

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

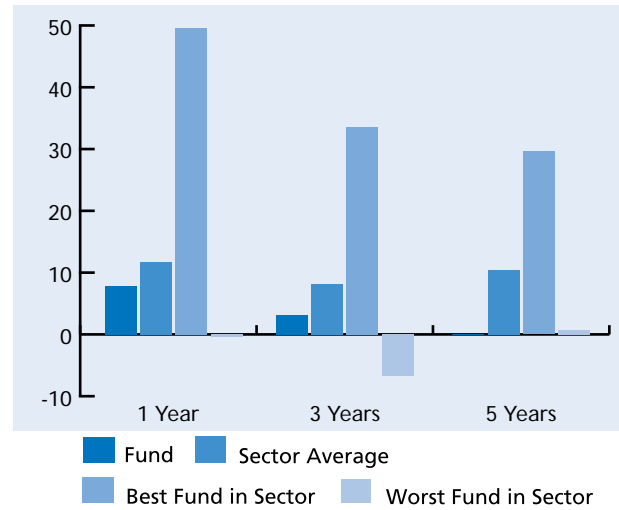
The net asset value (NAV) per share of the Fund increased from \$10.86 to \$11.10 over the quarter, an increase of 2.2%.

Over the quarter, the highlight has been the performance of the US equity long/short funds where the net long exposure resulted in the managers' participation in the market rally. For a second quarter in a row, the Fund's exposure to SR Emerging markets has been highly profitable. In Europe, managers have been quite cautious this year. The weakness of the dollar and recent terrorist attacks closer to home in Turkey are cited as reasons for a conservative approach. In terms of performance from European managers, long returns have been somewhat diluted by challenging conditions in the shorting arena although one recent addition to the portfolio -namely Crescendo European- produced good returns this past quarter, benefiting from long positions in pharmaceuticals and aerospace.

In the relative value section of the Fund, the returns over the quarter have been mixed. Fixed Income and Macro funds have produced pedestrian returns as they traded in a range as markets continued their balancing act between positive economic data versus less positive expectations. Credit sensitive funds produced positive performance as spreads tightened across the spectrum. Distressed funds benefited from this trait and also from position specific news which positively impacted performance.

Following two quarters of significant turnover, The Investment Team believes the portfolio now has a well-diversified structure across a broad range of strategies and styles. It comprises of highly experienced, talented managers ready for the challenges of 2004.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
7.77%	3.09%	n/a	n/a	n/a

Asset Breakdown

Long/Short Equity

- Alphagen Capella Fund
- Amici Fund Int'l
- Brahman Partners
- Boyer Allan Japan
- Crescendo European Fund
- Egerton European Fund
- Elm Ridge Value Partners
- Intrepid Capital Fund
- Karsch Capital Ltd
- Raptor Global Fund
- SEG Partners
- Trellus Offshore

Market Neutral - Securities Hedging

- Orbis Optimal Fund

Distressed Securities

- Davidson Kempner Int'l
- King Street Capital Ltd
- Harbert Distressed Investments Offshore

FI Arbitrage / Convertible Arb.

- Animi Offshore
- Drake Absolute Return Fund
- GLG Market Neutral Fund
- Julius Bear Diversified FI
- KBC Conv. Opportunities
- London Diversified Fund
- Plexus Fund
- QVT Overseas Ltd
- Shepherd Investments Int.
- Vega Relative Value Fund

Emerging markets

- SR Global Fund

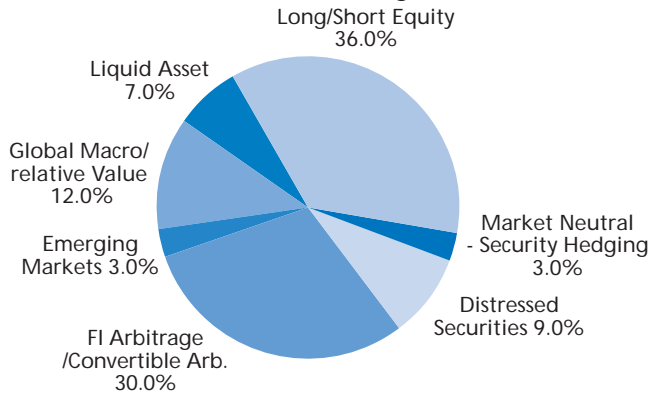
Global Macro/Relative Value

- Brevan Howard Fund
- CQS Capital Structure Arbitrage Fund
- Global Asset Fund
- Moore Global FI Fund

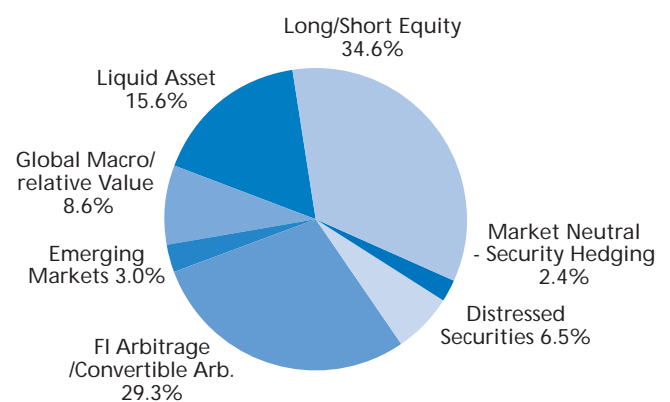
Liquid Asset

- Butterfield Money Market

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD
 Units Available: Accumulation
 Size of Fund (millions): USD 51

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

Dealings: Friday
 Management Fees: 1.25%
 NAV per share (31.12.03): USD 11.10

Front End Fee: None