

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. IAM, a professional hedge fund manager, act as the sub-advisor to this class of the Fund*.

Fund Review

The net asset value (NAV) per share of the Fund increased from \$12.94 to \$13.63 over the quarter, an increase of 5.3%.

Long/Short equity managers experienced a volatile but profitable first quarter in 2006. European managers delivered excellent performances, driven by long books that benefited from a positive earnings season and continued M&A activity. In the US, managers also produced strong returns while Japanese managers were faced with a more challenging environment in the aftermath of January's Livedoor scandal.

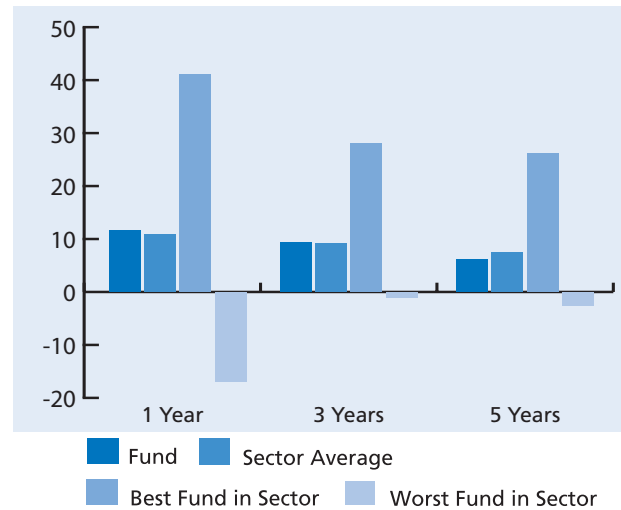
Global Macro and Fixed Income Relative Value managers also performed well. Macro managers typically profited from strong global sector trends and bullish commodity trading, whilst Fixed Income managers thrived in the environment of shifting global interest rate expectations.

Our managers in the Convertible Arbitrage and Event Driven strategies posted small but positive returns as the trading environment remained healthy. M&A activity, general tightening of merger/credit spreads and positive trends in equity markets were amongst the reasons mentioned by the managers as positive catalysts of performance over the past three months.

Winton Futures Fund's performance (CTA/Trend followers) was volatile with solid gains in January and March being dampened by a loss in February.

Over the quarter, we sold our entire positions in King Street Capital and GLG Market Neutral Fund. We added to our investments in Winton Futures Fund, Plexus Fund and initiated a position in a new Macro fund (Lansdowne Macro Fund). The manager makes use of a blended approach of quantitative models with fundamental and technical overlay.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
11.54%	9.43%	6.12%	n/a	n/a

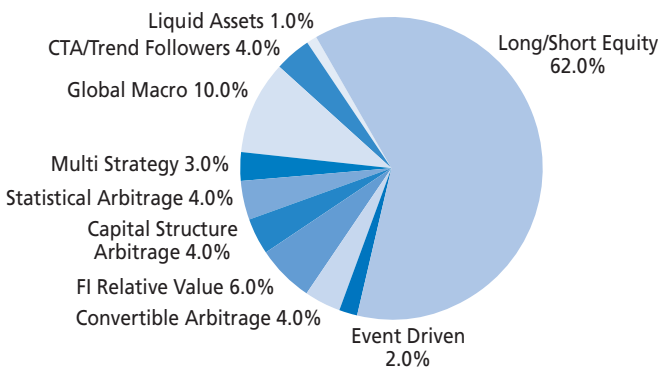
Asset Breakdown

- 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
 - Pennant Winward Fund
 - PK Japan
 - Prospect Absolute Return (Japan)
 - Raptor Global Fund
 - SCP Overseas Fund
 - SEG Partners
 - SR Global Fund
 - Trellus Offshore
- Event Driven**
 - Centaurus Alpha Fund
- Convertible Arbitrage**
 - Plexus Fund
- FI Relative Value**
 - Julius Bear Diversified FI
 - London Diversified Fund
- Capital Structure Arbitrage**
 - CQS Capital Structure Arbitrage Fund
- Statistical Arbitrage**
 - Goldman Sachs Global Equity Opportunities
- Multi Strategy**
 - OZ Overseas Fund
- Global Macro**
 - Brevan Howard Fund
 - Drake Absolute Return Fund
 - Lansdowne Macro Fund
- CTA / Trend followers**
 - Winton Futures Fund Ltd
- Liquid Assets**
 - Butterfield Money Market Fund

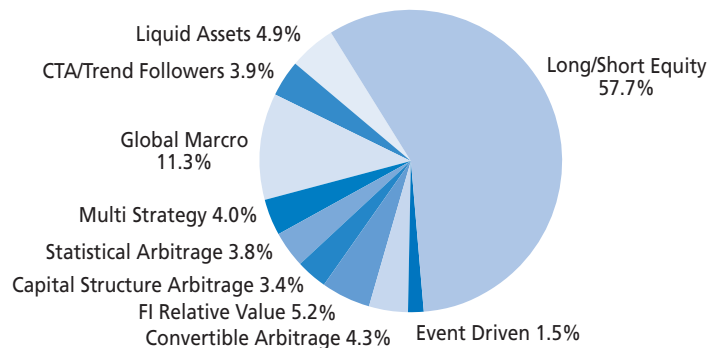
Benchmark Composition

HFRI Fund of Funds Diversified Index

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 134.3

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

Dealings: Friday
Total Expense Ratio: 1.63%
NAV per share (31.03.2006): USD 13.63

Front End Fee: None