

Global Small Cap Value Fund

As of 30 September 2002

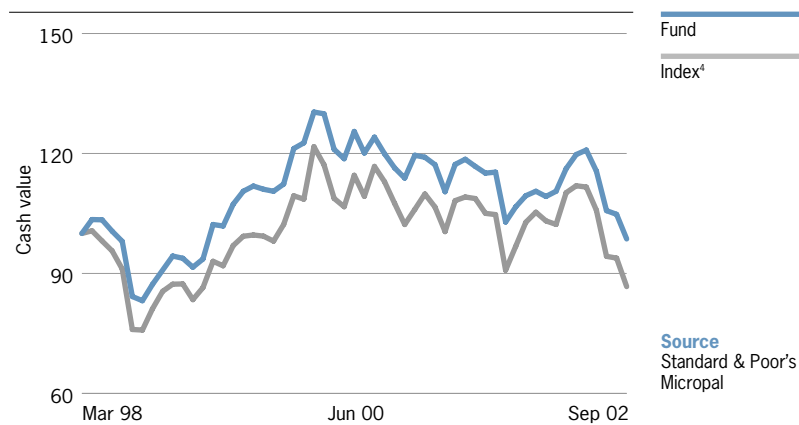
The Fund outperformed the index by 1.72% in September. The continuing deluge of lower corporate earnings and accounting scandals weighed heavily on the market in the third quarter. The portfolio fared better than the Index primarily due to stock selection within the Information Technology, Health Care, Financials and Consumer Discretionary sectors. The Technology sector was hit particularly hard with its decline of 37% in the quarter, the worst performing sector. In general the portfolio's exposure to hardware companies and underweight to software and IT consulting services companies benefited the portfolio. The portfolio continues to remain defensive with an overweight to consumer staples and health care and underweight to financials and technology. While market volatility continues and we anticipate that market psychology will continue to present us with attractive small cap opportunities.

Returns in US dollars vs. MSCI World Small Cap Index²

Period	Fund (net of fees) %				Peer group ranking
	Class I	Class A	Class B	Index	
Last three months	(14.66)	(14.78)	(14.90)	(18.03)	4/35
YTD 2002	(10.78)	(11.14)	(11.61)	(17.66)	3/34
One year	(4.10)	(4.70)	(5.35)	(4.50)	9/33
Three years (annualised)	(3.87)	(4.42)	(5.16)	(4.43)	5/18
Five years (annualised)	n/a	n/a	n/a	n/a	n/a

Class I shares vs. MSCI World Small Cap Index³

Performance of 100 US dollars invested since inception



Facts and figures

As of 30 September 2002

Launch date	March 1998 ⁵
Fund management team	Margaret Naylor Nathalie Degans Bradley Daniels
Location	London/Philadelphia
Base currency	US dollars
Total assets	\$ 62.3 million
NAV \$	15.89
NAV €	16.08

Statistics⁶

As of 30 September 2002	Class I	Index
Alpha	(0.98)	0.00
Beta	0.71	1.00
R Squared	0.89	1.00
Information ratio	0.08	0.00
Tracking error	7.36	0.00
Standard deviation	14.95	0.00

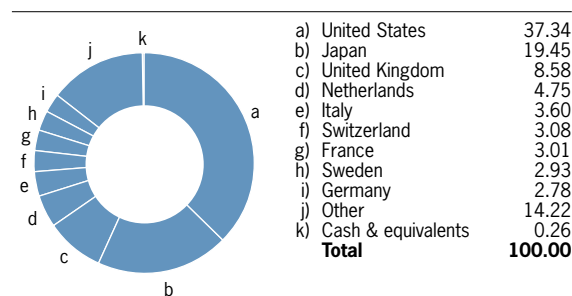
As of 1 September 2002

Portfolio valuations	Class I	Index
P/CF	7.40	6.28
P/BV	1.60	1.06
P/E	n/a	12.65
Yield	2.00	2.56
Number of securities	354	1757

Top 10 holdings

	%
Daive Campari Milano	1.44
Swedish Match	1.34
Asatsu-Dk	1.29
Neopost	1.25
Nitta	1.12
TOC	1.10
CSM	1.09
Fisher & Paykel	0.91
IHC Caland	0.90
Pinnacle Systems	0.90
Total	11.34

Geographic distribution



Fund aim

To provide an attractive rate of return, measured in US dollars, by investing in the common stocks of small to medium sized corporations that we believe to be undervalued relative to the stock market in general at the time of purchase.

Investment implementation

- We begin with preliminary valuation screens focusing primarily on P/CF, P/FCF and P/BV.
- Our stock selection discipline emphasises comprehensive fundamental analysis to scrutinise securities that pass the initial screen. We focus on financial structure, management, business franchise, products and strategic value of assets.
- A stock is considered for sale when it reaches fair value as articulated in its research report. This fair value target may be re-appraised as part of the continuous re-evaluation process, or if the stock is close to fair value and a better opportunity is available elsewhere.

² Source: Standard & Poor's Micropal. Peer group rankings refer to Class I.

³ Calculations are NAV to NAV. Performance of the SICAV is calculated net of fees.

⁴ Price Index only, dividends are not reinvested.

⁵ This Fund was restructured in March 1998. Original inception: December 1993.

⁶ Based on monthly observations over last 3 years, Standard & Poor's Micropal.

Please refer to back cover for important information and risk warnings paragraph (3) relating to securities of small capitalisation companies.

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Risk warnings

Past performance is not necessarily a guide to future performance and the value of the Shares and income from them may fall as well as rise. On redemption of Shares, an investor may receive back an amount less than the original amount of his investment. The assets of the Funds will be in a variety of currencies and therefore movements in the value of currencies may also affect the value of an investor's holdings. Furthermore, the value of Shares may be adversely affected by fluctuations in exchange rates between the investor's reference currencies and the base currencies of the Funds.

There are special risk considerations associated with investing in:

- 1) Emerging country securities; including (1) restrictions on foreign investment and on repatriation of capital (2) currency fluctuations, (3) potential price volatility and lesser liquidity of shares, (4) political and economic risks, including the risk of nationalisation or expropriation of assets and the risk of war (5) settlement systems may be less well organised and less developed and (6) debt may not be rated by any internationally recognised credit rating organisation.

There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, accounting, auditing, financial and other reporting standards are not equivalent to those of more developed countries, and therefore less information may be available than in more developed countries.

- 2) High yield securities; investment in higher yielding securities is speculative as it generally entails increased credit and market risks. Such securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk) and may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the credit worthiness of the issuer and general market liquidity.
- 3) Securities of small capitalisation companies; these securities involve greater risk than large capitalisation companies and the markets for such securities may be more volatile and less liquid.
- 4) Securities of companies engaged in the real estate industry; including the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zonal laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the relevant Fund.

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