

Golden Select Fund: Alternative Investments

Objective

To offer a convenient vehicle for investing in a diversified portfolio of alternative strategy investment managers, which are anticipated to provide the best opportunities for capital growth.

Investment Policy

To invest in a diversified range of top performing offshore alternative investment managers that target consistent and stable returns while controlling risk.

Investment Process

A quantitative analysis of fund performance is undertaken relative to peer groups to ensure the consistency of performance. This is followed with a qualitative analysis to understand the manager's philosophy, process and style.

Fund Review

The net asset value (NAV) per share of the Fund fell from \$10.46 to \$10.45, over the quarter, a decrease of 0.1%.

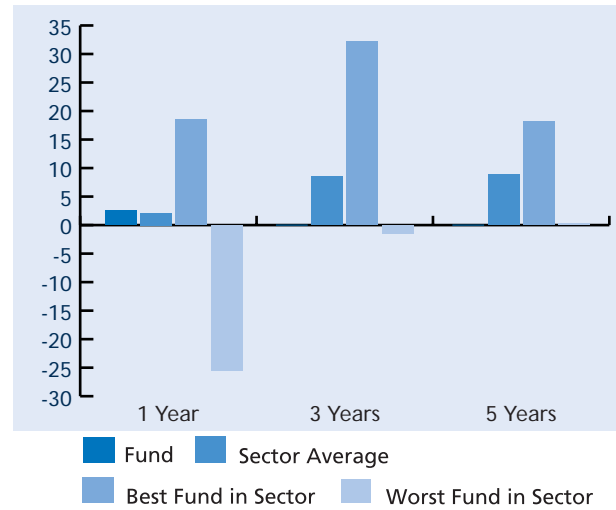
During the period, the Fund enjoyed a significant surge in assets under management. These additional funds were largely expected and as such analysis has been underway for some time as to the best means of integrating the monies into the Fund. While the current asset split indicates that a high percentage of the Fund is in cash, in actual fact the majority of this new capital has already been invested, although has not yet settled (i.e. The Fund can not reflect them its accounts). The level of the cash influx has opened up investment opportunities previously outside the Fund's scope.

Additional investments were made across the board in those existing funds that were open to new investments. In addition, following a thorough quantitative and qualitative selection process, 3 new funds were added to the stable:

- Orbis Optimal Fund: Equity market neutral fund, providing weekly liquidity
- Global Asset Fund: Macro fund, with well developed risk controls
- SR Global Fund : Emerging market fund specializing in small/mid cap stocks

A number of additional funds are being considered, in particular a European focussed long/short manger, taking the total number of underlying funds from 8 to approximately 12-13, which in our opinion greatly improves the risk characteristics of the overall Fund.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
2.55%	n/a	n/a	n/a	n/a

Asset Breakdown

Long/Short Equity

Capital Works Cypress Offshore Fd.
Tarpon Offshore Fund
Long/Short Class
Woodrow Partners Ltd Fund
EEOG Fund International

Market Neutral - Securities Hedging

Orbis Optimal Fund

Distressed Securities

King Street Capital

Convertible Arbitrage/M&A

Shepherd Investments Int.

Regulation Arbitrage

Hercules Fund

Convertible Arbitrage

Argent Classic Convertible Arb. Fd.

Emerging Markets

SR Global Fund

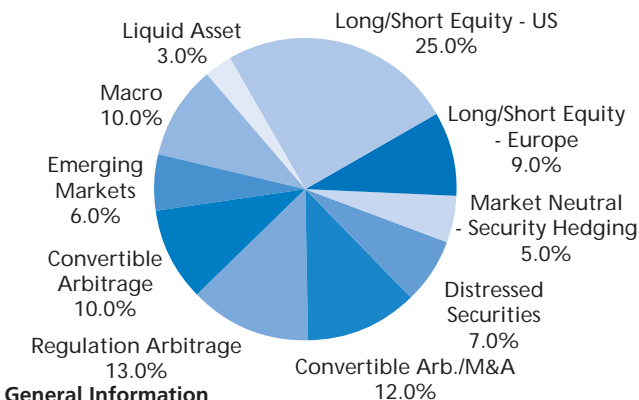
Marco

Global Asset Fund

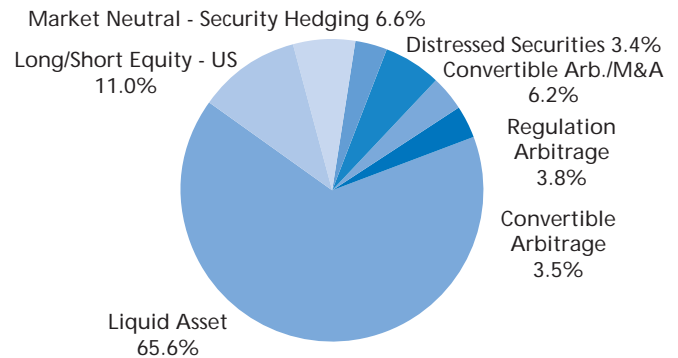
Liquid Asset

Butterfield Money Market

Asset Breakdown Benchmark



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 17

Fiscal Year End: June 30th
Min. Investment: USD 10,000
Valuation: Thursday

Dealings: Friday
Management Fees: 1.25%
NAV per share (28.06.02): USD 10.45

Front End Fee: None