

Golden Select Fund: Fixed Income

Objective

To offer a convenient vehicle for investing in an international portfolio of fixed income mutual funds, which are anticipated to provide the best opportunities for income and capital growth.

Investment Policy

To invest in a diverse range of top performing offshore fixed income mutual funds as well as a number of top quality individual securities in order to control costs.

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

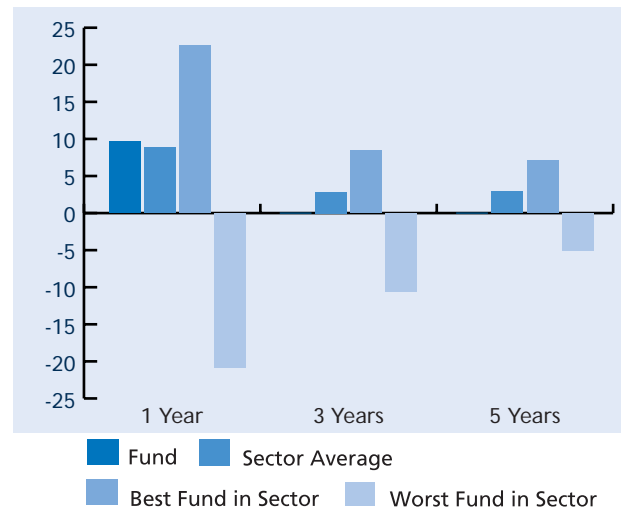
The net asset value (NAV) per share of the Fund increased from \$11.35 to \$11.88, over the quarter, an increase of 4.70% against a benchmark return of 4.18%. The Fund has continued to outperform its respective benchmark over the last 12 months by 1.9% and by 4.6% since inception.

In general, bonds performed well over the period, as various attempted equity rallies petered out. As the chances of a rapid recovery in the US gradually diminished, with modest growth prospects broadly considered the more likely outcome, expectations of an early increase in interest rates have all but disappeared. At present, with the release of relatively benign inflation data, the Fed is forecast to keep interest rates on hold for the remainder of the year.

The Fund enjoyed one of its strongest quarters since inception. The star performer was undoubtedly our un-hedged Vanguard Euro Investment Fund position, which while appreciating a relatively modest 1.3% received an additional kicker from the 12.7% appreciation of the Euro relative to the US dollar. The Butterfield Capital Appreciation Bond Fund (+5.3%) also performed well.

Over the quarter the Fund, mindful of its duration, rolled out of its 8 year Treasury holding into a 2009 and 2012 security, the latter of which, in particular, benefited from the flight to quality from equities and the Fed's more cautious stance. In addition, profits were taken in the highly successful Ashmore Emerging Fund and reinvested into the Ashmore Asian Recovery Fund, increasing the Fund's overall diversification while gaining access to investment opportunities in Hong Kong and China.

Comparative Performance



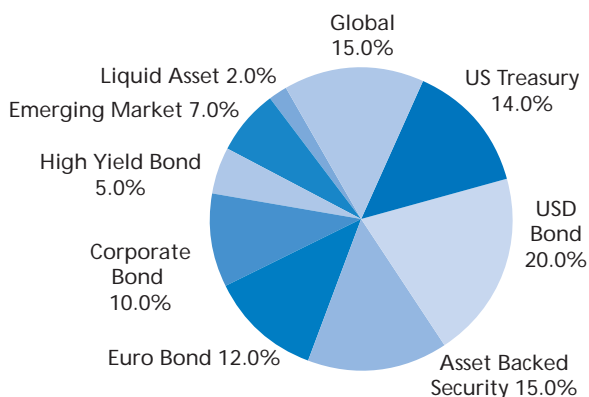
Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
9.71%	n/a	n/a	n/a	n/a

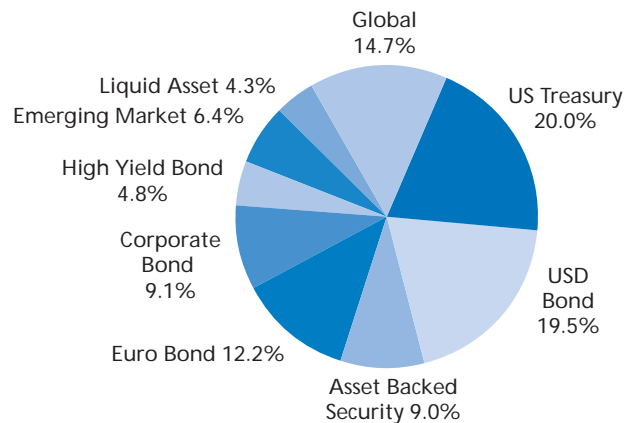
Asset Breakdown

- Global**
LM Diversified Strategic Income
Schroder ISF Hedged Global Bd.
- US Treasury**
10yr Benchmark
7yr Benchmark
- USD Bond**
Butterfield Capital Appreciation Bd
Butterfield USD Bond Fund
- Asset Backed Security**
CMBS - JP Morgan
- Euro Bond**
Vanguard Euro Investment Grade
Bond Index
- Corporate Bond**
World Bank
- High Yield Bond**
Baring High Yield Bond Fund
- Emerging Markets**
Ashmore Emerging Mkt. Liq. Inv.
Ashmore Asian Recovery Fund
- Liquid Asset**
Butterfield Money Market

Asset Breakdown Benchmark



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 31

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

Dealings: Friday
Management Fees: 0.875%
NAV per share (28.06.02): USD 11.88

Front End Fee: None