	45	15 1/4	9 1/8	+24	11 3/8
ELBTF	Elbit Ltd	NASDAQ/NMS	735	483.3	30.3	230.4	24	54	39	-9	43
EIF	Electrochemical Indus. Frutar	AMEX	45	120.5	2.1	41.5	21	2 7/16	1 3/4	-12	1 15/16
ELRNF	Elron Electronic Industries	NASDAQ/NMS	397	640	14.2	152.6	27	26 7/8	19	+10	23 1/4
ELT	Elscint Ltd	NYSE	467	220.1	20.1	115.5	23	8 5/8	5 7/8	-22	5 7/8
ROBOF	Eshed Robotec	NASDAQ	30	9.0	2.2	12.6	13	3 15/16	2 5/8	+0	3
ETZ	Etz Lavud Ltd	AMEX	23	103	2.2	20.5	10	12 1/8	8	-16	8 1/2
ETZA	Etz Lavud	AMEX	23	103	2.2	20.5	10	10 7/8	6 5/8	-22	6 3/4
FBRX	Fibronics International Inc	NASDAQ/NMS	41	53.9	-2.5	53.9	N	9 1/2	6 1/4	+4	6 1/2
DDDDF	Fourth Dimension	NASDAQ	210	17.3	5.8	43	36	25 1/4	15 3/4	+3	20
TATTF	Galagraph Ltd.	NASDAQ	78	7.3	1.2	2.1	65	4 15/16	2 3/8	+60	3.90
GOTK	Geotek Industries Inc	NASDAQ	125	42	-1.1	17.6	N	6 3/8	4 1/4	+35	5 11/16
HCTLF	Healthcare Technologies	NASDAQ	20	3.4	0.06	4.8	333	3 1/6	2 1/16	+5	2 1/4
IDANF	Idan Software Industries	NASDAQ	43	0.1	-0.1	1.1	N	3	1 11/16	+15	17/8
IISLF	IIS Intelligent Info	NASDAQ	276	45.1	7.0	39	39	26	17 1/2	+33	22 1/2
IPLLF	Interpharm Labs. Ltd	NASDAQ	199	48.4	6.3	21	31	47	28	-5	32
SISGF	ISG Software	NASDAQ	48	3.2	1.3	10.5	36	19	10 1/2	-9	15 1/2
ILDCY	Israel Land Development	NASDAQ/NMS	143	207	3.5	110	40	17	11 1/2	+12	15 3/4
ISTEF	Istec Industries & Technol	NASDAQ	7	0.8	0.6	2.2	11	1 5/8	31/32	-3	1
LANTF	Lannet Data Communications	NASDAQ/NMS	182	67	13	67	14	31 1/4	16 1/2	-34	16 3/4
LNOPF	Lanoptics	NASDAQ	93	7.6	3.4	25.4	27	24 1/4	14 1/4	-11	16 3/8
LAS	Laser Industries Ltd	AMEX	37	29.3	1.4	3.5	26	10 1/4	6 5/8	+17	7 1/2
FLSH	M-System	NASDAQ	39	2.2	0.74	4	52	9 7/8	6	+131	9 1/4
MGCF	Magic Software Ent. Ltd	NASDAQ	67	10	1.3	10	51	20 3/4	15	+23	18 1/2
ORBKF	Orbotech Ltd	NASDAQ	199	111	-31.3	29	N	21 3/4	14 1/4	+20	16 1/8
OSHF	Oshap Technologies Ltd.	NASDAQ	48	29.3	-2.5	14.3	N	8 1/8	5 1/2	+5	7 1/4
IEC	PEC Israel Economic Corp	AMEX	470	60.4	33.1	271	14	30 7/8	24 1/4	-11	25
RADIF	Rada Electronic Indus.	NASDAQ/NMS	31	31	-0.6	11	N	10	6	+26	7 3/4
SPNSS	Sapiens International Corp	NASDAQ/NMS	281	37.8	6.5	35	43	27 1/4	19 7/8	-2	25 5/8
SCIXF	Scitex Corp. Ltd	NASDAQ/NMS	1770	550	122.4	641	13	44 3/8	37 3/8	-8	39 3/8
TAROF	Taro Vit Industries Ltd	NASDAQ	69	26.5	1.0	9.6	69	9 1/4	7	-17	7
TCNOF	Technomatix	NASDAQ	116	15.8	1.6	10.6	72	16 1/4	10 3/4	+25	15
TEVIY	Teva Pharmaceutical Inds	NASDAQ/NMS	1137	396	31.7	216	35	25 1/2	17	-6	20 3/4
TAD	Tadiran Corp	NYSE	573	780.9	34.6	129	12	36 3/4	26 3/8	+5	29 1/4
TLDCS	Teledata Communications	NASDAQ/NMS	175	23	6.8	39.5	25	22 1/2	15 7/8	+11	17 1/8

THREE PUBLIC COMPANIES: EACH WITH A STORY

Has IIS Intelligent Systems gotten ahead of itself?

IIS added more than \$12.75 million in sales and \$2.3 million in profits in the fourth quarter of 1992, to record \$45 million in sales and about \$7 million in profits for the year. It was an outstanding performance for the Yokneam company, but has investor enthusiasm propelled the shares to dangerously high levels?

The brokerage firm of Oscar Gruss & Son in Tel Aviv doesn't think so. In its mid-March review it continued to recommend IIS shares. IHTIR continues to advise caution when investing in shares having multiples of 35 or more. IIS shares are trading at multiples between 37 and 45 times 1992 earnings. Market capitalization at these levels has been about \$280 million.

Yet Israeli investors continue to invest!. Have they gone meshugah? A year ago, IIS shares traded at about \$22 -- or just over \$7, considering the recent split.

Adding to this assessment is the post-split price of the shares. Investors are seeing an "optically" low price. IIS recently executed a 200% share dividend, and shares were trading at about \$23, compared with the pre-share-dividend high of \$76. Intelligent investors can do their assessment in the light of these figures.

Taro Vit Industries - The three-legged generic company

Expansion of manufacturing facilities in Israel and a plant purchase in Canada a year ago were clear indications that Taro Vit management was expecting a growth in sales, and right they were. Sales rose to \$26.5 million from \$20.6 million in 1991. Taro Vit has an active program for introducing generics, including dermatological products.

The general weakness of US pharmaceutical stocks in response to President Clinton's criticism may have had some negative influence on the American shares of Taro Vit. Not traded very widely, the O-T-C shares reached an all-time high in November of 11. At the outset of the year they were bid at \$9.

Broker Shlomo Greenberg of Brenner International, a specialist in Israeli issues, explained that the moving average for Taro "appears to be in a downward trend." They were priced on April 14 at \$7.50 bid. However, though Taro's sales were at record high levels in 1992, the fourth quarter was sharply down due to a one-time loss. Profits for 1992 were down to \$1.079 million from \$1.4 million in 1991. Investors might be looking for a bottom. The p/e ratio at current levels is about 70.

The Israeli shares traded on the Tel Aviv Stock Exchange could at some point be adjusted to the ones traded in New York. American Depository Receipts could be a solution.

Rada and Furman Seltz

Rada is on the acquisition trail, and is being flirted with by Furman and Seltz. The company is studying a manufacturing acquisition in the US.

Expect \$2.0 million in losses for 1992.

PEPTOR CORP. -- A STARTUP COMPANY

After years of following the biotechnology experience in Israel, especially that of its two leading biotechnology companies, it's easy to see that this startup combines some outstanding elements which could lead to successful entry in the field of peptide-based pharmaceuticals. It should be of interest to technology "bugs" and investors.

Peptor combines the following elements:

A proprietary technology. The peptide technology acquired by Peptor was developed by Professor Chaim Gilon of Hebrew University -- a world-class researcher. Rights to the technology were acquired from HU Yissum R&D Authority.

Three partners whose credentials are well known: Professor Haim Aviv, founder of BioTechnology General and Pharmos Ltd.; Dr. Yoram Karmon, Chairman of InterPharm Ltd. and its former CEO; and David Blech, US investment banker specializing in biotechnology companies.

The company has an initial capital base of \$1 million to move it along. Dr. Karmon sees peptide technology as "the most pragmatic way to buy a ticket to the most sophisticated field in biotechnology."

Founder Prof. Haim Aviv believes the market for peptide-based pharmaceuticals may exceed \$10 billion in the next decade.

Currently only two technicians are working in the field, but shortly other laboratories in Israel will be employed to develop the technology and synthesize peptide pharmaceuticals for clinical applications.

Venture capitalists and other potential investors will want to know more about Peptor. For the time being, Peptor ownership is tightly held between the three partners. Yet the likelihood exists that the need for second-stage financing will provide an opportunity for participation.

The bioactive peptides are protein-based substances surrounding human cells. They relay messages to the cells, and thus regulate most human functions. Drugs

based on peptides are being developed by a number of companies in different parts of the world, due to the persistent belief that such drugs may offer major therapeutical benefits -- the medical major leagues.

4th DIMENSION: A COMPANY AT THE CUTTING EDGE

Israelis are not known for their lay-back behavior. The full-page color advertisement is hard hitting. In bold black letters it reads: **HOW 4D BECAME CA'S WORST NIGHTMARE.**

4th Dimension's key software product name is emblazoned on a giant knife with serrated edges. It cuts right through a much smaller Swiss Army utility knife captioned CA-UNIPACK/APC (4D's major competitor is Computer Associates). The differences are spelled out. 4D's operation code is shared by all its operations and automation applications. CA, the text proclaims, has "acquired operational technology by acquisition" not by development. Proclaiming achievements such as a job conversion in 36 hours which another company could not execute in six months is part of the aggressive business approach.

This type of marketing is part of the drive, energy and product-driven approach employed by the company to establish itself as a leader in the MVS automated operations software world. In its suburban Tel Aviv headquarters at the Atidim Science Based Industries Park, Roni Einav recently reflected on past and present. The 48-year-old Einav became a multimillionaire in the past year, when 4D Fourth Dimension Software Ltd. became a public company. Investors paid \$33 million for approximately one third of the company's share capital. Leading American investment banks participated as underwriters. These included Lehman, Kidder Peabody and Oppenheimer. What did it take to get there? "A touch of megalomania helps," jokes the executive.

Investors in the initial public offering snapped up the shares and drove up the price to well over \$20. Recently the market capitalized the company at over

\$230 million. Mr. Einav's personal wealth is estimated at more than \$65 million. The economic success achieved by Mr. Einav and co-founders Yossi Hollander and Ms. Prasheker-Katzman speaks eloquently about Israel being the land of opportunity for entrepreneurs, investors and employees.

The 10-year-old company began as a unit dedicated to developing computer systems intended to improve the functioning of human beings. "Our activity was not pioneering effort," according to Einav. "We employed existing computer software. The benefit we wanted to produce was the integration of systems to allow people to work better." The object was then, as it is today, to cut cost per unit or cost per transaction.

"Before starting to export, we developed and sold software products in our own country. With the start of exports sales in 1986, business began to expand rapidly." Since then the firm has sold more than

1,400 copies of its proprietary software to a customer base of more than 700 in 39 countries.

A decade of rapid growth

This year, sales at Israel's 120 software houses are expected to exceed \$450 million, with exports of \$200 million or more. Only nine years ago, sales of the software producers totaled \$205 million, and exports accounted for only \$5 million.

Industry leaders such as Amiram Shore, Chairman of the Israeli Industry Association of Software Houses, have lobbied to obtain classification as an industry. It was long in forthcoming, but the growth has been so rapid that the software house sector has now been recognized by the Ministry of Industry and Trade as a full-fledged industry. This recognition qualified it for export backing by the government.

Credit for the rapid growth is attributed to the desire within Israel for economic independence, and the geopolitical needs of the area. In the early 1980s, when software houses were still in their infancy, IDF personnel were relying on powerful computers.

Growth

In the three-year period starting in 1987, sales have grown by more than 400% to \$2.9 million, and profits have increased by nearly 700% to \$1 million. Sales boomed ahead by 39% in 1990, 68% in 1991 and by more than 100% for each quarter in 1992. This year's target is to service 25%-30% of all available sites. Sales are expected to top \$17 million, with operating margins of 40%.

The company's annual revenue represents about 10% of the Israeli software industry.

The product line

4D has developed and markets a group of software products which allow for the automation, monitoring and controlling of data centers at industrial concerns.

These are marketed under the trademark CONTROL. In all parts of the world, industrial companies are looking to bring down costs. This occurs by making activities more efficient and error-free, and this is where Roni Einav and associates have found and developed their business opportunity.

What industry appreciates

Not too many years ago, Fujitsu pioneered robot-operated factories. Similarly, 4D's products are allowing for "lights out" data processing. This is the type of cost saving that customers are seeking. 4D uses what it calls IOA, short for "integrated operations architecture." The products serve IBM mainframes using the MVS system, and Fujitsu mainframes using MSP systems. More recently, 4D has positioned itself to move to personal computers.

Is it a fast field? Leading competitors include industry giant IBM, Computer Associate and Legent. These companies purchased other firms to offer software efficiency to installed hardware bases. The niche for integrated system software tools was created, and allowed 4D, a relative startup, to compete with companies many times larger, according to Elliot Prince, financial analyst for Oppenheimer & Co. Prince also points out that Enterprise Control Station for the pc market represented 50% of sales in the last quarter of 1993. Users of 4D's software include Aerospatiale, Boeing, British Telecom, Credit Suisse, EDS, Procter & Gamble, SONY, Texaco and Xerox.

History

4D was founded in 1983, when the country's software industry began to expand. A milestone year was 1985, when its first product sold in Israel.

The overall market

Of the 90,000 IBM mainframe users, one half prefer the MVS operating system, generating a potential market of \$4-\$7 billion a year for integrated system software tools -- and for 4D and its competitors. UNIX systems users add yet another market segment.

FUNDAMENTAL & APPLIED RESEARCH: FOCUS ON CANCER**Alcohol and cancer: the killers' club**

Most of us -- from observation, hearsay or experience -- have concluded that alcohol can be either relaxing, intoxicating or harmful.

The Israel Cancer Society, in its desire to prove a linkage between cancer and alcohol, has funded research at Hebrew University aimed at determining the effects of alcohol on cancer.

Dr. R. Yirmiya of the HU, teaming up with researchers at UCLA, has proven that excessive intake of alcohol by test animals having leukemia and breast cancer resulted in cancer metastases.

Alas, poor rodent!

The tow-truck approach to drugs

What does a tow truck have to do with anti-cancer drugs? The answer was provided by Prof. Abraham Nudelman when explaining the various projects in which he and his staff are engaged at his Bar Ilan lab. One of the two primary aspects of his research is the development of new compounds and entities with biological activity for potential use as drugs. Another is the development of new chemical processes for known compounds by utilizing novel synthetic approaches to yield more efficient methods of commercialization.

In searching for a method to increase the efficacy of butyric acid as an anti-cancer agent, Prof. Nudelman has made a major contribution to the first of the above mentioned efforts. For it was AN-9, the compound that he discovered as a result of this research that has achieved recognition in addition to a contract with the venture capital company, the Castle group, for toxicology evaluation and future testing and developing.

The substance called butyric acid is described in the literature as possessing anti-cancer properties when tested in vitro, that is in isolated cells, yet it showed a decided deficiency when used in vivo, after being injected into laboratory animals. Prof. Matti Shaklai, head of the hematology department Beilinson Hospital and Dr. Ada Raphaeli who were experimenting with butyric acid noted that the drug after being administered to patients was being metabolized and excreted from the body so rapidly that it had little opportunity to become effective. In an effort to overcome this problem which may be described as similar to other barriers that are often prevalent in a drug in its earlier stages of development, such as toxic side effects, bad odor or taste, lack of solubility, poor absorption when being administered orally, various other methods are employed.

The tow truck

One well-known concept is the pro-drug approach. By attaching a particular carrier, likened by Professor Nudelman to a tow truck, to the existing drug which was unable to perform properly on its own, the drug is delivered to the target and unloaded where needed thus, overcoming original barriers. Prof. Nudelman became involved in this experiment with his two Beilinson partners and took out joint patents with them when it became apparent that the "tow truck" that he furnished with the help of his technician, Dr. Margareta Ruse, a new immigrant from Rumania, had done the job. Not only was AN-9 created with relative ease and impressive speed in his Bar Ilan University lab but it was found to act much faster

The Case for Mutual Funds

The market is dominated by big institutions and the individual investor is served best by hiring professional managers rather than competing against them. This is provided by the country's mutual fund industry.

Performance over the trailing twelve months

The tables presented here indicate performance of the leaders. If you are invested in these funds then you are getting the best results. They are classified by category, investment objective and investment policy. The Top Performing Funds are measured against their performance over the past twelve months, between March 31, 1992 and March 31, 1993.

The results are calculated in US dollar terms

The mutual funds are sold in shekels. However, many investors prefer to do their accounting in dollars and the results are expressed in US dollars, reflecting changes in the shekel's value in terms of the dollar.

FOLLOWING THE TOP PERFORMERS

If you are in the best-performing share funds based on the preceding 12 months' performance and as adjusted for shekel currency differentials -- as published in the past issues -- then you should sit

tight. Top performers include Magic, Mivne, Kochav, Emda Meshulevet, Sivan and Yesodot.

How did these funds perform in the first three months of 1993? If they are among the 12-month top performers, and also among the best performers in the first quarter, then their managers are continuing to perform well and there is no need for considering a switch. However, if you own a fund which has been doing well but has faltered -- falling out of the top ten at the end of the first three months of this year -- you may wish to reconsider. The manager may have been changed.

Fund	Rank	Yield
Magic	Third	+ 10.7
Mivne	Ninth	+ 9.3
Kochav	not in top ten	
Emda Mesh.	not in top ten	
Sivan	Eighth	+ 9.4
Yesodot	Second	+ 12.0

New Top Performers in 1993

Ilanot Karam	Ilanot Disc.	First	+ 14.1
Analyst Inds.	Analyst	Fourth	+ 10.6
Erez	Hapoalim	Fifth	+ 10.0

Share Funds

Category: Diversified and Flexible Share Funds

Investment Objective: Growth

Management Policy: Manager invests in equities with mix of investments adjusted to market conditions.

Funds in Category: 43

Top Five Performers

Fund	Manager	% gain
Emda Meshulevet	UMB	50.03
Sivan	Amban	49.86
Yesodot	Moritz Tuchler	49.83
Lapid	Unitrust	46.84
Hadas	UMB	44.63

Category: General, Maof and Specialized

Investment Objective: Aggressive Growth

Management Policy: Manager invests in the 70 leading shares making up the TASE Share index or in the 25 leading shares which make up the Maof Index

Funds in Category: 55

Top Five Performers

Fund	Manager	% gain
Magic	Moritz Tuchler	64.44
Mivneh	Amban	63.07
Kochav	Hapoalim	53.64
Zik	Unitrust	53.14
Manof	Leumi Pia	51.92

(percentages represent gain in value in U.S. dollar terms for 12 months ending March 31, 1993)

Bonds Linked to Cost-of-Living Index

Category: Government

Investment Objective: Conservative Growth

Management Policy: Manager invests in government bond issues.

Funds in Category: 35

Top Five Performers

Fund	Manager	% gain
Meytav C-O-L	Meytav	6.22
Halamish	Emda UMB	5.19
Ziv	Amban	5.04
Zohar	Amban	4.41
Eshem	Emda UMB	4.29

Category: Non-Government, General, Short Term & Corporate

Investment Objective: Conservative Growth

Management Policy: Manager invests in Non-Government Bonds Linked to Cost-of-Living Index

Funds in Category: 45

Top Five Performers

Fund	Manager	% gain
Pil	Central Trade	26.24
Heron-Lavie	Heron-Lavie	23.09
Zuk	Emda UMB	7.95
Melkarit	Hapoalim	5.87
Eshel	Ilanot Discount	5.86

(percentages represent gain in value in U.S. dollar terms for 12 months ending March 31, 1993)

Foreign Currency Funds

Category: Denominated or Linked in Foreign Currency

Investment Objective: Conservative Growth

Management Policy: Manager invests in foreign currency linked bonds

Funds in Category: 22

Top Five Performers

Fund	Manager	% gain
Tevel	Emda UMB	9.90
Meitav F/C	Meitav	8.48
n.a.	n.a.	n.a.
Pia Hul	Leumi Pia	6.40
Rosen Cont.	Continental	5.49

(percentages represent gain in value in U.S. dollar terms for 12 months ending March 31, 1993)

Index Linked and Share Funds

Category: Mixed funds

Investment Objective: Growth

Management Policy: Manager invests in a combination of index-linked bonds and shares.

Funds in Category: 12

Top Four Performers

Fund	Manager	% gain
Barak	Ilanot Discount	24.32
Moked	First International	16.64
Zofit	Lahak American	15.06
Pia	Leumi Pia	11.56

(percentages represent gain in value in U.S. dollar terms for 12 months ending March 31, 1993)

Database: Meitav Mutual Funds

(Cont'd from page 5)

and more effectively than the butyric acid. After considerable testing on various tumors in mice, it was also found to be effective, both in vitro and in vivo, against animal models of lung cancer and skin cancer (melanoma). The National Cancer Institute in the United States has also tested it on numerous

cancer cells showing it to be active as well on human colon carcinoma cells. While testing a dozen of these carriers, a second compound labeled AN-10 was discovered. This compound which is less toxic than AN-9 has displayed activity against leukemia cells. Two articles on AN-9 have already been published in

international scientific journals and as a result Nudelman and his collaborators have been approached by several laboratories throughout the world which have shown a willingness to cooperate with them and have requested samples of the compound so that might help in testing in the area of their own specific expertise.

Courtesy of Bar Ilan University

Luc Montagnier on AIDS

Prof. Luc Montagnier, head of the viral oncology unit at the Pasteur Institute in Paris and the world-acclaimed discoverer of the HIV-1 and 2 AIDS virus, spoke in Israel of the development of the disease, and its effect on large populations worldwide. He spoke of the increase in victims' life expectancy to ten years from the five or six years when he first isolated HIV in 1983. But he was nevertheless not optimistic about finding an effective vaccine in the immediate future.

AS-101 and AIDS

Prof. Benyamin Sredni and Michael Albeck of Bar Ilan are discoverers of AS-101, the synthetic compound designed to increase the body's ability to fight off the AIDS virus. The discovery is considered a breakthrough in immunology.

ON THE VERGE OF A DIAMOND FIND

Great Central Mines: Digging for faith

Last month, leading American investment bankers such as Solomon Brothers and Shearson Lehman created a market for the ADR of the first US public appearance for Great Central Mines. The ADRs were enthusiastically received, and capitalization surged to several hundred million dollars in active trading. Prior to the NASDAQ listing, the ownership was tightly controlled by several hundred investors. They had invested several years ago on faith that vast mineral resources, primarily diamonds, would be mined.

The story behind the company

Mining for resources usually requires an entrepreneurial spirit, but not often a holy one. Not so with Great Central Mines -- the creation of a hassid and his rebbe.

A rebbe is a religious leader known for humility and piety. His life and teachings serve as guidelines for a group of followers known as hassidim. Ideally, a hassid's life in all its aspects should be based on his rebbe's advice and example.

The most famous living Rebbe is Menachem Mendel

Schneerson, known as the Lubavitcher Rebbe. His home is in Brooklyn.

Joseph Gutnick is a devout Jew, a hassid and an entrepreneur who lives in Melbourne Australia. He is seeking to locate a major source of rough diamonds on that continent.

Shimshon Halpern, a Harvard-trained lawyer and legal counselor at Elscint Ltd., confirms that Gutnick had been sought by the Rebbe several years ago and received a blessing for the mining venture. There was no need for in-depth analysis of the project; it had the backing of the Rebbe, states Yitzhak F., a known broker and a highly trained financial advisor in Bnai Brak.

Partners in the enterprise

DeBeers of South Africa has a dominant position in the world diamond industry. It is involved in a joint venture with a Great Central Mines subsidiary.

George Soros' international reputation is based on an outstanding record. His Quantum funds have assets of several billions of dollars. He has a minority shareholding in Great Central Mines

Whether Great Central Mines will announce a major diamond "pipe" is uncertain. One thing that is certain is that the venture will not fail for lack of capital, entrepreneurial spirit or faith.

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