



## SELECT FUND: EQUITY CLASS

### 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, process and style.

### FUND REVIEW

The net asset value (NAV) per share of the Fund rose from \$9.66 to \$10.05 over the month, an increase of 4.04%, against a benchmark return of 7.33%. For 2010 the Fund increased 8.53% vs. a benchmark return of 11.76%. The major indices had USD returns as follows: S&P 500: 6.68%, Bloomberg European 500: 7.99% and the Nikkei 225: 5.38%.

Global equities rose substantially in December, with a combination of encouraging economic news, the Federal Reserve's \$600 billion QE (quantitative easing) program and the US Congress' investment-friendly tax bill. As 2010 came to a close, investors left the year with renewed hope that global economies will recover further in 2011. While we share that same hope, we are very mindful that there are still significant problems worldwide (housing, unemployment, European debt issues) which could cause a drag on the recovery. As yet, we haven't seen a post-crisis world sustain itself without QE and other forms of Government intervention.

The underperformance of the fund versus the benchmark has been a result of the inability of some constituent fund managers (many of which have been long-term outperformers) to provide any value over their benchmark indices. Over the course of the month we have expanded our participation in emerging markets with the purchase of S&P Emerging Europe ETF. As mentioned, the fund will look to add region specific emerging market funds to accompany the broader holding (Vanguard ETF).

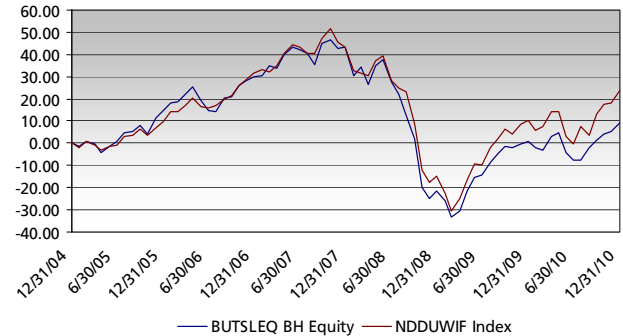
### GENERAL INFORMATION

Currency: USD	Fiscal Year End: 30 June
Valuation: Thursday	Min. Investment: USD 10,000
Dealings: Friday	Total Expense Ratio: 1.31%
Front End Fee: None	Size of Fund (millions): USD 120.50
Units Available: Accumulation	NAV per share (31.12.2010): USD 10.05
Identifier: BUTSLEQ BH	

### Contact Information

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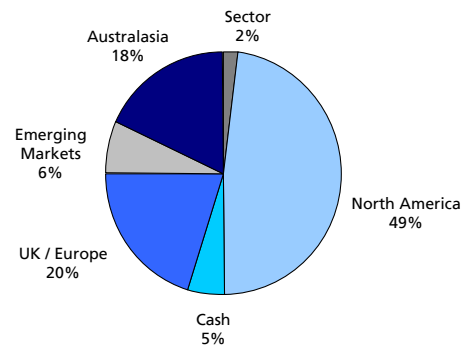
### CHART MONTHLY



### AVERAGE ANNUAL COMPOUND RETURNS

1 Year	3 Years	5 Years	7 Years	10 Years
8.53%	-8.54%	-.93%	3.27%	0.76%

### ASSET ALLOCATION



### TOP 10 EQUITY HOLDINGS

Name	% of Fund
1. Orbis Global Equity Fund	12.66
2. Fidelity European Growth Fund	8.68
3. Merrill Lynch – US Flexible Equity Fund	8.36
4. JPMorgan Funds – Europe Strategic Value Fund	6.65
5. Vanguard – Global Stock Index Fund	6.63
6. Orbis Japan Equity Fund	5.87
7. iShares CDN S&P TSX Capped Index	5.69
8. UBAM-Neuberger Berman US Equity Value	5.63
9. Vanguard Emerging Market Index	5.57
10. MC Asia Pacific Ex Japan	5.09

### BENCHMARK COMPOSITION

100% MSCI World Index



Morningstar Rating™

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