

**CSX APPROACHING 400 LISTINGS MARK WITH
SCHRODER FUNDS**

The Cayman Islands Stock Exchange (the "CSX") is pleased to announce that it has increased its listings by 44.6% since the beginning of the year and is now approaching the 400 listed issue mark. This achievement further confirms the view that the CSX is becoming a destination exchange for the offshore financial industry.

The Exchange achieved the increase with the listing of a series of new classes of funds offered by Schroder Investment Management. Schroder has been a strong supporter of the CSX since it first listed its very successful International Selection Fund in 1998. Schroders currently have thirty three funds listed on the CSX with a value in excess of US\$5bn.

The CSX's Chairman, Mr. Anthony Travers, OBE, said: "The CSX's

growth continues well ahead of projections and marks its rapid transformation from an emerging exchange in 1997 to its present position as one of the world's leading offshore stock exchanges. We are very appreciative of the continuing support Schroders has shown the CSX since its funds were first listed and we are proud to celebrate yet another momentous occasion with Schroders."

Mr. Rory Healy, General Manager of Schroder Cayman Bank and Trust Co. Ltd. said, "We are very pleased to play a role in the CSX reaching 300 listings. Several series of our funds helped the exchange top the 100 listed issues mark in 1998. We have developed a strong partnership with the CSX. Our fund managers and investors appreciate the speed and quality provided by its very professional staff."



CSX senior staff members and directors of Schroders

**CSX Appoints
Chief Executive**

The Cayman Islands Stock Exchange (CSX) is pleased to announce the promotion of Valia Theodoraki to chief executive officer (CEO), effective 1 May 2000. Ms Theodoraki, who has an MSc in International Banking and Finance from Heriott-Watt University in Edinburgh, United Kingdom, joined the CSX as head of listings in September of 1999.

Prior to joining the CSX, Ms Theodoraki's career included 10 years in the listings and capital markets groups at the London Stock Exchange, and two years as assistant manager in the legal department new issues transaction management team of Tokyo-Mitsubishi International plc (London).

The CSX is also pleased to announce the promotion of Ms Elizabeth Denman to head of listings. Ms Denman joined the CSX from the Toronto Stock Exchange in February of this year as deputy head of listings.

In announcing the CEO appointment, the Chairman of the Exchange, Mr Anthony Travers, said: "The Exchange is pleased to place

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CSX Appoints CEO

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emphasis on the existing qualifications and experience of a proven team. The CSX will continue to manifest the teamwork that enables us to deliver an informed, consistent and efficient service to our global clients.”

Ms Theodoraki said: “I am delighted to take up the CEO role and I look forward to working in co-operation with the staff of the Exchange, the Council and the Cayman Islands Government to continue to strengthen the position of the CSX as a first class international exchange.”

Other staff news

Monique Melis will be joining the Exchange later this year as the new Head of Markets Development replacing Lee Hodgkinson who has now returned to the UK. Monique is joining us from the Financial Services Authority – Markets and Exchanges Division in London where she was a Manager in the Transaction Monitoring Unit.

Theresa Vernon has also been promoted to Listing Executive in the Listing Department. Theresa joined the Exchange last year as a Listing Administrator and has since then been handling all listing administrative matters with enthusiasm and commitment. In her new role, Theresa will be involved in reviewing and approving listing applications and dealing with all types of new products for listing.

Scotiabank’s family of funds list on the CSX

As part of its global wealth management strategy, Scotiabank has recently introduced two new mutual funds to their current family of funds. The Scotiabank Mutual Funds, managed by the Bank of Nova Scotia Trust Company (Cayman) Limited includes; Scotiabank North American Sovereign Fund, Scotiabank Global Growth Fund, Scotiabank Canadian Growth Fund and newcomers Scotiabank Money Market Fund and Scotiabank US Growth Fund. Customers now have a more diverse selection of funds to choose from. Previously only sold through Scotiabank offices, the new family of funds is now *listed on the Cayman Stock Exchange* and offered through all Scotiabank retail branches in the Cayman Islands. “Being listed on the Cayman Islands Stock Exchange gives added prestige to Scotiabank Mutual Funds. Shareholders and potential investors gain greater comfort knowing that the Funds are regulated by a high quality organi-

“Being listed on the Cayman Islands Stock Exchange gives added prestige to Scotiabank Mutual Funds.”

sation such as the Cayman Islands Stock Exchange” says Steve Grainger, Director of the Scotiabank Mutual Funds.

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.

New Membership Rules

Following the completion of a consultation period, the Cayman Islands Stock Exchange (CSX) has published its revised rules governing the admission and ongoing business activities of broker members of the CSX (Membership Rules). Effective from 10th January 2000, these rules are now in line with internationally accepted regulatory standards.

By publishing such rules, the CSX aims to ensure that the core objectives of securities regulation are upheld. These objectives are the protection of investors, ensuring that markets are fair, ef-

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A view of Cayman’s financial centre, George Town

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New Listings

The Cayman Islands Stock Exchange currently has 279 mutual funds, 66 specialist debt securities and 31 derivative warrants listed, with a total market capitalisation of US\$ 30 billion.

Among the new funds attracted to and approved for listing on the Exchange this year were Fairheads Global Managed Fund Limited, a multi-manager fund part of the South African Fairheads International Group.

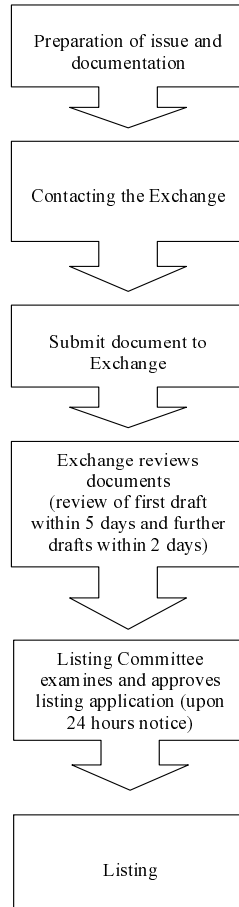
Merrill Lynch & Co. listed its Merrill Lynch Equity Opportunity Fund and Bank of Butterfield added its Butterfield Liquid Reserve Fund to the list of funds already listed.

PAW Offshore Fund Limited, a hedge fund, and Kelmoore Strategy, whose main strategy is to purchase the common stocks of a limited number of large companies and to continuously sell or “write” the related covered call options against substantially all the shares of the stock it owns, are two more funds admitted to listing during this period.

Turkey Millennium Fund investing primarily in equities listed on the Istanbul Stock Exchange and The Vulture Ltd., another multi-manager fund, seeking capital appreciation by investing in US publicly traded issuers which are, will be or have been in financial difficulty, have also listed their shares on the Exchange.

Other listings during this period include further classes of Willerfunds, 2 further sub-funds of GLG Universal Investments and CIBC Private Equity Fund and 6 more WIDGETs by Credit Agricole Indosuez.

LISTING PROCESS



In addition, there is a continuing interest shown in listing of specialist debt securities. Lehmans and Coutts are just two of the international institutions that added to our specialist debt listings with their Restructured Asset Certificates with Enhanced Returns and Euro Balanced Index Notes respectively.

Head of Listing at the Exchange, Elizabeth Denman, said: “ Due to the diligence and hard work of the staff of the Exchange and the Council, we have been able to continue to attract and provide top notch service to some of the world’s premier financial institutions and issuers. We are delighted to extend a warm welcome to our new listed issuers and to thank those who continue to chose us as their listing venue of choice.”

Visit our web site
<http://www.csx.com.ky>



For complete details on the listing process, consult the CSX Listing Rules

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Morgan Stanley Dean Witter lists derivative warrants

Since the introduction of the derivative warrant rules and the launch of the warrant listings last year, issuers such as Credit Agricole Indosuez and Morgan Stanley Dean Witter were attracted by the facilities offered for such products.

Late last year Morgan Stanley Dean Witter listed its first warrant with us through their Hong Kong subsidiary. During this year 14 more of their warrants relating to shares of different Asian companies were admitted to listing.

Richard Crawshaw, Deputy Chief Executive Officer, commented: "The listing of the MSDW warrants is an excellent development for the Exchange and has helped increase the numbers of derivative warrants and total listings since the first warrant listing in mid 1999. We thank Morgan Stanley for their support of the Exchange. It is anticipated that other issuers will follow suit and take advantage of our facility for derivative warrants."

New schedule of fees

Effective, 1 February, 2000 the CSX has published a new schedule of fees to the listing rules. The new schedule of fees has been sent to all subscribers electronically or by post. Hard copies of the new schedule of fees are available from the CSX. Hard copies of the listing rules in CSX binders are also available from the CSX at a cost of US\$50 each.

News Flash !

Direct flights from New York to Grand Cayman will start in the fall 2000.

New Eurobond rules out for consultation

In the previous edition of this newsletter, we announced that new rules are being developed to facilitate listing of eurobonds on the Exchange.

The proposed rules have now been issued for consultation to market practitioners and interested parties.

The new rules will be implemented shortly after such consultation period ends.

New Membership Rules

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efficient and transparent and the reduction of systemic risk.

Areas covered by the new rules are, inter alia, insider dealing and market manipulation, money laundering, requirements for record keeping as well as conduct towards clients and the market, capital adequacy and custodial conduct. Clearing and settlement procedures are also detailed.

At the same time, the CSX has commenced on-site inspections of broker members to ensure that such broker members are operating in accordance with the requirements of the CSX and are compliant with the new rules.

The Membership Rules are available in full on the CSX website at <http://www.csx.com.ky>. Copies are also available from the CSX. If you have any comments or queries on these rules contact us by e-mail to csx@csx.com.ky or fax on (1) (345) 945 6061 for the attention of the Head of Markets Development.

