

# 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 \$11.88 to \$12.22 over the quarter, an increase of +2.86%.

A high risk appetite amongst investors was still evident throughout the quarter as market conditions continued to be favourable with almost all strategies making a positive contribution to the performance of the Fund.

Long/short equity managers capitalised from an increased net long exposure across a wide range of sectors. Equity markets benefited from positive earnings announcements, a revival of takeover activity and positive equity inflows. Despite a difficult finish to the quarter, our emerging market managers also posted good returns in the first quarter.

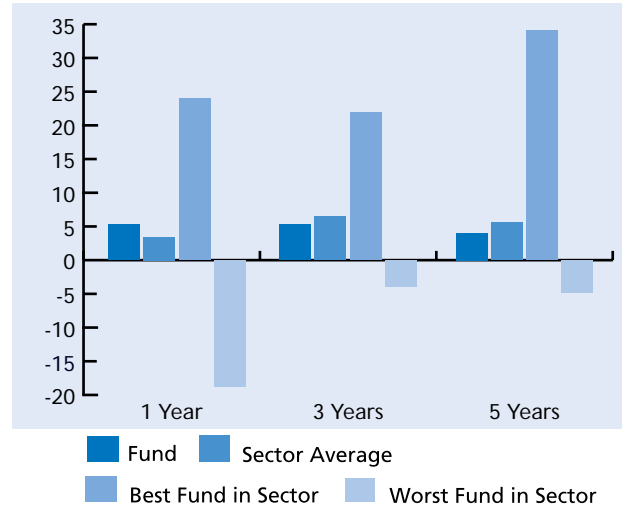
The Fund's fixed income relative value and global macro managers benefited from a variety of trades against a backdrop of a continuing dollar decline and a flattening yield curve.

The Event driven sector also produced strong results as managers continued to have success in restructuring. Deal flow across sectors remained strong and diverse, both in terms of sector and location. The sector also benefited from the improvement in credit spreads.

On a negative note, the convertible area was again challenging as implied volatility continued to fall alongside index volatility.

Over the quarter, we liquidated our position in Davidson Kempner Int'l and replaced it with Centaurus Alpha Fund. We also initiated positions in two new long/short equity funds, namely SCP Overseas Fund and Pennant Winward Fund.

**Comparative Performance**



**Average Annual Compound Returns**

1 Year	3 Years	5 Years	7 Years	10 Years
5.34%	5.33%	4.01%	n/a	n/a

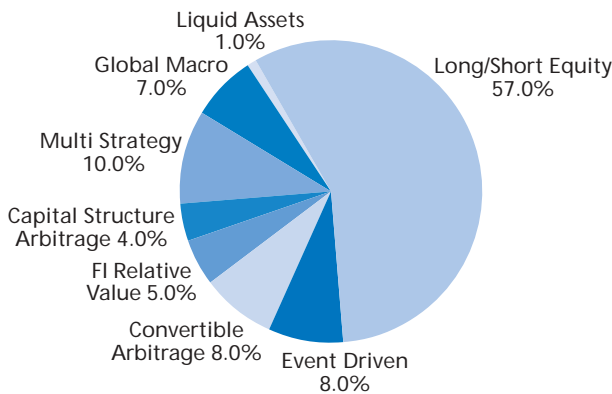
**Asset Breakdown**

- 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
  - SCP Overseas Fund
  - SEG Partners
  - SR Global Fund
  - Trellus Offshore
- 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
- Event Driven**
  - Centaurus Alpha Fund
  - Harbert Distressed Investment Offshore
  - King Street Capital Ltd

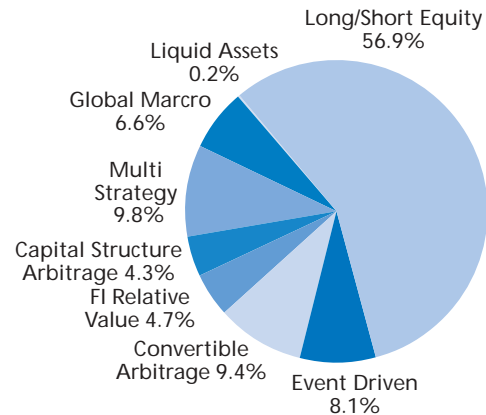
**Benchmark Composition**

HFRI Fund of Funds Diversified Index

**Asset Breakdown Target**



**Asset Breakdown Actual**



**General Information**

Currency: USD  
 Units Available: Accumulation  
 Size of Fund (millions): USD 105

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

Dealings: Friday  
 Management Fees: 1.50%  
 NAV per share (31.03.05): USD 12.22

Front End Fee: None