

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 increased from \$10.40 to \$10.70 over the quarter, an increase of 2.88%.

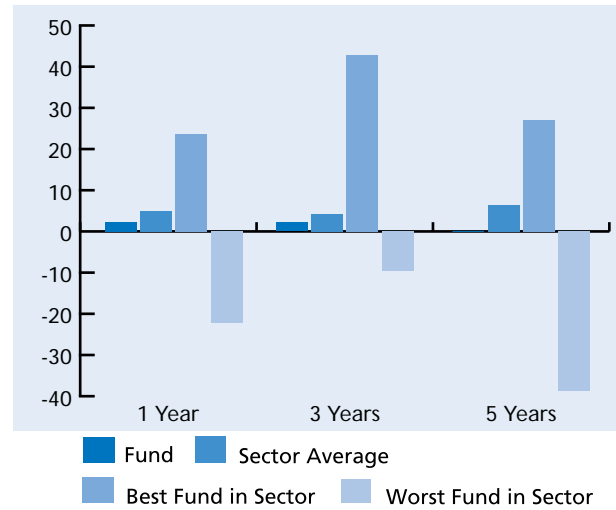
Earlier this year, The Fund announced the appointment of International Asset Management (IAM) as sub-adviser for the Fund. IAM is a UK-based multi-manager investment group specializing in alternative investment management since 1989. Following the ongoing review process of the Fund's existing holdings, the Fund will remain a relatively conservative investment intended to provide diversification and reduce the risk level of a traditional portfolio of stocks and bonds.

Although we expect to see some turnover amongst our funds in the next few months, it will not affect performance in the short run but will ultimately lead to stronger returns for our shareholders in the long run. IAM will construct a portfolio of hedge funds that will hold about 20 different funds with 40% of the assets concentrated in Long/Short equity managers and 60% in "non-directional" strategies (convertible arbitrage, emerging markets, Fixed-income arbitrage, etc).

It should be noted that most of the new hedge funds that were recently added to the portfolio have already produced strong returns (including Amici, Brahman Partners and Karsch Capital). IAM's research intensive approach involves quantitative and qualitative analysis of alternative investments that allow them to select hedge fund managers that have an "edge" and have demonstrated the ability to produce strong absolute returns over the years.

Over the last 3 months, the following funds, Tarpon, Woodrow, EEGO, Lazard, Heracles and Argent, were liquidated. In most cases, IAM has identified alternative managers that will constitute a better long-term fit for the Fund.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
2.39%	2.18%	n/a	n/a	n/a

Asset Breakdown

Long/Short Equity US

Amici Fund Int'l
Brahman Partners
Capital Works Cypress Offshore Fund
Karsch Capital

Long/Short Equity Europe

Egerton European Dollar Fund

Market Neutral - Securities Hedging

Orbis Optimal Fund

Distressed Securities

King Street Capital
Harbert Distressed Investments
Offshore

Convertible Arbitrage/M&A

Shepherd Investments Int.

Convertible Arbitrage

Gaia Offshore Fund
KBC Convertible Opportunities

Relative Value Arbitrage

CQS Capital Structure Arbitrage

Fixed-income Arbitrage

Westside Offshore Partners
Julius Baer Diversified
London Diversified Fund

Emerging Markets

SR Global Fund

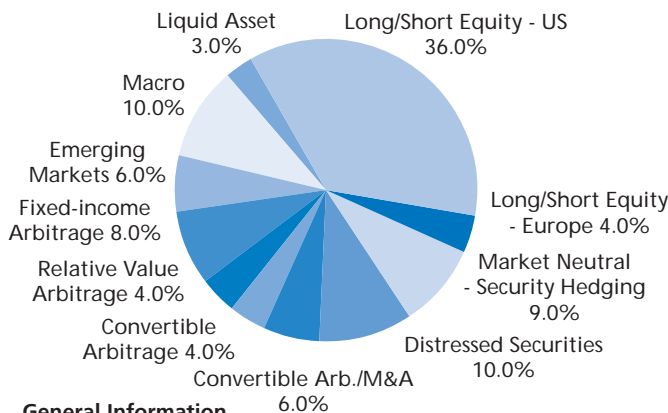
Global Macro

Global Asset Fund

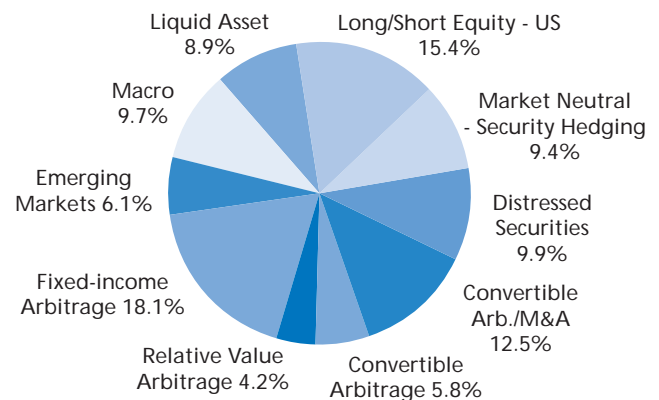
Liquid Asset

Butterfield Money Market

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 21

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

Dealings: Friday
Management Fees: 1.25%
NAV per share (30.06.03): USD 10.70

Front End Fee: None