



HAPPY NEW YEAR

from
The Cayman Islands Stock Exchange

The Exchange has enjoyed an incredible year with the number of listings surpassing the 700 marker, having risen from just over 400 at the end of last year.

The Exchange looks forward to another successful year in 2003 building on the relationships it has forged in the market to date.

“We are all pleased with the number of listings in the past year and the international interest

shown in the CSX. I would like to thank the members of the Board of the Exchange, all the approved Listing Agents and Broker Members for their support of the Exchange, all the listed issuers for having chosen the CSX as their preferred offshore exchange for listing purposes and all our valued contacts throughout the world and wish you all a happy new year”, said Valia Theodoraki, the CSX’s Chief Executive Officer.

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Ms. Theodoraki also acknowledged and thanked the staff at the Exchange for their team spirit, dedication and hard work during the past year noting that the staff are the Exchange’s principal asset and that the service, respect and the success of the Exchange has been achieved through them.



CSX Senior Executives and staff members

The Cayman Islands Bankers Association’s 9th Biennial Conference March 24th & 25th, 2003 The Westin Casuarina Resort & Spa Grand Cayman

For Information Email ciba-conf@rogers.com or Phone 905-836-7812

New Administrator of NAV's

Dawn Russel who joined the CSX last year has taken in charge the administration and monitoring of NAV returns.

All funds are required, as part of the continuing obligations, to submit the Net Asset Value of the fund on a regular basis (daily, monthly, weekly or quarterly). Normally the NAV input is done automatically over the internet where the fund's administrator inputs the values into the CSX system using a unique code to access the system. The daily official list which publishes all Net Asset Values of listed funds can be found on the CSX website (www.csx.com.ky).

Dawn is in charge of ensuring that the administrators do indeed adhere to the continuing obligations in this regard and her duties extend to making sure that the daily official list is up-to-date with the correct values.

Any queries with regard to NAV administration can be addressed to dawn.russell@csx.com.ky or direct line: +1.345.945.6060.



CAYMAN ISLANDS 2003 PUBLIC HOLIDAYS



New Year's Day	Wednesday, Jan 1 st
National Heroes' Day	Monday, Jan 27 th
Ash Wednesday	Wednesday, Mar 5 th
Good Friday	Friday, Apr 18 th
Easter Monday	Monday, Apr 21 st
Seafarers Day	Monday, May 19 th
Queen's Birthday	Monday, June 16 th
Constitution Day	Monday, July 7 th
Remembrance Day	Monday, Nov 10 th
Christmas Day	Thursday, Dec 25 th
Boxing Day	Friday, Dec 26 th

Further Scotiabank funds list on the CSX

As part of its global wealth management strategy, Scotiabank has recently introduced three new mutual funds to their current family of funds, bringing the total number of funds listed on the CSX to eight. The Scotiabank Mutual Funds, SPC, a Cayman Islands incorporated segregated portfolio company, managed by the Bank of Nova Scotia Trust Company (Cayman) Limited has listed the following three initial funds; Scotiabank Short Duration Fund, Scotiabank Enhanced Sector Rotation Fund, and Scotiabank Global Diversified Value Equity Fund.

The investment advisor to the fund is Alliance Capital Management L.P. of New York, one of the largest money managers in the world. The funds have a minimum initial subscription of US\$50,000 (add description of the investment objectives). The Scotiabank Short Duration Fund and Scotiabank Enhanced Sector Rotation Fund invest primarily in US\$ fixed income securities, to provide safety of principal and a moderate to high rates of income respectively. The Scotiabank Global Diversified Value Equity Fund is designed to provide long-term capi-

tal growth by investing in a diversified portfolio of global equity securities that are determined by the investment manager to be undervalued.

In November 1999 Scotiabank listed on the CSX the Scotiabank US\$ Bond Fund, Scotiabank Global Growth Fund, Scotiabank Canadian Growth Fund, Scotiabank Money Market Fund and the Scotiabank US Growth Fund.

Customers now have a more diverse selection of funds to choose from. *"Being listed on the Cayman Islands Stock Exchange gives added prestige to the Scotiabank Mutual Funds. Shareholders and potential investors gain greater comfort knowing that the Funds are regulated by a high quality organisation such as the Cayman Islands Stock Exchange"* says Steve Grainger, Director of the Scotiabank Mutual Funds, SPC.

Scotiabank has a long history of providing mutual funds to customers. They've been managing and selling mutual funds in Canada since 1957 and providing the Caribbean with extensive products and services since 1889.

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Listings update

Since the issue of the last newsletter the Exchange has enjoyed continued success with the number of listings marching through the 700 barrier and having risen by 70% over the last year. The increase came mainly from mutual funds.

The Exchange has experienced significant international interest in listing alternative investments. Hedge funds are the most common vehicle used as alternative investments and the Cayman Islands is the leading jurisdiction for the incorporation of these funds. The Exchange has seen an increase in the number of funds issuing multiple series of a class. The

technique of issuing multiple series of a class appears to be the current industry flavour and preference as it allows for greater transparency and is more efficient in ac-

counting for the performance fees paid to the fund's investment advisor. The CSX has listed a significant number of these vehicles, as its treatment of the multi-series issues is well suited and preferred by the hedge funds.

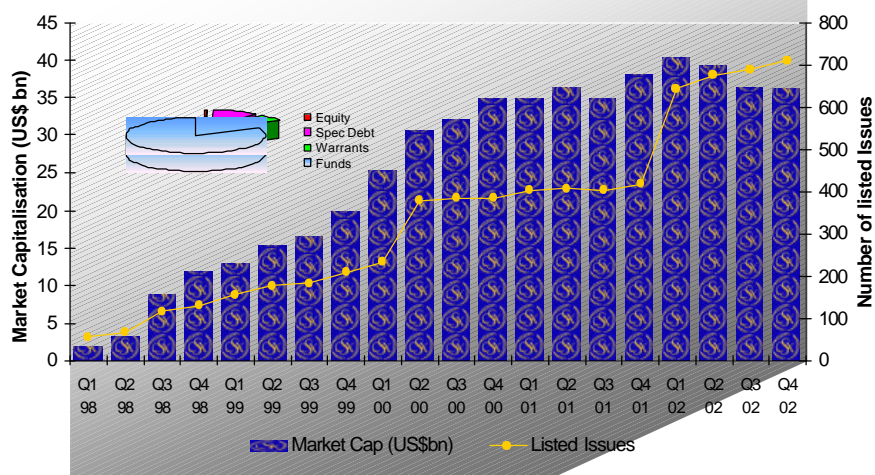
We were very pleased to see strong interest again from the Asian fund business. The Exchange has recently listed The Siam Recovery Fund and two classes of the Tiger Global Investment Fund Ltd (the Tiger Resources Fund and the Tiger Kingsway HKIPO Fund). These are equity funds with The Siam Recovery Fund being managed and distributed by the Lloyd George Investment Management Group and angled towards the retail market with an initial minimum investment of US\$10,000, whereas the Tiger funds are for the sophisticated investor. The Exchange also listed three further Scotiabank funds, as described in

The interest in listing derivative warrants continued during this period. Morgan Stanley Dean Witter continued to be the primary issuer of the warrants with the majority of the underlying assets being Taiwanese or Indian listed equities.

Contrary to the current world economic environment, the Exchange has recently approved several specialist debt securities programmes for Cayman Islands special purpose vehicles. These include Capital Instruments Limited, with a programme arranged by Deutsche Bank AG in London and approved by the CSX. The Exchange recently listed a

series of variable coupon and redemption amount secured notes under this programme. In September the Exchange also listed a series of secured credit-linked notes issued by Space Ltd, a

Cayman Islands special purpose vehicle arranged by Morgan Stanley Dean Witter.



CSX market capitalisation and number of listings

an article on page 2 of this newsletter, utilizing the new Cayman Islands incorporated segregated portfolio company. The CSX has seen a number of the segregated portfolio companies over the past few months.



亞太境外學會
Asia Pacific
Offshore Institute

The Cayman Islands Stock Exchange recently had the pleasure of joining the Asia Pacific Offshore Institute as a Corporate Member.

The Asia Pacific Offshore Institute is an Asia-Pacific oriented institute with an international perspective, dedicated to represent the interests of practitioners in the offshore industry. It offers up-to-date information on the industry in general and on market developments in Asia.

Its mission is fourfold, aiming to raise the standard of the offshore industry in the Asia Pacific region, provide an international fo-

CSX attends 8th Annual ABS East Bahamas, September 30 – October 04, 2002

The Cayman Islands Stock Exchange, together with the Portfolio of Finance & Economics and several other delegates from the Cayman financial and legal community, attended this successful conference in the Bahamas. After the cancellation of the event in 2001, the conference in 2002 drew almost 800 delegates in the Asset Backed Securities industry from around the world.

The premise of the 2002 Conference was "Examining Opportunities In The Public & Private Markets".

The core of the conference provided an opportunity for Issuers and Inves-

rum in Asia for an interchange of information on common issues facing practitioners and governments in offshore jurisdictions, offer a networking base for members as well as act as a bridge between the East and West in the offshore industry.

By becoming a member and participating in the Institute's activities, the CSX can now keep in touch with a wide network of practitioners from all over the world interested in offshore jurisdictions and at the same time follow closer the changes and trends in the industry.

Valia Theodoraki, Chief Executive Officer of the CSX said: "We are very pleased and honoured to become a member of such a prestigious institute and are looking forward to a long and fruitful relationship".

tor participants to discuss and analyse the issues relating to capital activities and the associated impact of securitization, in addition to a host of other related topics.

The CSX booth was well visited and the interest in Asset Backed Securities listings on the Exchange was greater than expected in light of the recent U.S. events with Enron, Worldcom & other corporate accounting scandals.



Fifth Alternative Investment Summit

Laguna Niguel
December 8-11, 2002

The Cayman Islands Stock Exchange, together with KPMG, Bank of Butterfield and Hunter and Hunter presented the financial services of the Cayman Islands, its regulatory regime and new developments in the area of fund structures at Opal's fifth Alternative Investment Summit in Southern California.

It proved to be a very positive experience and as the only off-shore jurisdiction we attracted high attendance for our early morning presentation. Several questions were asked with regard to Hedge Fund structures and regulatory requirements of the jurisdiction.

In summary we found that this Alternative Investment Summit was well attended by large US investment fund managers and investors. Presenting the fund services of the Cayman Islands in one panel proved a positive experience to all.

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