

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 \$10.14 to \$10.53 over the quarter, an increase of +3.8% against a benchmark return of +3.1%. During the last three months, the major indices (S&P 500: +2.1%, Bloomberg European 500: +3.9% and the Nikkei 225: +18.7% - all returns expressed in local currency terms) all posted positive returns.

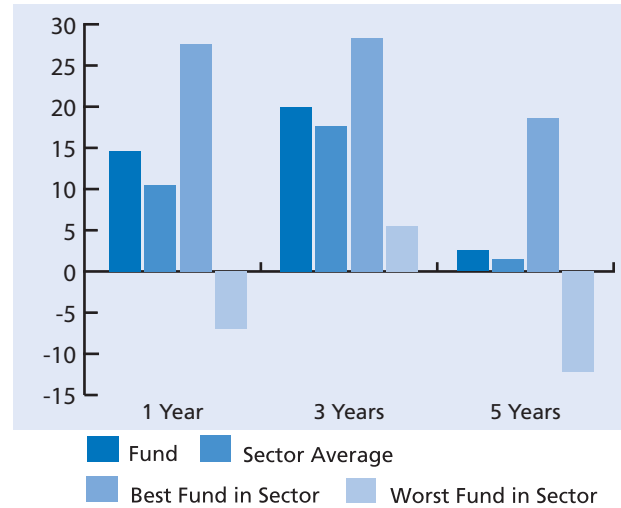
For a second quarter in a row, Japanese equities were among the best performing asset class in the world. Over the past 15 years, investors have been largely right to stay away from Japanese assets. Recently however, it has become increasingly evident that the previously inflexible system may have completed its adjustment. Corporate discipline and restructuring have led to a significant increase in return on equity and earnings, boosting investors' confidence and stock prices. So far, foreign investors have been the driving force behind the rally but we expect domestic investors to get on board shortly. We believe that reflation has replaced asset deflation as the dominant theme in the market.

Despite a difficult month of October, emerging markets finished the quarter strongly. Rising domestic demand, low interest rates, ongoing structural investment and significantly reduced political and currency risk should continue to sustain improvement in relative valuations. Accordingly, we are planning to remain overweight the emerging markets in 2006.

Despite small gains during the quarter, US equities continued to lag most other equity markets and we remain underweight the region. European equities performed slightly better as mergers and acquisitions boosted confidence.

The Fund increased its exposure to Japan in early October and is now overweight the region versus the benchmark. There were only minor adjustments made to other positions during the quarter.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
14.58%	19.96%	2.54%	n/a	n/a

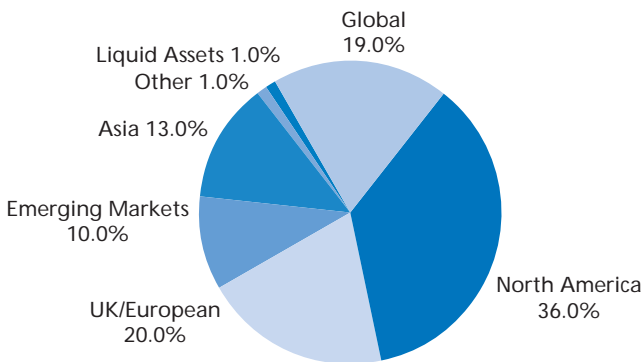
Asset Breakdown

- Global**
 - ACM Global Growth Trends
 - Orbis Global Equity Fund
- North America**
 - Ishares S&P 500/BARRA Value Index Fund
 - Ishares Russell Midcap Value Index Fund
 - iUnits S&P/TSX 60 Capped Index Fund
 - Davis Value Fund
 - Fidelity FDS American Growth
 - Legg Mason US Select Value Portfolio
 - Legg Mason Value Fund
- UK/European**
 - Fidelity European Growth Fund
 - JPMorgan Fleming Funds - Europe
 - Strategic Value Fund
 - Vanguard - European Stock Index Fund
- Emerging Markets**
 - Ishares MSCI Emerging Markets Index Fund
 - Fleming FF Emerging Markets
- Asia**
 - Fleming FF Japanese
 - Orbis Japan Equity
 - Ishares MSCI Pacific ex-Japan
- Bermuda**
 - Butterfield Bermuda Fund
- Liquid Asset**
 - Butterfield Money Market Fund

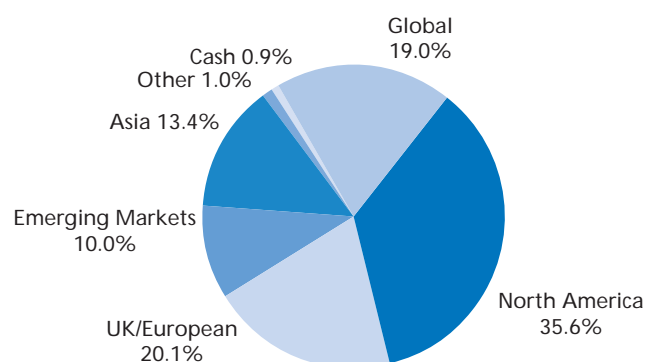
Benchmark Composition

100% MSCI World Index

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD	Fiscal Year End: June 30th	Dealings: Friday	Front End Fee: None
Units Available: Accumulation	Min. Investment: USD 10,000	Total Expense Ratio: 1.12%	
Size of Fund (millions): USD 134.3	Valuation: Thursday	NAV per share (31.12.05): USD 10.53	