

Golden Select Fund: Alternative Investment Class

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 \$11.58 to \$11.88 over the quarter, an increase of +2.6%. For the calendar year just completed, the Fund returned +7.0%.

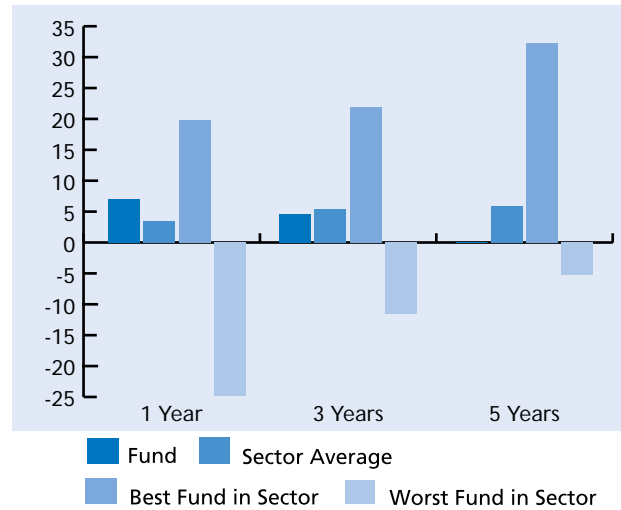
Market conditions were more favourable over the last quarter. Following George W. Bush's re-election and a setback in the price of oil, equity markets staged a strong recovery in the final two months of the year. In addition, the US dollar continued to decline, yields rose sharply at the front end of the curve in the US while falling in most other markets. As a result, all strategies made a positive contribution to the performance of the Fund.

In some instances, long/short equity managers produced returns well in excess of the market's, despite retaining a cautious positioning with low net exposure. Over the course of 2004, we have been adding to this strategy as opportunities arose. Of particular note was the performance of SR Global Fund. This fund benefited from its long biased allocation to some of the strongest performing emerging markets, with returns in excess of 10% for the quarter.

Global macro, fixed income and event driven managers also posted attractive returns in recent months. However, the convertible arbitrage market continued to suffer from low short-term implied volatility, yet some managers have recently started to sound more optimistic on the outlook for 2005.

Over the quarter, we liquidated our positions in Intrepid Capital and Vega Relative Value while selectively adding to some of our current positions and to a new UK long/short equity fund (Lansdowne UK Equity Fund).

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
7.03%	4.57%	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
Karsch Capital Ltd
Lansdowne UK Equity Fund
Orbis Optimal Fund
PK Japan
Prospect Absolute Return (Japan)
Raptor Global Fund
SEG Partners
SR Global Fund
Trellus Offshore

Event Driven

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

Convertible Arbitrage

GLG Market Neutral Fund
KBC Conv. Opportunity Fund
Plexus Fund
Shepherd Investments Int.

FI Relative Value

Julius Bear Diversified FI
London Diversified Fund

Capital Structure Arbitrage

CQS Capital Structure Arbitrage Fund

Multi Strategy

Animi Offshore
OZ Overseas Fund
QVT Overseas Ltd

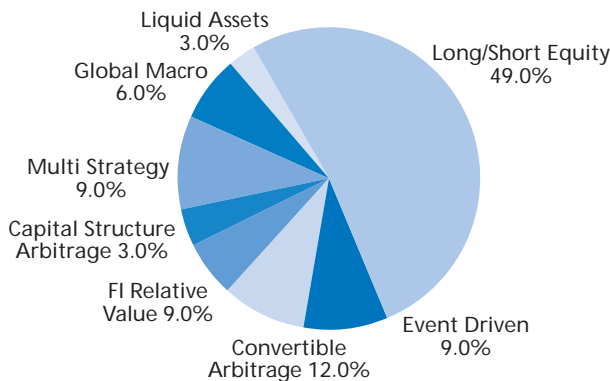
Global Macro

Brevan Howard Fund
Drake Absolute Return Fund

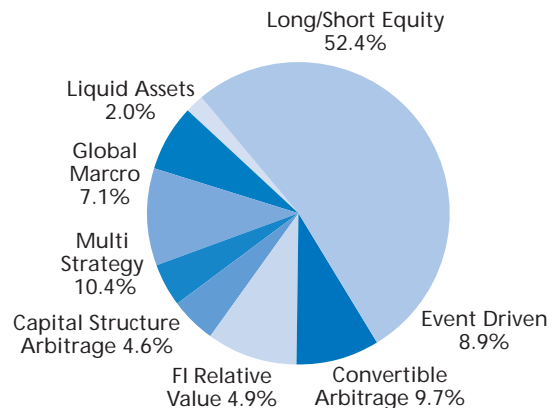
Liquid Asset

Butterfield Money Market

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 99.3

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

Dealings: Friday
Management Fees: 1.25%
NAV per share (31.12.04): USD 11.88

Front End Fee: None