

# PSG International Portfolio Fund

Audited Financial Statements for the year ended 28 February 2011



PSG FUND MANAGEMENT (CI) LTD

# **PSG INTERNATIONAL PORTFOLIO FUND**

Annual Report and Audited Financial Statements for the year ended 28 February 2011

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**MANAGEMENT AND ADMINISTRATION*****Manager*****PSG Fund Management (CI) Limited**

3rd Floor, NatWest House

Le Truchot

St Peter Port

Guernsey

GY1 1WD

***Directors of the Manager***

Brian Horsepool

A Bichard (appointed 1 March 2011)

H Burger (appointed 1 March 2011)

M Smith (appointed 2 September 2011)

***Administration and Registrar*****Active Fund Services Limited**

(formerly known as PSG Active Fund Services Limited)

3rd Floor, NatWest House

Le Truchot

St Peter Port

Guernsey

GY1 1WD

***Legal Advisors*****AO Hall**

12-14 New Street

St Peter Port

Guernsey

GY1 2PF

Channel Islands

***Independent Auditors*****PricewaterhouseCoopers CI LLP**

Royal Bank Place

1 Glatigny Esplanade

St Peter Port

Guernsey

Channel Islands

GY1 4ND

***Investment Manager*****PSG Fund Management Holdings (Pty) Limited**

Whose principal place of business is:

Alphen Park

PSG House 1st Floor

Constantia Main Road

Constantia

7806

South Africa

***Trustee*****BNP Paribas Trust Company (Guernsey) Limited**

BNP Paribas House

St Julian's Avenue

St Peter Port

Guernsey

GY1 1WA

***Investment Advisor to: -****PSG Global Dynamic GBP**PSG Global Dynamic USD**PSG Global Dynamic EUR***MitonOptimal Guernsey Limited**

Barclays Court

Les Echelons

St Peter Port

Guernsey

GY1 6AW

***Investment Advisor to: -****PSG Sterling Cash Management***South Easter Fund Management (Pty) Limited**

Alphen Park

PSG House 2nd Floor

Constantia Main Road

Constantia

7806

South Africa

## **REPORT OF THE MANAGER**

PSG Fund Management (C.I.) Limited (the "Manager") has pleasure in submitting its Annual Report for the PSG International Portfolio Fund (the "Fund") for the year ended 28 February 2011 with comparatives for the year ended 28 February 2010.

### ***Statement of Manager's Responsibilities***

The Manager is responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs and of the statement of total return of the Fund for that period. In preparing these financial statements, the Manager is required to: -

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Manager confirms that they have complied with the above requirements in preparing the financial statements.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund, and to enable it to ensure that the financial statements comply with the terms of the Trust Instrument and relevant law. The Manager is also responsible, together with the Trustee, for safeguarding the assets of the Fund, and hence for taking reasonable steps for the prevention of fraud, error and non-compliance with law and regulation.

So far as the Manager is aware there is no relevant audit information of which the Fund's auditors are unaware and the Manager has taken all steps that they ought to have taken as Managers in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

### ***Activities and Status***

A Trust Instrument dated 30 July 1997 between the Manager and the Trustee established the Fund as an exempt unit trust under the laws of the Island of Guernsey.

The Fund is authorised by the Guernsey Financial Services Commission as a Class B Scheme under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

The Fund consists of the seven following Classes: -

The PSG Global Dynamic GBP Portfolio	The Global Hedge Portfolio - US Dollar Class
The PSG Global Dynamic USD Portfolio	The European Hedge Portfolio
The PSG Global Dynamic EUR Portfolio	The Quant 5 Portfolio
The Sterling Cash Management Portfolio	

The Manager is also able to invest in mutual funds, which are funds of funds, with the exception of the PSG International Portfolio Fund or any other Guernsey registered PSG umbrella scheme.

**REPORT OF THE MANAGER (continued)****Directors of the Manager****Micheal Ian Frain Smith** (appointed 2 September 2010)

Mike is currently Chief Operating Officer of PSG Fund Management Group and has 17 years experience in the financial services industry. Having completed his B.Com. Honours in Accounting at WITS in 1989, he commenced his articles with Deloitte & Touche and was promoted to position of audit manager in 1993. In 1993, he applied for a transfer to Deloitte & Touche's Corporate Finance division during which period he was involved in a number of due diligence reviews, capital restructuring, financial modeling and valuation assignments. In 1997, he accepted a corporate finance position with Real Africa Durolink Investment Bank Limited ("RAD"), during the 4½ years that Mike spent working as an executive in RAD's corporate finance division, he was involved in negotiating and implementing a variety of corporate finance deals and transactions. In September 2001, he accepted a Group Financial Director position with Appleton Limited a company that was listed on the JSE. In 2003, when Appleton Limited was acquired by PSG Group Limited he was promoted to the position of Chief Financial Officer of PSG Investment Services (Pty) Ltd and has during the past 7 years worked in various senior managerial positions and served on a number of company board's and committees within PSG Group Limited a company listed on the JSE.

**Brian Horsepool**

Mr Horsepool has extensive experience of international fiduciary services for both institutional and private clients. He is an Associate, Chartered Institute of Bankers (Trustee Diploma) and an Associate, Society of Trust & Estate Practitioners. Mr Horsepool is Managing Director of Active Compliance Services Limited, which provides compliance and consultancy services to investment companies and he is a director of a number of investment companies in Guernsey.

**Annette Bichard** (appointed 1 March 2011)

Annette Bichard is an Executive Director of the Administrator. Annette joined the Active Group in August 2002 from Butterfield Bank (Guernsey) Ltd where she worked for over 13 years and was appointed to the Board of the Administrator in 2010. Annette's role has included managing fund operations, management and oversight services and providing consultancy and project management services to the fund and investments industry in Guernsey.

**Henry Burger** (appointed 1 March 2011)

Henry Burger obtained a BLC. Law (1997) and ADR(Dip) from the University of Pretoria and also holds a LLB. (1999) from the University of Stellenbosch. Admitted as an Attorney to the High Court of South Africa, 2002. He completed his articles with Couzyn, Hertzog & Horak in 2001. He joined PSG in South Africa as head of legal and compliance in 2005 and in 2009 he relocated to Jersey to work as a Lawyer for the offshore law firm Ozannes. In 2011 he was appointed as an executive director for PSG Group's management company in Guernsey.

**Results**

As at 28 February 2011 the net asset values and units in issue in respect of each Class Fund were as follows:

	<b>Units in Issue</b>	<b>Value</b>	<b>Units in Issue</b>	<b>Value</b>
	<b>28 Feb 2011</b>	<b>28 Feb 2011</b>	<b>28 Feb 2010</b>	<b>28 Feb 2010</b>
		<b>GBP</b>		<b>GBP</b>
Global Dynamic GBP	1,886,769	2,645,409	2,075,350	2,664,947
Sterling Cash Management	1,058,905	1,389,008	1,089,962	1,431,147
		<b>USD</b>		<b>USD</b>
Global Dynamic USD	1,466,427	1,855,620	1,566,849	1,794,643
Global Hedge	5,434,230	10,694,838	6,373,807	11,879,778
Quant 5	2,878,410	3,634,297	2,915,920	3,572,099
		<b>EUR</b>		<b>EUR</b>
Global Dynamic EUR	571,799	1,122,925	651,967	1,177,742
European Hedge	3,524,322	4,139,984	4,208,859	5,283,569

**REPORT OF THE MANAGER (continued)**

Based on the above figures for the mid-market value of a Unit of each Class Fund as at 28 February 2011, the respective percent increase/(decrease) since the previous year was as follows:

	NAV per Unit		Percentage Increase/(Decrease)
	28 Feb 2011	28 Feb 2010	
	<b>GBP</b>	<b>GBP</b>	
Global Dynamic GBP	1.4021	1.2841	9.19
Sterling Cash Management	1.3117	1.3130	(0.10)
	<b>USD</b>	<b>USD</b>	
Global Dynamic USD	1.2654	1.1454	10.48
Global Hedge	1.9681	1.8638	5.59
Quant 5	1.2626	1.2250	3.07
	<b>EUR</b>	<b>EUR</b>	
Global Dynamic EUR	1.9638	1.8064	8.71
European Hedge	1.1747	1.2553	(6.42)

The price history for the period is as follows: -

1 March 2010 to 28 February 2011	Highest	Lowest
	NAV per Unit	NAV per Unit
	<b>GBP</b>	<b>GBP</b>
Global Dynamic GBP	1.4053	1.2786
Sterling Cash Management	1.3144	1.3038
	<b>USD</b>	<b>USD</b>
Global Dynamic USD	1.2680	1.1394
Global Hedge	1.9681	1.8415
Quant 5	1.2626	1.2054
	<b>EUR</b>	<b>EUR</b>
Global Dynamic EUR	1.9683	1.7979
European Hedge	1.2675	1.1359

**Distribution Policy**

There will be no distribution of income to unit holders. All income accruing to the Fund will be added to the capital of the Class Fund from which it is derived and reflected in the Net Asset Value.

**Scheme Particulars**

Full details of the Fund can be found in its Scheme Particulars, copies of which can be obtained free of charge from the Manager.

The information contained in the Management and Administration page forms part of this report.

Approved by the Board of Directors of the Manager and signed on its behalf by:



Director

Date: 25/6/11



Director

Date: 25/6/11

**REPORT OF THE TRUSTEE**

In respect of the year ended 28 February 2011, we state that in our opinion, PSG Fund Management (CI) Limited (the "Manager"), has managed the PSG International Portfolio Fund (the "Fund"):

- a) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the principal documents, by the scheme particulars and by the Protection of Investors (Bailiwick of Guernsey) Law, 1987; and
- b) in accordance with the provisions of the principal documents and the Collective Investment Schemes (Class B) Rules 1990.



**BNP Paribas Trust Company (Guernsey) Limited**

BNP Paribas House  
St Julian's Avenue  
St Peter Port  
Guernsey  
GY1 1WA

Date : 25/8/11



**REPORT OF THE INVESTMENT MANAGER**

“We are moving toward a global economy. One way of approaching that is to pull the covers over your head. Another is to say: It may be more complicated - but that's the world I am going to live in, I might as well be good at it.” - Phil Condit

The last financial year was indeed a very interesting one with a clear indication that the tide has turned on the financial crisis. The Global economy grew during 2010, but instead of a V-shape recovery we saw a shallow U-shape one which is in line with earlier expectations. According to Curtis A Smith the year offered an interesting mix of positive and negative news as investors around the world eagerly anticipated signs of economic recovery and financial stabilization. While most financial markets logged positive returns for a second straight year, investors had to endure a host of troubling news and pessimistic market predictions. Even eight months into the year, the S&P 500 Index was down 5.9%. But diversified, long-term investors were rewarded with attractive market returns, as the S&P 500 closed the year up 15.06%, with 10.76% of the gain coming in the fourth quarter. (Returns are in US dollars throughout this report.) Stocks performed well in the US and most developed countries, and across size and value risk factors, despite ongoing concerns over a possible double-dip recession, rising government indebtedness, and inflation. Thirty seven out of forty five countries tracked by MSCI achieved positive returns in both local currency and US dollar terms. Fixed income returns were positive, thwarting assertions that bond prices were in dangerous “bubble” territory. Despite continued weakness in residential housing and commercial property, real estate securities around the world outperformed the broad equity market. Diversification across the size and value risk dimensions proved rewarding in both US and non-US markets, particularly among small company stocks.

*PSG European Hedge Portfolio*

The fund feeds into the Intergrated European Fund and Irish listed fund of hedge funds. The Intergrated European Fund invests in absolute return strategies funds which have the ability to generate returns in a wide range of conditions in the European markets.

*PSG Dynamic Portfolio's*

The portfolio's invest in a number of money market instruments, short-dated fixed interest securities, investment trusts, offshore equity funds, listed equity and Alternative Strategy Funds.

Although we view the probability of the current market situation causing a catastrophe as being slim we have slightly lowered our risk profile by marginally reducing equity exposure and reallocating some of our exposures to areas that should provide protection against this scenario. We also feel that it might get harder and harder to extrapolate decent returns towards the end of the year as inflation starts affecting the emerging world and margin pressure affects earnings, but on balance we believe that this will lead to decent value opportunities at some point. On balance we're still cautiously optimistic in the longer term whilst the shorter to medium term is a bit hazier and thus risk needs to be actively managed.

*PSG Global Hedge Portfolio*

The fund feeds into the Odyssey Alternative Strategy Fund Limited "A" Shares. The fund invests in a combination of outstanding managers utilising a variety of alternative investment strategies.

In February 2011, Odyssey has written to its investors to inform them that they are facing legal action from the liquidators of Fairfield Sentry Limited (a fund managed by Bernard Madoff) for repayment of redemption proceeds made between 2004 and 2006. As a result of this letter, the Manager of the PSG International Portfolio Fund received legal advice on what action should be taken at the level of PSG Global Hedge Portfolio in view of the situation Odyssey finds itself in. The Manager and the Trustee taking into account the legal opinion decided that it is in the best interest of all investors to suspend the PSG Global Hedge Portfolio for subscription and redemption purposes as from the 14 February 2011.

**REPORT OF THE INVESTMENT MANAGER (cont)***PSG Sterling Cash Management Portfolio*

The fund invests in a combination of overnight short and medium-term money market investments and cash investment funds.

Remarks from the Governor of the Bank of England in the latest Inflation Report indicate that inflation is likely to remain higher than the MPC expected three months ago. It is believed that the driving force behind the elevated level of inflation is driven by the increase in the VAT rate and high food and energy inflation. Once the impact of higher VAT and imported inflation recede, inflation is expected to fall well below the target due to weak growth and excess capacity. The key risk is that the current experience of above target inflation may push up inflation expectations.

We believe that the risks to UK inflation are to the upside, particularly in the event that commodity price increases are not offset by appreciation in Sterling. Given our outlook for inflation and hence monetary policy, we will now invest new funds in the shorter end of the money market curve.

*The Quant 5 Portfolio*

The Portfolio seeks to achieve consistent and substantial long-term capital appreciation, with significantly better risk-adjusted returns than world equity markets. The fund's assets will be allocated to a carefully selected number of outstanding managers utilising a variety of asset classes .

In February 2011, Odyssey has written to its investors to inform them that they are facing legal action from the liquidators of Fairfield Sentry Limited (a fund managed by Bernard Madoff) for repayment of redemption proceeds made between 2004 and 2006. As a result of this letter, the Manager of the PSG International Portfolio Fund received legal advice on what action should be taken at the level of Quant 5 Portfolio in view of the situation Odyssey finds itself in. The Manager and the Trustee taking into account the legal opinion decided that it is in the best interest of all investors to suspend The Quant 5 Portfolio for subscription and redemption purposes as from the 14 February 2011.

In retrospect, it was a good year for globally diversified investors. But if investors had shaped their market expectations and decisions according to economic news, they likely would not have expected positive returns. We believe that applying a simple, consistent philosophy in the global arena will reap dividends, which our team of investment advisors proved to be right during the last financial year.

**PSG Fund Management (CI) Limited**

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF THE PSG INTERNATIONAL PORTFOLIO****Report on the Financial Statements**

We have audited the accompanying financial statements of PSG International Portfolio Fund (“the Fund”) which comprise the Balance Sheet as of 28 February 2011 and the Statement of Total Return and the Statement of Movement of Unit holders funds for the year then ended and a summary of significant accounting policies and other explanatory information.

**Manager’s Responsibility for the Financial Statements**

The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with United Kingdom Accounting Standards and with the requirements of Guernsey law. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as 28 February 2011, and of its financial performance for the year then ended in accordance with United Kingdom Accounting Standards and have been properly prepared in accordance with the Trust Instrument and The Collective Investment Schemes (Class B) Rules, 1990.

**Report on other Legal and Regulatory Requirements**

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Report of the Manager, Report of the Trustee and Investment Manager Report.

In our opinion the information given in the Report of the Manager, Report of the Trustee and Investment

This report, including the opinion, has been prepared for and only for the Fund's unit holders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

*PricewaterhouseCoopers CI LLP*

PricewaterhouseCoopers CI LLP

Chartered Accountants

Guernsey, Channel Islands

26 AUGUST 2011

**STATEMENT OF TOTAL RETURN***For the year ended 28 February 2011*

	Notes	Global Dynamic GBP		Sterling Cash Management	
		28 Feb 2011 GBP	28 Feb 2010 GBP	28 Feb 2011 GBP	28 Feb 2010 GBP
<b>Income Statement:</b>					
Income	1(a) & (b)	35,917	51,674	29,191	26,165
Management Fees	5	(38,979)	(41,217)	(7,309)	(7,342)
Trustee Fees	4	(5,000)	(5,000)	(3,750)	(3,750)
Administration Fees	3	(6,497)	(6,869)	(3,654)	(3,671)
Other Expenses		(3,920)	(5,898)	(2,865)	(7,250)
		(18,479)	(7,310)	11,613	4,152
Realised Currency Gain		-	-	-	3,683
		(18,479)	(7,310)	11,613	7,835
<b>Gains / (Losses) on Investments</b>					
Realised		(11)	(58,606)	(13,525)	-
Unrealised		246,494	509,417	91	(6,721)
		246,483	450,811	(13,434)	(6,721)
<b>Total Return for the year</b>		<b>228,004</b>	<b>443,501</b>	<b>(1,821)</b>	<b>1,113</b>
Total Return per Unit		£0.121	£0.214	-£0.002	£0.001

Other than the unrealised gains/(losses) on investments disclosed above, there is no material difference between the total return for the year and that calculated on a historical cost basis. Accordingly, no separate statement of recognised gains and losses is presented.

There are no other recognised gains/(losses) for the year apart from those included in the total return for the year.

The results are in respect of continuing operations of the fund.

**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS***For the year ended 28 February 2011*

	Global Dynamic GBP		Sterling Cash Management	
	28 Feb 2011 GBP	28 Feb 2010 GBP	28 Feb 2011 GBP	28 Feb 2010 GBP
Unitholders' Funds at 1 March	2,664,947	2,770,520	1,431,147	1,254,002
Total Return for the period	228,004	443,501	(1,821)	1,113
Cash received for units created	-	-	296,826	1,114,654
Cash paid for units liquidated	(247,542)	(549,074)	(337,144)	(938,622)
<b>Unitholders' Funds at 28 February</b>	<b>2,645,409</b>	<b>2,664,947</b>	<b>1,389,008</b>	<b>1,431,147</b>

The notes on pages 18 to 30 form an integral part of these financial statements.

**STATEMENT OF TOTAL RETURN***For the year ended 28 February 2011*

	Notes	Global Dynamic USD		Global Hedge	
		28 Feb 2011 USD	28 Feb 2010 USD	28 Feb 2011 USD	28 Feb 2010 USD
<b>Income Statement:</b>					
Income	1(a) & (b)	26,686	18,438	94,606	7,031
Management Fees	5	(27,328)	(19,312)	(165,570)	(191,261)
Trustee Fees	4	(9,114)	(8,927)	(15,633)	(15,038)
Administration Fees	3	(4,555)	(3,219)	(27,595)	(31,877)
Other Expenses		(1,714)	(2,019)	(10,571)	(18,064)
		(16,025)	(15,039)	(124,763)	(249,209)
Realised Currency Gain		(215)	(109)	(4,274)	(2,676)
		(16,240)	(15,148)	(129,037)	(251,885)
<b>Gains / (Losses) on Investments</b>					
Realised		11,002	(1,095)	833,649	1,346,717
Unrealised		187,843	161,466	(112,980)	643,056
		198,845	160,371	720,669	1,989,773
<b>Total Return for the year</b>		<b>182,605</b>	<b>145,223</b>	<b>591,632</b>	<b>1,737,888</b>
Total Return per Unit		\$0.125	\$0.093	\$0.109	\$0.273

Other than the unrealised gains/(losses) on investments disclosed above, there is no material difference between the total return for the year and that calculated on a historical cost basis. Accordingly, no separate statement of recognised gains and losses is presented.

There are no other recognised gains/(losses) for the year apart from those included in the total return for the year.

The results are in respect of continuing operations of the fund.

**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS***For the year ended 28 February 2011*

	Global Dynamic USD		Global Hedge	
	28 Feb 2011 USD	28 Feb 2010 USD	28 Feb 2011 USD	28 Feb 2010 USD
Unitholders' Funds at 1 March	1,794,643	680,977	11,879,778	13,331,456
Total Return for the period	182,605	145,223	591,632	1,737,888
Cash received for units created	-	1,078,040	-	-
Cash paid for units liquidated	(121,628)	(109,597)	(1,776,572)	(3,189,566)
<b>Unitholders' Funds at 28 February</b>	<b>1,855,620</b>	<b>1,794,643</b>	<b>10,694,838</b>	<b>11,879,778</b>

The notes on pages 18 to 30 form an integral part of these financial statements.

**STATEMENT OF TOTAL RETURN***For the year ended 28 February 2011*

	Notes	Global Dynamic EUR		European Hedge	
		28 Feb 2011 EUR	28 Feb 2010 EUR	28 Feb 2011 EUR	28 Feb 2010 EUR
<b>Income Statement:</b>					
Income	1(a) & (b)	15,617	22,008	-	9
Management Fees	5	(16,832)	(18,584)	(66,799)	(96,215)
Trustee Fees	4	(6,625)	(6,556)	(9,001)	(10,057)
Administration Fees	3	(2,805)	(3,097)	(11,133)	(16,036)
Other Expenses		(708)	(1,491)	(4,691)	(5,554)
		(11,353)	(7,720)	(91,624)	(127,853)
Realised Currency Gain / (Loss)		(88)	298	(272)	(8,057)
		(11,441)	(7,422)	(91,896)	(135,910)
<b>Gains / (Losses) on Investments</b>					
Realised		(8,800)	(32,198)	239,224	891,623
Unrealised		114,633	233,292	(496,617)	(664,383)
		105,833	201,094	(257,393)	227,240
<b>Total Return for the year</b>		<b>94,392</b>	<b>193,672</b>	<b>(349,289)</b>	<b>91,330</b>
Total Return per Unit		\$0.165	\$0.297	-\$0.099	\$0.022

Other than the unrealised gains/(losses) on investments disclosed above, there is no material difference between the total return for the year and that calculated on a historical cost basis. Accordingly, no separate statement of recognised gains and losses is presented.

There are no other recognised gains/(losses) for the year apart from those included in the total return for the year.

The results are in respect of continuing operations of the fund.

**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS***For the year ended 28 February 2011*

	Global Dynamic EUR		European Hedge	
	28 Feb 2011 EUR	28 Feb 2010 EUR	28 Feb 2011 EUR	28 Feb 2010 EUR
Unitholders' Funds at 1 March	1,177,742	1,234,416	5,283,569	7,873,629
Total Return for the period	94,392	193,672	(349,289)	91,330
Cash received for units created	-	-	-	56,979
Cash paid for units liquidated	(149,209)	(250,346)	(794,296)	(2,738,369)
<b>Unitholders' Funds at 28 February</b>	<b>1,122,925</b>	<b>1,177,742</b>	<b>4,139,984</b>	<b>5,283,569</b>

The notes on pages 18 to 30 form an integral part of these financial statements.

**STATEMENT OF TOTAL RETURN***For the year ended 28 February 2011*

	Notes	Quant 5	
		28 Feb 2011 USD	28 Feb 2010 USD
<b>Income Statement:</b>			
Income	1(a) & (b)	-	-
Management Fees	5	(53,590)	(52,896)
Trustee Fees	4	(10,407)	(10,389)
Administration Fees	3	(8,932)	(8,816)
Other Expenses		(4,361)	(5,680)
		(77,290)	(77,781)
Realised Currency Loss		41	237
		(77,249)	(77,544)
<b>Gains / (Losses) on Investments</b>			
Realised		(32)	(25,372)
Unrealised		185,843	513,083
		185,811	487,711
<b>Total Return for the year</b>		<b>108,562</b>	<b>410,168</b>
Total Return per Unit		\$0.038	\$0.141

Other than the unrealised gains/(losses) on investments disclosed above, there is no material difference between the total return for the year and that calculated on a historical cost basis. Accordingly, no separate statement of recognised gains and losses is presented.

There are no other recognised gains/(losses) for the year apart from those included in the total return for the year.

The results are in respect of continuing operations of the fund.

**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS***For the year ended 28 February 2011*

	Quant 5	
	28 Feb 2011 USD	28 Feb 2010 USD
Unitholders' Funds at 1 March	3,572,099	3,296,194
Total Return for the period	108,562	410,168
Cash received for units created	-	-
Cash paid for units liquidated	(46,364)	(134,263)
<b>Unitholders' Funds at 28 February</b>	<b>3,634,297</b>	<b>3,572,099</b>

The notes on pages 18 to 30 form an integral part of these financial statements.



**BALANCE SHEET***as at 28 February 2011*

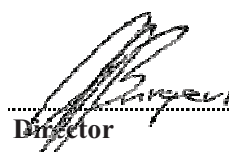
	Notes	Global Dynamic GBP		Sterling Cash Management	
		28 Feb 2011 GBP	28 Feb 2010 GBP	28 Feb 2011 GBP	28 Feb 2010 GBP
Portfolio of Investments	1(a) & 7	2,515,871	2,533,688	-	101,149
<b>Current Assets</b>					
Cash at Bank and on Deposit		134,316	123,909	1,383,890	1,346,867
Prepayments, debtors and accrued income		601	13,000	6,902	8,722
		134,917	136,909	1,390,792	1,355,589
<b>Creditors: Amounts due within one year</b>					
Client Redemptions payable		-	-	-	21,281
Accrued Expenses		5,379	5,650	1,784	4,310
		5,379	5,650	1,784	25,591
<b>Net Current Assets</b>		129,538	131,259	1,389,008	1,329,998
<b>Net Assets / Unitholders Funds</b>		<b>2,645,409</b>	<b>2,664,947</b>	<b>1,389,008</b>	<b>1,431,147</b>

The financial statements on pages 10 to 30 were approved by the Board of Directors of the Manager and signed on its behalf by:



Director

Date: 25/6/11



Director


Date: 25/6/11

The notes on pages 18 to 30 form an integral part of these financial statements.

**BALANCE SHEET***as at 28 February 2011*


	Notes	Global Dynamic USD		Global Hedge	
		28 Feb 2011 USD	28 Feb 2010 USD	28 Feb 2011 USD	28 Feb 2010 USD
Portfolio of Investments	1(a) & 7	1,768,910	1,710,264	10,191,724	11,272,835
<b>Current Assets</b>					
Cash at Bank and on Deposit		90,000	9,383	479,225	621,548
Prepayments, debtors and accrued income		594	80,000	62,389	240,000
		90,594	89,383	541,614	861,548
<b>Creditors: Amounts due within one year</b>					
Client Redemptions payable		-	-	-	192,729
Accrued Expenses		3,884	5,004	38,500	61,876
		3,884	5,004	38,500	254,605
<b>Net Current Assets</b>		86,710	84,379	503,114	606,943
<b>Net Assets / Unitholders Funds</b>		<b>1,855,620</b>	<b>1,794,643</b>	<b>10,694,838</b>	<b>11,879,778</b>

The financial statements on pages 10 to 30 were approved by the Board of Directors of the Manager and signed on its behalf by:



.....  
Director

Date: 25/2/11



.....  
Director

Date: 25/2/11

The notes on pages 18 to 30 form an integral part of these financial statements.

**BALANCE SHEET***as at 28 February 2011*

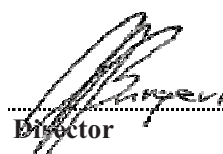
	Notes	Global Dynamic EUR		European Hedge	
		28 Feb 2011 EUR	28 Feb 2010 EUR	28 Feb 2011 EUR	28 Feb 2010 EUR
Portfolio of Investments	1(a) & 7	1,067,418	1,128,784	3,953,681	4,998,075
<b>Current Assets</b>					
Cash at Bank and on Deposit		57,487	51,961	149,281	188,240
Prepayments, debtors and accrued income		388	-	51,627	162,000
		<u>57,875</u>	<u>51,961</u>	<u>200,908</u>	<u>350,240</u>
<b>Creditors: Amounts due within one year</b>					
Client Redemptions payable		-	-	-	35,777
Accrued Expenses		2,368	3,003	14,605	28,969
		<u>2,368</u>	<u>3,003</u>	<u>14,605</u>	<u>64,746</u>
<b>Net Current Assets</b>		<u>55,507</u>	<u>48,958</u>	<u>186,303</u>	<u>285,494</u>
<b>Net Assets / Unitholders Funds</b>		<u><u>1,122,925</u></u>	<u><u>1,177,742</u></u>	<u><u>4,139,984</u></u>	<u><u>5,283,569</u></u>

The financial statements on pages 10 to 30 were approved by the Board of Directors of the Manager and signed on its behalf by:



Director

Date: 25/2/11



Director


Date: 25/2/11

The notes on pages 18 to 30 form an integral part of these financial statements.

**BALANCE SHEET***as at 28 February 2011*

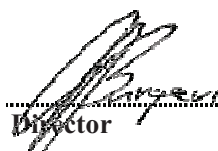
	Notes	Quant 5	
		28 Feb 2011 USD	28 Feb 2010 USD
Portfolio of Investments	1(a) & 7	3,491,600	3,392,790
<b>Current Assets</b>			
Cash at Bank and on Deposit		150,739	154,186
Prepayments, debtors and accrued income		4,949	47,998
		<u>155,688</u>	<u>202,184</u>
<b>Creditors: Amounts due within one year</b>			
Client Redemptions payable		-	4,000
Accrued Expenses		12,991	18,875
		<u>12,991</u>	<u>22,875</u>
<b>Net Current Assets</b>		<u>142,697</u>	<u>179,309</u>
<b>Net Assets / Unitholders Funds</b>		<u><u>3,634,297</u></u>	<u><u>3,572,099</u></u>

The financial statements on pages 10 to 30 were approved by the Board of Directors of the Manager and signed on its behalf by:



Director

Date: 25/2/11



Director

Date: 25/2/11

The notes on pages 18 to 30 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****1. Accounting Policies**

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with United Kingdom Accounting Standards. The reporting currency of the Fund as a whole is US dollars however each cell is presented in its relevant currency. The particular accounting policies adopted are described below:

- (a) Quoted investments have been valued at closing middle market prices on last valuation date. Investments in funds or other financial instruments that are not quoted are based on prices provided by the managers of those funds. Bank deposit interest and income arising on those investments that bear interest are accrued on a day-to-day basis. On acquisition of interest bearing investments the interest element is segregated from capital, being charged to the Income Account. On disposal, the Income Account is credited with that part of the proceeds attributable to accrued interest before the capital profit or loss is determined. Income arising from equity holdings is accounted for on an ex-dividend basis.
- (b) Income comprises investment income which is accounted for on an ex-dividend basis, interest on bank deposits and other money market instruments and, if appropriate, loan interest which are accrued on a day-to-day basis. Where applicable, withholding taxes are deducted at source on investment income.
- (c) Expenses are accounted for on an accrual basis.
- (d) The functional and presentational currency of the Global Dynamic GBP Portfolio and the Sterling Cash Management Portfolio is Pound Sterling, the Global Dynamic USD Portfolio, Global Hedge Portfolio and Quant 5 Portfolio is U.S Dollars and the Global Dynamic Portfolio and European Hedge Portfolio is Euros. Monetary assets and liabilities (including investments) denominated in currencies other than the respective functional and presentational currencies are translated at the following rates of exchange which were current as at last valuation:
- |                                  |               |
|----------------------------------|---------------|
| Euro to Sterling                 | 1.16934 to £1 |
| United States Dollar to Sterling | 1.62496 to £1 |
- The translation differences are taken through the statement of total return.
- (e) There will be no distributions of income to unitholders. All income accruing to the Fund will be added to the capital of the Class Fund from which it is derived and reflected in the net asset value of the Class Fund.
- (f) Under Financial Reporting Standard No. 1 the Fund is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small entity.

**2. Units in Issue**

As at the close of business on 28 February 2011 the total number of Units in issue in respect of each Class Fund was as follows:

<u>Portfolio</u>	<u>Units in Issue</u>
Global Dynamic GBP	1,886,769
Global Dynamic USD	1,466,427
Global Dynamic EUR	571,799
Sterling Cash Management	1,058,905
Global Hedge	5,434,230
European Hedge	3,524,322
Quant 5	2,878,410

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. Administration Fee**

The Administrator is entitled to a fee of 0.25% per annum of the net asset value of the Fund, such fee accruing at each valuation point.

**4. Trustee Fee**

The Trustee is entitled to a fee of 0.075% of the net asset value of the Fund, such fee accruing at each valuation point.

**5. Fees of the Manager and the Investment Manager**

Under the terms of the Trust Instrument, the Manager is entitled to a periodic fee in respect of each Class Fund calculated on the first dealing day of each month for the period up to and including the day preceding the last dealing day in each month up to a maximum of one twelfth of 1.5% (0.5% in respect of the Sterling Cash Management fund) of the Net Asset Value at the Valuation Point for the first dealing day of the month and payable monthly in arrears on the last dealing day in each month. This fee may only be increased with the approval of an Extraordinary Resolution. The periodic fee currently being charged by the Manager for each Class Fund is set out in the relevant Supplemental Particulars. The Manager will pay the fees of the Investment Manager out of its periodic fee. The three Dynamic funds and the Global Hedge fund receive a rebate on a monthly basis for the investments in the Core Harbour funds and Odyssey Alternative Strategies Fund, this rebate is used to reduce the management fees paid.

**6. Equalisation**

On the basis that units pay no income, equalisation has not been accounted for.

**7. Investments**

	<b>Global Dynamic GBP</b>	<b>Sterling Cash Management</b>	<b>Global Dynamic USD</b>	<b>Global Hedge</b>
Opening Market Value	2,533,688	101,149	1,710,264	11,272,835
<b>Movements in the period:</b>				
Purchases at Cost	-	312,285	-	20,219
Sales Proceeds	(264,300)	(400,000)	(140,200)	(1,822,000)
Realised (Losses) / Gains	(11)	(13,525)	11,002	833,649
Unrealised Gains	246,494	91	187,843	(112,980)
<b>Closing Market Value</b>	<b>2,515,871</b>	<b>-</b>	<b>1,768,910</b>	<b>10,191,724</b>
Closing Book Cost	2,351,294	-	1,556,825	7,924,517
Closing Unrealised Gain	164,577	-	212,085	2,267,207
<b>Closing Market Value</b>	<b>2,515,871</b>	<b>-</b>	<b>1,768,910</b>	<b>10,191,724</b>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)7. Investments (continued)

	Global Dynamic EUR EUR	European Hedge EUR	Quant 5 USD
Opening Market Value	1,128,784	4,998,075	3,392,790
<b>Movements in the period:</b>			
Purchases at Cost	-	-	-
Sales Proceeds	(167,199)	(787,001)	(87,001)
Realised (Losses) / Gains	(8,800)	239,224	(32)
Unrealised Gain/ (Loss)	114,633	(496,617)	185,843
<b>Closing Market Value</b>	<b>1,067,418</b>	<b>3,953,681</b>	<b>3,491,600</b>
Closing Book Cost	1,063,434	2,687,543	3,325,625
Closing Unrealised Gain	3,984	1,266,138	165,975
<b>Closing Market Value</b>	<b>1,067,418</b>	<b>3,953,681</b>	<b>3,491,600</b>

Investments - 2010

	Global Dynamic GBP	Sterling Cash Management	Global Dynamic USD	Global Hedge
Opening Market Value	2,630,178	-	639,718	12,654,347
<b>Movements in the period:</b>				
Purchases at Cost	-	101,240	1,026,000	-
Sales Proceeds	(547,301)	-	(116,300)	(3,362,000)
Realised (Losses) / Gains	(58,606)	6,630	(620)	1,337,432
Unrealised Loss	509,417	(6,721)	161,466	643,056
<b>Closing Market Value</b>	<b>2,533,688</b>	<b>101,149</b>	<b>1,710,264</b>	<b>11,272,835</b>
Closing Book Cost	2,615,605	101,240	1,686,022	6,242,565
Closing Unrealised (Loss) / Gain	(81,917)	(91)	24,242	5,030,270
<b>Closing Market Value</b>	<b>2,533,688</b>	<b>101,149</b>	<b>1,710,264</b>	<b>11,272,835</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. Investments - 2010 (continued)**

	<b>Global Dynamic EUR EUR</b>	<b>European Hedge EUR</b>	<b>Quant 5 USD</b>
Opening Market Value	1,171,355	7,606,744	3,384,633
<b>Movements in the period:</b>			
Purchases at Cost	-	347,271	-
Sales Proceeds	(244,000)	(3,175,271)	(480,084)
Realised (Losses) / Gains	(31,863)	883,714	(24,842)
Unrealised Loss	233,292	(664,383)	513,083
<b>Closing Market Value</b>	<b>1,128,784</b>	<b>4,998,075</b>	<b>3,392,790</b>
Closing Book Cost	1,239,433	3,582,590	3,412,659
Closing Unrealised (Loss) / Gain	(110,649)	1,415,485	(19,869)
<b>Closing Market Value</b>	<b>1,128,784</b>	<b>4,998,075</b>	<b>3,392,790</b>

**8. Taxation**

The Director of Income Tax in Guernsey has confirmed that the Fund is exempt from Guernsey Income Tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. It should be noted, however, that dividend income arising on the Fund's investments will be subject, as appropriate, to any withholding taxes in the country of origin. Pursuant to the exemption granted under the above mentioned Ordinance, the Fund is subject to an annual fee, currently £600, payable to the Guernsey Authorities.

**9. Controlling Party and Related Party Transactions**

During the year the Fund was under the control of the Manager, PSG Fund Management (CI) Limited. Fees paid to the Manager, Trustee and Administrator are shown separately on the face of the Statement of Total Return. Details of the calculation of these fees are given in notes 3, 4 and 5. The amounts outstanding at the year end were as follows: -

	<b>Management Fee Feb 2011</b>	<b>Administration Fee Feb 2011</b>	<b>Trustee Fee Feb 2011</b>
Global Dynamic GBP (£)	3,048	508	142
Sterling Cash Management (£)	530	265	74
Global Dynamic USD (\$)	2,135	356	100
Global Hedge (\$)	25,800	4,300	1,204
Global Dynamic EUR (€)	1,301	-	61
European Hedge (€)	10,058	1,676	-
Quant 5 USD (\$)	8,803	1,467	411



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10. Financial Instrument Exposure**

In pursuing its respective objectives, each Fund may hold a number of financial instruments which may comprise:

- Fund of funds, fixed income securities and floating rate securities. These are held in accordance with each Fund's investment objective and policies;
- Cash, liquid resources and short-term debtors that arise directly from its operations.

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Funds are limited to an overdraft facility value of no more than 10% of the current Net Asset Value of the Fund. The manager reviews policies for managing each of these risks, and the main policies are summarised below. These policies have remained unchanged since the beginning of the current and preceding period to which these Financial Statements and their comparatives relate.

***Market Price Risk***

The Funds' investments are exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies applicable to the Funds.

***Liquidity Risk***

The Funds' assets comprise mainly realisable securities which can be readily sold. The Funds' main liability is the redemption of any shares that investors wish to sell. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions.

***Interest Rate Risk***

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

***Foreign Currency Risk***

The substantial portion of the net assets of each sub-fund are denominated in the currency of the sub-fund. The following table sets out the exposure of each sub-fund to foreign currency risk as at the year end. Interest Receivable or expenses payable in currencies other than the base currency are converted to or from the base currency on or near the date of the transaction.

At 28 February 2011 the value of the Funds' assets and liabilities denominated in various currencies were as follows: -

<b>Global Dynamic GBP</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>Total GBP</b>
Investments	-	2,515,871	-	2,515,871
Other Net Assets	-	129,538	-	129,538
<b>Total</b>	-	<b>2,645,409</b>	-	<b>2,645,409</b>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**10. Financial Instrument Exposure (continued)**

<b>Sterling Cash Management GBP</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>Total GBP</b>
Investments	-	-	-	-
Other Net Assets	-	1,389,010	-	1,389,010
<b>Total</b>	<b>-</b>	<b>1,389,010</b>	<b>-</b>	<b>1,389,010</b>
<b>Global Dynamic USD</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>Total USD</b>
Investments			1,768,910	1,768,910
Other Net (Liabilities) / Assets		(1,290)	88,000	86,710
<b>Total</b>	<b>-</b>	<b>(1,290)</b>	<b>1,856,910</b>	<b>1,855,620</b>
<b>Global Hedge Fund USD</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>Total USD</b>
Investments			10,191,724	10,191,724
Other Net (Liabilities) / Assets		(5,062)	508,176	503,114
<b>Total</b>	<b>-</b>	<b>(5,062)</b>	<b>10,699,900</b>	<b>10,694,838</b>
<b>Global Dynamic EUR</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>Total EUR</b>
Investments	1,067,418	-	-	1,067,418
Other Net Assets / (Liabilities)	55,909	(402)	-	55,507
<b>Total</b>	<b>1,123,327</b>	<b>(402)</b>	<b>-</b>	<b>1,122,925</b>
<b>European Hedge Fund EUR</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>Total EUR</b>
Investments	3,953,681			3,953,681
Other Net Assets / (Liabilities)	188,023	(1,720)		186,303
<b>Total</b>	<b>4,141,704</b>	<b>(1,720)</b>	<b>-</b>	<b>4,139,984</b>
<b>Quant 5 USD</b>	<b>EUR</b>	<b>GBP</b>	<b>USD</b>	<b>Total USD</b>
Investments			3,491,600	3,491,600
Other Net (Liabilities) / Assets		2,554	140,143	142,697
<b>Total</b>	<b>-</b>	<b>2,554</b>	<b>3,631,743</b>	<b>3,634,297</b>

**11. Controlling party**

There is no immediate controlling party nor is there an ultimate controlling party.

**ASSETS, LIABILITIES AND SIGNIFICANT ACQUISITIONS AND DISPOSALS****GLOBAL DYNAMIC GBP PORTFOLIO*****Investment Objective***

The objective of the Portfolio is to achieve long term growth and absolute returns, with limited volatility, diversifying across cash, bonds, equities, alternative strategies and property through investment of substantially all its assets in the Core Diversified GBP Fund (“GBP Fund”) which in turn invests substantially all its assets in the Core Diversified US\$ Fund (“US\$ Fund”).

***Assets and Liabilities as at 28 February 2011***

<b>Nominal</b>	<b>Description</b>	<b>Mid Market Value GBP</b>	<b>Percentage of the Portfolio</b>
23,631.59	Core Diversified GBP Fund	2,515,871	95.10
	<b>Value of Investments</b>	<b>2,515,871</b>	<b>95.10</b>
	Cash at Bank	134,316	5.08
	Net Sundry Liabilities	(4,778)	(0.18)
	<b>Value of the Portfolio</b>	<b>2,645,409</b>	<b>100.00</b>

***Investments acquired and disposed of during the year ended 28 February 2011***

<b>Acquisitions</b>	<b>Nominal</b>	<b>Cost GBP</b>
	-	-
<b>Total Acquisitions</b>		<b>-</b>
<b>Disposals</b>	<b>Nominal</b>	<b>Proceeds GBP</b>
Core Diversified GBP Fund	2,656.44	264,300
<b>Total Disposals</b>		<b>264,300</b>

**ASSETS, LIABILITIES AND SIGNIFICANT ACQUISITIONS AND DISPOSALS (CONTINUED)****STERLING CASH MANAGEMENT PORTFOLIO*****Investment Objective***

The objective of the Portfolio is to provide cash management services that will consistently provide superior returns to those offered by leading retail banks on overnight funds. Investments will consist of overnight and short term deposits and highly liquid financial instruments. The Manager may also invest in shares or units of other money market collective investment schemes.

***Assets and Liabilities as at 28 February 2011***

<u>Nominal</u>	<u>Description</u>	<u>Mid Market Value GBP</u>	<u>Percentage of the Portfolio</u>
	Cash at Bank	1,383,890	99.63
	Net Sundry Assets	5,120	0.37
	<b>Value of the Portfolio</b>	<b>1,389,010</b>	<b>100</b>

***Investments acquired and disposed of during the year ended 28 February 2011***

<u>Acquisitions</u>	<u>Nominal</u>	<u>Cost GBP</u>
UK Treasury 6.25%	300,000.00	312,285
<b>Total Acquisitions</b>		<b>312,285</b>

<u>Disposals</u>	<u>Nominal</u>	<u>Proceeds GBP</u>
UK Treasury 6.25%	300,000.00	300,000
UK Treasury 4.75%	100,000.00	100,000
<b>Total Disposals</b>		<b>400,000</b>

**ASSETS, LIABILITIES AND SIGNIFICANT ACQUISITIONS AND DISPOSALS (CONTINUED)****GLOBAL DYNAMIC USD PORTFOLIO*****Investment Objective***

The objective of the Portfolio is to achieve long term growth and absolute returns, with limited volatility, diversifying across cash, bonds, equities, alternative strategies and property through investment of substantially all its assets in the Core Diversified US\$ Fund ("US\$ Fund").

***Assets and Liabilities as at 28 February 2011***

<b>Nominal</b>	<b>Description</b>	<b>Mid Market Value USD</b>	<b>Percentage of the Portfolio</b>
15,578.75	Core Diversified US\$ Fund	1,768,910	95.33
	<b>Value of Investments</b>	<b>1,768,910</b>	<b>95.33</b>
	Cash at Bank	90,000	4.85
	Net Sundry Assets	(3,290)	(0.18)
	<b>Value of the Portfolio</b>	<b>1,855,620</b>	<b>100.00</b>

***Investments acquired and disposed of during the year ended 28 February 2011***

<b>Acquisitions</b>	<b>Nominal</b>	<b>Cost USD</b>
Core Diversified US\$ Fund	-	-
<b>Total Acquisitions</b>		<b>-</b>

<b>Disposals</b>	<b>Nominal</b>	<b>Proceeds USD</b>
Core Diversified US\$ Fund	1,292.85	140,200
<b>Total Disposals</b>		<b>140,200</b>

**ASSETS, LIABILITIES AND SIGNIFICANT ACQUISITIONS AND DISPOSALS (CONTINUED)****GLOBAL HEDGE PORTFOLIO*****Investment Objective***

The objective of the Portfolio is to achieve consistent and substantial long-term capital appreciation, with significantly better risk adjusted returns than world equity markets - irrespective of market conditions.

The Manager will seek to achieve the Portfolio's objective by operating as a feeder fund investing exclusively in A Preference Shares of Odyssey Alternative Strategies Fund Limited ("OASF"). Pending investment, cash may be placed on short term deposit with banking institutions with a rating of AA to A- and above from Standard and Poors or Moody's.

***Assets and Liabilities as at 28 February 2011***

<u>Nominal</u>	<u>Description</u>	<u>Mid Market Value USD</u>	<u>Percentage of the Portfolio</u>
303,836.92	Odyssey Alternate Strategy Fund A Pref Shares	10,191,724	95.30
	<b>Value of Investments</b>	<b>10,191,724</b>	<b>95.30</b>
	Cash at bank	479,225	4.48
	Net Sundry Liabilities	23,889	0.22
	<b>Value of the Portfolio</b>	<b>10,694,838</b>	<b>100.00</b>

***Investments acquired and disposed of during the year ended 28 February 2011***

<u>Acquisitions</u>	<u>Nominal</u>	<u>Cost USD</u>
Odyssey Alternate Strategy Fund A Pref Shares	2,607.09	20,219
<b>Total Acquisitions</b>		<b>20,219</b>

<u>Disposals</u>	<u>Nominal</u>	<u>Proceeds USD</u>
Odyssey Alternate Strategy Fund A Pref Shares	56,924.47	1,822,000
<b>Total Disposals</b>		<b>1,822,000</b>

**ASSETS, LIABILITIES AND SIGNIFICANT ACQUISITIONS AND DISPOSALS (CONTINUED)****GLOBAL DYNAMIC EUR PORTFOLIO***Investment Objective*

The objective of the Portfolio is to achieve long term growth and absolute returns, with limited volatility, diversifying across cash, bonds, equities, alternative strategies and property through investment of substantially all its assets in the Core Diversified Euro Fund (the “Euro Fund”) which in turn invests substantially all its assets in the Core Diversified US\$ Fund (“US\$ Fund”).

*Assets and Liabilities as at 28 February 2011*

<u>Nominal</u>	<u>Description</u>	<u>Mid Market Value EUR</u>	<u>Percentage of the Portfolio</u>
10,865.79	Core Diversified Euro Fund	1,067,418	95.06
	<b>Value of Investments</b>	<b>1,067,418</b>	<b>95.06</b>
	Cash at Bank	57,487	5.12
	Net Sundry Liabilities	(1,980)	(0.18)
	<b>Value of the Portfolio</b>	<b>1,122,925</b>	<b>100.00</b>

*Investments acquired and disposed of during the year ended 28 February 2011*

<u>Acquisitions</u>	<u>Nominal</u>	<u>Cost EUR</u>
	-	-
<b>Total Acquisitions</b>		<b>-</b>

<u>Disposals</u>	<u>Nominal</u>	<u>Proceeds EUR</u>
Core Diversified Euro Fund	1,798.30	167,199
<b>Total Disposals</b>		<b>167,199</b>

**ASSETS, LIABILITIES AND SIGNIFICANT ACQUISITIONS AND DISPOSALS (CONTINUED)****EUROPEAN HEDGE PORTFOLIO*****Investment Objective***

The investment objective of the Portfolio is to achieve a consistent positive absolute return while protecting against downside volatility.

The Manager will seek to achieve the Portfolio's objective by operating as a feeder fund investing exclusively in participating shares of Intergrated European Fund Limited. Pending investment, cash may be placed on short term deposit with banking institutions with a rating of AA to A- and above from Standard and Poors or Moody's.

***Assets and Liabilities as at 28 February 2011***

<u>Nominal</u>	<u>Description</u>	<u>Mid Market Value EUR</u>	<u>Percentage of the Portfolio</u>
25,016.96	Intergrated European Fund Limited	3,953,681	95.50
2,327.20	Intergrated European Fund Limited - Side Pocket	-	-
	<b>Value of Investments</b>	<b>3,953,681</b>	<b>95.50</b>
	Cash at Bank	149,281	3.61
	Net Sundry Assets	37,022	0.89
	<b>Value of the Portfolio</b>	<b>4,139,984</b>	<b>100.00</b>

***Investments acquired and disposed of during the year ended 28 February 2011***

<u>Acquisitions</u>	<u>Nominal</u>	<u>Cost EUR</u>
Integrated European Fund Limited	-	-
Intergrated European Fund Limited - Side Pocket	-	-
<b>Total Acquisitions</b>		<b>-</b>

<u>Disposals</u>	<u>Nominal</u>	<u>Proceeds EUR</u>
Intergrated European Fund Limited	5,098.97	787,001
<b>Total Disposals</b>		<b>787,001</b>



**ASSETS, LIABILITIES AND SIGNIFICANT ACQUISITIONS AND DISPOSALS (CONTINUED)****THE QUANT 5 PORTFOLIO*****Investment Objective***

The investment objective of the Portfolio is to achieve a consistent positive absolute return while protecting against downside volatility.

The Manager will seek to achieve the Portfolio's objective by operating as a feeder fund investing exclusively in participating shares of Odyssey Alternate Strategy Fund A Preference Shares and the Aurum Isis USD Fund Limited. Pending investment, cash may be placed on short term deposit with banking institutions with a rating of AA to A- and above from Standard and Poors or Moody's.

***Assets and Liabilities as at 28 February 2011***

<b>Nominal</b>	<b>Description</b>	<b>Mid Market Value USD</b>	<b>Percentage of the Portfolio</b>
3,122.48	Aurum Isis USD Fund Limited	781,494	21.50
80,794.02	Odyssey Alternative Strategy Fund A Pref Shares	2,710,106	74.57
	<b>Value of Investments</b>	<b>3,491,600</b>	<b>96.07</b>
	Cash at Bank	150,739	4.15
	Net Sundry Liabilities	(8,042)	(0.22)
	<b>Value of the Portfolio</b>	<b>3,634,297</b>	<b>100.00</b>

***Investments acquired and disposed of during the year ended 28 February 2011***

<b>Acquisitions</b>	<b>Nominal</b>	<b>Cost USD</b>
	-	-
<b>Total Acquisitions</b>		<b>-</b>

<b>Disposals</b>	<b>Nominal</b>	<b>Proceeds USD</b>
Odyssey Alternate Strategy Fund A Pref Shares	2,689.46	87,001
<b>Total Disposals</b>		<b>87,001</b>

PSG FUND MANAGEMENT (CI) LIMITED  
3RD FLOOR, NATWEST HOUSE  
LE TRUCHOT  
ST PETER PORT  
GUERNSEY  
GY1 1WD