



Objective

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

Investment Policy

To invest in a diverse range of top performing offshore equity mutual funds as well as a number of indexed products in order to control overall 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.

Fund Review

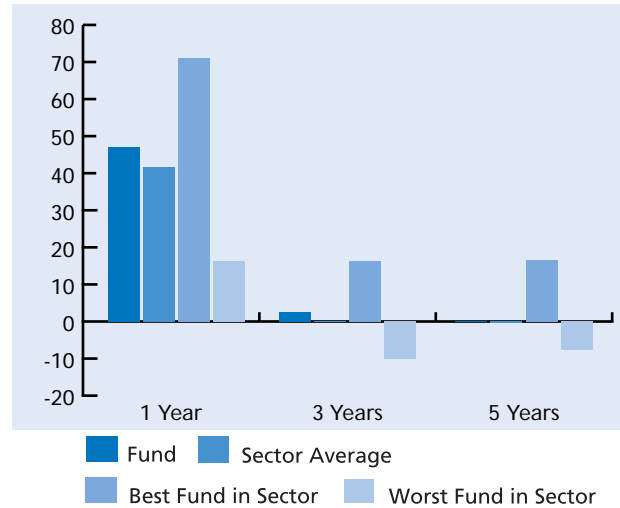
The net asset value (NAV) per share of the Fund increased from \$8.02 to \$8.43 over the quarter, an increase of 5.11% against a benchmark return of 2.47%. The S&P 500 rose 1.69% and the Bloomberg European 500 was up 3.87% in local currency terms. The Japanese stock market continues to move significantly higher, as indicated by the Nikkei 225 index rising 10.19% during the same period.

After growing at a +4.3 percent rate in 2003, economists are projecting +4.6% growth for the U.S. economy in 2004. While stimulative monetary and fiscal policies will continue to provide fuel to the recovery in the first half of 2004, most forecasters are betting on job creation and rising wages to propel economic activity higher in the second half. Despite the fact that investors have recently started to question the ability of the U.S. economy to create jobs, we think that the growth scare will pass and U.S. payrolls will eventually advance, providing a second leg to the equity rally. In Europe, exchange rate volatility and weak consumption continue to cause considerable anxiety at both the corporate and political level. Meanwhile, Japan has become the center of the world's attention again after posting fourth quarter annualised GDP of 6.4%.

Japan was in fact the best performing market this last quarter. Forward earnings in Japan are at 13-year highs and valuations are attractive on a relative basis. Investors are also excited about the prospects for the Yen, the structural improvements taking place in the banking sector and the fact that industrials and basic industries are a large component of the Japanese market (cyclical play on China and other Asian countries).

During the quarter, we made no significant changes to our positions. The Fund remains overweight Japan and emerging markets relative to the benchmark. We maintained an underweight position in U.S. and Europe based on unattractive valuations.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
47.12%	2.50%	n/a	n/a	n/a

Asset Breakdown

Global

- ACM Global Growth Trends
- Orbis Global Equity Fund

North America

- SPDR – S&P 500
- Ishares Russell 2000 Value
- Dresdner RCM North American
- Fidelity FDS American Growth
- MFS - U.S. Emerging Growth Fund
- Legg Mason U.S. Select Value Portfolio
- Legg Mason Value Fund

UK/European

- Fidelity European Growth Fund
- Vanguard - European Stock Index

Emerging Markets

- Fleming FF Emerging Markets
- Ishares MSCI Emerging Markets

Japan

- Fleming FF Japanese
- Orbis Japan Equity

Bermuda

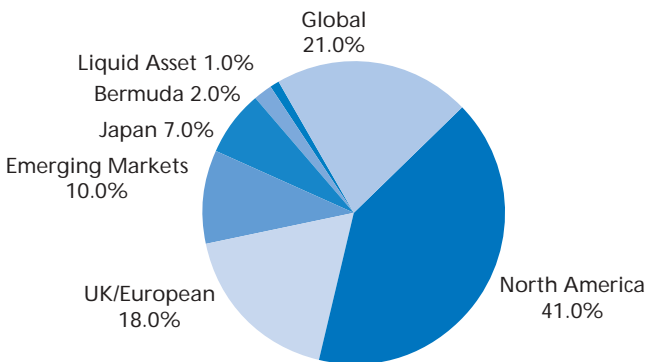
- Butterfield Bermuda Fund

Liquid

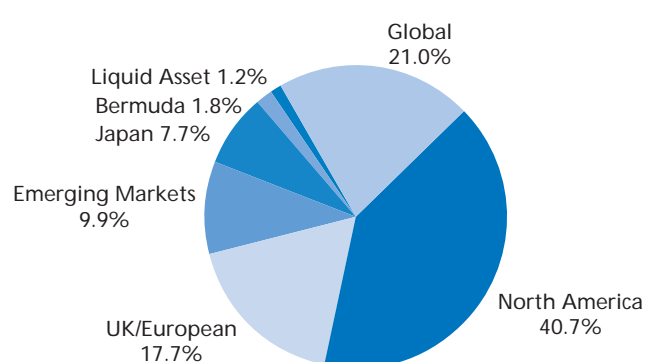
Benchmark Composition

- 60% MSCI USA
- 40% MSCI ex USA

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD

Units Available: Accumulation

Size of Fund (millions): USD 72

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Management Fees: 0.875%

NAV per share (31.03.04): USD 8.43

Front End Fee: None