

PACIFIC CAPITAL GROWTH FUNDS LIMITED

YOUR INTERNATIONAL INVESTMENT PORTFOLIO

PROSPECTUS NUMBER SIX

Prospectus dated and delivered for registration on January 25th 2002
(Refer to page 15, section 5, Material Contracts)

It should be noted that circulation and distribution of this Prospectus in certain countries is restricted by law. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. Any person who comes into possession of this Prospectus is required by Pacific Capital Growth Funds Limited to inform him or herself, and comply with, any restrictions placed by local law.

WORLD CLASS FUND MANAGEMENT

“Mutual” Funds came into being over 80 years ago in the United States. They survived the 1929 Wall Street crash and the thirties depression before going on to achieve excellent results for the many thousands of investors in them. There are now over 60,000 of these funds being monitored by Reuters alone, which is surely a measure of their success and appeal.

During the 1980's, many countries lifted long standing Exchange Control Regulations, allowing the free movement of investment funds into other currencies and countries. Since then, many investors around the world have recognized the advantages to them and now invest in a range of international investment products.

With the development of the global market place investors are finding many reasons for investing in other countries. This is the only practical way for investors to participate in companies offering the widest possible range of goods and services. Just as no one wants to invest only in one company, they also want to spread their risk by investing in other countries and currencies. With the launch of this prospectus many more people have the opportunity to spread their investments in a range of funds managed by one of the world's top fund managers, under the umbrella of one company - Pacific Capital Growth Funds Limited.

For the cash management funds, investors' monies are pooled and placed on interest bearing bank deposits, bank bills, or in liquid bonds with international financial institutions. This ensures a high degree of protection against loss of the underlying assets and given the availability of cash, a return that is generally greater than would be available to individual investors. Our other funds are dealt with in accordance with each fund's Policy detailed on the following pages. None of the funds are authorized to borrow, or in any way pledge the underlying assets of the funds - safety first, return second.

Fund net income is re-invested rather than distributed. That is, it is capitalized and converted to capital growth.

WHY INVEST IN OVERSEAS CURRENCIES?

Investment advisers generally recommend that at least 10% and up to 50% of a portfolio should be invested overseas. There are five main reasons for this: -

- To allow the best spread of investment risk, beyond local alternatives;
- To take advantage of the many opportunities which present themselves overseas;
- As a hedge against adverse movements in the value of the investor's base currency;
- To obtain free movement of money offshore when exchange controls are reintroduced.
- As a safe receptacle for wealth in times of economic and political turmoil.

These arguments have proven themselves time and again.

SUCCESS ACHIEVED TO DATE

The success of our fund management can be gauged by examining independent research. Lipper – a Reuters Company, awards Performance Achievement Certificates to funds that rank first in their category over one, two, five or ten year time periods. Lipper says, “Most funds never win a performance Achievement Certificate. Winning a Lipper Performance Achievement Certificate is an accomplishment for which you can feel justifiably proud. Your investors should likewise feel proud to be associated with a performance leader.” We won eight of these awards for our performance in 1998 alone, being our most successful year. Of course, we won awards both before and after that time, for our continuing good performance. A sample award follows:



PROFIT POTENTIAL

Each Fund's investment strategy is aimed at securing the best return available, while providing liquidity, commensurate with a high level of security. The results achieved will be dependent upon the success of the Fund Manager in implementing this policy, together with the economic conditions and prevailing returns available in the currency of investment.

YOUR INTERNATIONAL INVESTMENT PORTFOLIO

Pacific Capital Growth Funds Limited was incorporated on 9th August 1983 to service the investment needs of certain clients of Pacific International Trust Company Limited. Growth has largely come about by word of mouth as a result of the good returns achieved by Pacific Capital Growth Funds Limited. A prospectus was registered in New Zealand on 27th January 1993, which complied with the New Zealand Securities Act. This is now the fifth prospectus registered in Vanuatu.

The principal objective of the Cash Management funds is to achieve **capital growth** of investor's money without significant risks, by placing the assets of the various Funds with international financial institutions in a **tax-free** environment. The weekly share price movement can measure the success of this strategy for each Fund, which is calculated on a net tangible asset basis.

The policy of each Fund is shown at the head of that fund's section on the following pages. Please note the variations in different types of fund.

This is an unlimited issue of redeemable Participating Shares without par value in the capital of Pacific Capital Growth Funds Limited. The shares on issue are organized into different classes each class representing one of the Funds on offer on pages 5 to 9. The issue will allow new investors to participate; increasing the amounts already invested. There is no minimum amount of cash required to implement the plans of the directors.

TYPICAL USES

Funding of "Offshore" share purchases on the world's major markets.

To profitably use money placed away from the prying eyes of family members and others that may feel they have an interest in your affairs.

Tax effective placement of cash waiting to be invested elsewhere (generally available at call).

To maintain access to offshore money thus avoiding potential local control measures.

As a safe haven for trust monies whilst earning a reasonable return in today's market.

Placement in bank type deposits that are not subject to withholding taxes.

To have cash available for international travel and spending at all times.

For the investment of proceeds from international royalties, franchise fees etc.

As an investment vehicle for international insurance policies.

During times that the world's equity markets are in the process of correcting downwards to avoid capital losses, and while the risks of severe economic recession exist, to provide safe storage for the cash deposits of those who are waiting for markets to bottom thus providing the right opportunity to take advantage of the lower prices then prevailing. In other words "safety and availability of cash while keeping your powder dry".

PACIFIC CAPITAL GROWTH FUNDS LIMITED - STRUCTURE

- Issuer:** **PACIFIC CAPITAL GROWTH FUNDS LIMITED**
Registered office; 10th Floor, Brunswick House, 44 Chipman Hill,
Saint John N.B., Canada.
- Directors:** **Thomas M. BAYER, B.Sci., M.B.A., A.S.I.A., A.T.I.A., FAIBF,** (Chairman),
American born and educated, now a Vanuatu citizen of Tassiriki Park, Port Vila, Vanuatu.
Other directorships include Pacific Fund Managers Limited, London Insurance Co. Limited
and Pacific International Trust Company Limited. Over thirty-five years of international
investment experience.
- Robert M. BOHN, B.Sci. (Hon), FAIBF,** American born and educated, now a Vanuatu
citizen of Elcress Ranch, Efate, Vanuatu. Other directorships include London Finance
Limited, Asian Corporate Services Ltd. and European Bank Limited. Over twenty-five years
of financial and investment experience.
- Charles S. KLEIMAN, B.BUS (ACC), A.S.A., TEP,** Australian citizen of English birth,
resident of Tassiriki Park, Port Vila, Vanuatu. Other directorships include Fidelity Pacific
Life Insurance Company Limited and Universal Securities Limited.
- Susan PHELPS, B.Sc., MACS FIAP,** British born and educated, now a Vanuatu citizen
of Malapoa, Port Vila, Vanuatu. Other directorships include European Trust Company
Limited and London Insurance Co. Limited. Many years of computer experience in the
investment field, trust administration and business.
- Company Secretary:** **Robert M. BOHN and Charles S. KLEIMAN** (jointly)
- Fund Manager & Share Registrar:** **PACIFIC FUND MANAGERS LIMITED**
1st Fl, International Building, Lini Highway, Port Vila, Vanuatu, P.O. Box 301
Tel (678) 23410, Fax (678) 23405, Email security@vanuatu.com.vu.
- Auditors:** **ERNST & YOUNG,** Port Vila, Vanuatu and Brisbane, Australia.
- Bankers:** **ANZ GROUP**
EUROPEAN BANK LIMITED
NATIONAL BANK of NEW ZEALAND
- Trust Company:** **PACIFIC INTERNATIONAL TRUST COMPANY LIMITED (PITCO),** based
in Port Vila with related companies in England, Hong Kong, New Zealand,
Singapore and U.S.A.

**INVESTORS MAY CHOOSE TO INVEST IN ANY OR ALL
OF THE FUNDS ON THE FOLLOWING PAGES.**

US\$ CASH MANAGEMENT FUND

Investment Policy To place US\$ funds on a short to medium term basis with international financial institutions.

First Issued 14 Sept. 1983 at an issue price of US\$10.00

Share Value 30 Sept 2001 = US\$27.47

Growth in US\$ Terms

| | |
|-----------------------------|------|
| Year to 30 September 1992 = | 3.9% |
| Year to 30 September 1993 = | 3.1% |
| Year to 30 September 1994 = | 3.5% |
| Year to 30 September 1995 = | 5.1% |
| Year to 30 September 1996 = | 4.8% |
| Year to 30 September 1997 = | 4.7% |
| Year to 30 September 1998 = | 4.7% |
| Year to 30 September 1999 = | 4.8% |
| Year to 30 September 2000 = | 4.8% |
| Year to 30 September 2001 = | 4.6% |

Investors can normally make a redemption from this Fund on 2 days notice although larger amounts may take longer.

It is not possible for the share price to go down unless interest rates fall below 1% P.A. or one of the banks where funds are deposited is unable to repay its depositors.

Funds are currently placed with ANZ Bank, European Bank and National Bank of New Zealand.

The Fund Manager's fee is .75% P.A. calculated and payable on a weekly basis.

US\$ MANAGED CURRENCY FUND

Investment Policy To invest from a US\$ perspective, changing out of US\$ only when another currency has increased and it is believed will continue to increase, against the US\$. At all other times, to be in US Dollars.

First Issued 22 April 1985 at an issue price of US\$10.00

Share Value 30 Sept 2001 = US\$ 30.46

Growth in US\$ Terms

| | |
|-----------------------------|------|
| Year to 30 September 1992 = | 4.6% |
| Year to 30 September 1993 = | 5.4% |
| Year to 30 September 1994 = | 3.3% |
| Year to 30 September 1995 = | 6.7% |
| Year to 30 September 1996 = | 5.0% |
| Year to 30 September 1997 = | 4.5% |
| Year to 30 September 1998 = | 3.3% |
| Year to 30 September 1999 = | 6.6% |
| Year to 30 September 2000 = | 3.1% |
| Year to 30 September 2001 = | 9.2% |

Investors can normally make a redemption from this Fund on 2 days notice.

It is possible for the share price to go down as well as up depending upon the success of the strategy implemented by the Fund Manager, interest rate earned and the safety of the Funds deposits. Past performance is not necessarily a guide to the future performance.

Funds are currently placed with ANZ Bank and European Bank.

The Fund Manager's fee is 1.0% P.A. calculated and payable on a weekly basis.

US\$ FOREX TRADING FUND

Investment Policy This is a speculative Fund that trades in a variety of foreign currencies using shortdated forward exchange contracts with the objective of making exchange gains for the Fund.

First Issued 14 September 1983 at an issue price of US\$10.00

Share Value 30 Sept 2001 = US\$40.86

Growth in US\$ Terms

| | |
|------------------------------------|---------------|
| Year to 30 September 1992 = | 3.3% |
| Year to 30 September 1993 = | 1.2% |
| Year to 30 September 1994 = | 2.0% |
| Year to 30 September 1995 = | 0.6% |
| Year to 30 September 1996 = | 3.8% |
| Year to 30 September 1997 = | 3.2% |
| Year to 30 September 1998 = | 26.7% |
| Year to 30 September 1999 = | 9.8% |
| Year to 30 September 2000 = | 7.6% |
| Year to 30 September 2001 = | -16.8% |

Investors can normally make a redemption from this Fund on about 7 days notice.

It is possible for the share price to go down as well as up depending upon the success of the strategy implemented by the Fund Manager and the safety of the deposits. Past performance is not necessarily a guide to the future performance.

Deposits are placed with ANZ Bank and European Bank.

The Fund Manager's management fee is 1.0% P.A. calculated and payable on a weekly basis. In addition it receives 17% of the net profits earned from Forex trading activities by the Fund. Outside advisors expert on currency trading may be retained from time to time.

A\$ CASH MANAGEMENT FUND

Investment Policy To place A\$ funds on a short to medium term basis with international financial institutions.

First Issued 10 February 1984 at an issue price of A\$10.00

Share Value 30 Sept 2001 = A\$44.79

Growth in A\$ Terms

| | |
|------------------------------------|-------------|
| Year to 30 September 1992 = | 7.2% |
| Year to 30 September 1993 = | 5.3% |
| Year to 30 September 1994 = | 5.0% |
| Year to 30 September 1995 = | 6.8% |
| Year to 30 September 1996 = | 6.9% |
| Year to 30 September 1997 = | 5.5% |
| Year to 30 September 1998 = | 4.5% |
| Year to 30 September 1999 = | 4.2% |
| Year to 30 September 2000 = | 4.5% |
| Year to 30 September 2001 = | 4.7% |

Investors can normally redeem on 2 days notice although larger amounts may take longer.

It is not possible for the share price to go down unless interest rates fall below 1% P.A. or one of the institutions where the funds are invested is unable to repay its depositors.

Funds are currently placed with ANZ Bank, Hong Kong Bank, National Bank of NZ and European Bank on Term Deposits and AA rated or better Eurobonds, issued by financial institutions.

The Fund Manager's fee is .75% P.A. calculated and payable on a weekly basis.

A\$ MANAGED CURRENCY FUND

Investment Policy To invest from an A\$ perspective, changing out of A\$ only when another currency has increased and it is believed will continue to increase, against the A\$. At all other times, to be denominated in Australian Dollars.

First Issued 18 September 1988 at an issue price of A\$20.73

Share Value 30 Sept 2001 = A\$53.40

| | |
|-----------------------------------|-----------------------------------|
| <u>Growth in A\$ Terms</u> | Year to 30 September 1992 = 5.7% |
| | Year to 30 September 1993 = 5.7% |
| | Year to 30 September 1994 = 5.3% |
| | Year to 30 September 1995 = 7.1% |
| | Year to 30 September 1996 = 4.6% |
| | Year to 30 September 1997 = 4.5% |
| | Year to 30 September 1998 = 16.4% |
| | Year to 30 September 1999 = 5.3% |
| | Year to 30 September 2000 = 4.7% |
| | Year to 30 September 2001 = 4.2% |

Investors can normally make a redemption from this fund on 7 days notice.

It is possible for the share price to go down as well as up depending upon the success of the strategy implemented by the Fund Manager, interest rates earned by the Fund and the safety of the Fund's deposits. Past performance is not necessarily a guide to the future performance.

Funds are placed with ANZ Bank and European Bank.

The Fund Manager's fee is 1.0% P.A. calculated and payable on a weekly basis.

NZ\$ CASH MANAGEMENT FUND

Investment Policy To place NZ\$ funds on a short to medium term basis with international financial institutions.

First Issued 13 April 1987 at an issue price of NZ\$10.00

Share Value 30 Sept 2001 = NZ\$33.11

| | |
|------------------------------------|----------------------------------|
| <u>Growth in NZ\$ Terms</u> | Year to 30 September 1992 = 6.4% |
| | Year to 30 September 1993 = 5.9% |
| | Year to 30 September 1994 = 5.5% |
| | Year to 30 September 1995 = 7.6% |
| | Year to 30 September 1996 = 8.0% |
| | Year to 30 September 1997 = 7.0% |
| | Year to 30 September 1998 = 7.2% |
| | Year to 30 September 1999 = 5.5% |
| | Year to 30 September 2000 = 5.3% |
| | Year to 30 September 2001 = 5.6% |

Investors can normally make a redemption from this Fund on 7 days notice.

It is not possible for the share price to go down unless interest rates fall below 1% P.A. or one of the banks where funds are deposited is unable to repay its depositors.

Funds are currently placed with ANZ Bank, ASB Bank, National Bank of NZ and AA rated or better Eurobonds, issued by financial institutions.

The Fund Manager's fee is .75% P.A. calculated and payable on a weekly basis.

JAPANESE YEN CASH MANAGEMENT FUND

Investment Policy To place Yen funds on a short to medium term basis with international financial institutions.

First Issued 28 March 1985 at an issue price of JY2,000

Share Value 30 Sept 2001 = JY2,986

Growth in YEN Terms

| |
|----------------------------------|
| Year to 30 September 1992 = 4.5% |
| Year to 30 September 1993 = 2.6% |
| Year to 30 September 1994 = 1.4% |
| Year to 30 September 1995 = 0.9% |
| Year to 30 September 1996 = 0.2% |
| Year to 30 September 1997 = 0.1% |
| Year to 30 September 1998 = 0.4% |
| Year to 30 September 1999 = 0.0% |
| Year to 30 September 2000 = 0.0% |
| Year to 30 September 2001 = 0.0% |

Investors can normally make a redemption from this Fund on 7 days notice.

Deposits are currently placed with ANZ Bank.

The Fund Manager's fee is normally .75% P.A. calculated on a weekly basis but has been temporarily suspended due to the low deposit rates applying to Japanese Yen.

STERLING CASH MANAGEMENT FUND

Investment Policy To place Sterling funds on a short to medium term basis with international financial institutions.

First Issued 13 December 1987 at an issue price of £10.00

Share Value 30 Sept 2001 = £27.64

Growth in STG. Terms

| |
|----------------------------------|
| Year to 30 September 1992 = 9.5% |
| Year to 30 September 1993 = 7.4% |
| Year to 30 September 1994 = 4.8% |
| Year to 30 September 1995 = 5.2% |
| Year to 30 September 1996 = 5.1% |
| Year to 30 September 1997 = 5.1% |
| Year to 30 September 1998 = 6.3% |
| Year to 30 September 1999 = 6.1% |
| Year to 30 September 2000 = 4.8% |
| Year to 30 September 2001 = 5.0% |

Investors can normally make a redemption from this Fund on 7 days notice.

It is not possible for the share price to go down unless interest rates fall below 1% P.A. or one of the banks where funds are deposited is unable to repay its depositors.

Funds are placed with ANZ Bank and AA rated or better Eurobonds, issued by financial institutions.

The Fund Manager's fee is .75% P.A. calculated and payable on a weekly basis.

EURO CASH MANAGEMENT FUND

Investment Policy To place Euro funds on a short to medium term basis with international financial institutions.

First Issued 3 March 1991 at an issue price of Euro10.00

Share Value 30 Sept 2001 = Euro 16.79

Growth in ECU Terms

| |
|---------------------------------------|
| Part Year to 30 September 1992 = 9.6% |
| Year to 30 September 1993 = 9.5% |
| Year to 30 September 1994 = 6.3% |
| Year to 30 September 1995 = 4.9% |
| Year to 30 September 1996 = 3.6% |
| Year to 30 September 1997 = 2.8% |
| Year to 30 September 1998 = 2.9% |
| Year to 30 September 1999 = 3.4% |
| Year to 30 September 2000 = 2.6% |
| Year to 30 September 2001 = 3.1% |

Investors can normally make a redemption from this Fund on 7 days notice.

It is not possible for the share price to go down unless interest rates fall below 1% P.A. or one of the banks where funds are deposited is unable to repay its depositors.

Funds are placed with NBNZ and AA rated or better Eurobonds, issued by financial institutions.

The Fund Manager's fee is .75% P.A. calculated and payable on a weekly basis.

CHF CASH MANAGEMENT FUND

Investment Policy To place Swiss Francs on a short to medium term basis with international financial institutions.

First Issued 19 Oct 1986 at an issue price of CHF20.00

Share Value 30 Sept 2001 = CHF31.43

Growth in CHF Terms

| | |
|---------------------------|--------|
| Year to 30 September 1992 | = 7.4% |
| Year to 30 September 1993 | = 4.8% |
| Year to 30 September 1994 | = 3.2% |
| Year to 30 September 1995 | = 2.1% |
| Year to 30 September 1996 | = 0.8% |
| Year to 30 September 1997 | = 0.5% |
| Year to 30 September 1998 | = 0.5% |
| Year to 30 September 1999 | = 0.4% |
| Year to 30 September 2000 | = 0.1% |
| Year to 30 September 2001 | = 2.3% |

Investors can normally make a redemption from this Fund on 7 days notice.
It is not possible for the share price to go down unless interest rates fall below 1% P.A. or one of the banks where funds are deposited is unable to repay its depositors.
Funds are placed with ANZ Bank.
The Fund Manager's fee is .75% P.A. calculated and payable on a weekly basis.

HOW TO INVEST

Investors are invited to purchase Redeemable Participating shares in the capital of the Funds.

The minimum initial investment is US\$5,000 or equivalent in another currency.

To apply, simply complete an application form contained within this prospectus and send it:

with cheque or draft to: -

or send the money separately by telegraphic transfer to: -

Pacific Capital Growth Funds Limited
P.O. Box 301
Port Vila
Vanuatu

ANZ Bank Limited,
Port Vila, Vanuatu,
Credit : Pacific Capital Growth Funds Ltd.
Message "(investors name)"

Please take special care to include in the message that accompanies your transfer, the name in which you wish the funds to be invested.

Should you send A\$'s for example, but wish to invest in say US\$, the Fund's bankers will convert your currency at the rate ruling on the day of receipt.

Shares will only be allotted on the next valuation day following receipt of the completed application form plus clearance of the application monies by the bank, and based upon the net amount received by the Fund. A confirmation letter setting out the allotment calculation will be posted to investors within a week of the allotment. A redemption sale request form will also be enclosed to enable you to realize part, or all, of your investment at any time. The Trust Company as your nominee will automatically hold all investments unless you make alternative arrangements with us.

In order to assist the fight against laundering of monies which may be derived from criminal activity, persons or companies investing directly, who are not known to the Fund Manager, will need to produce a copy of their passport or company documents or other documentation requested by the Fund Manager prior to final acceptance of initial investments.

VALUATIONS

Each Fund is valued as at every Sunday. These valuations are used as the basis for issuing and redeeming all shares. Each week the Fund sends these valuations for printing in selected newspapers and magazines. In addition, investors are sent a full Portfolio Valuation on a regular basis.

TAXATION

The Funds are managed in such a way that their earnings are not liable to any form of company tax.

Pacific Capital Growth Funds Limited was incorporated in Vanuatu on 9th August 1983 under the Companies Regulation 1971 as Company Number 2519. On 23rd October 1991 it ceased to be a Vanuatu company and was continued in Canada in the Province of New Brunswick under the Business Corporation Act 1981 as Corporation Number 050772.

The Company does not do business in Canada and does not permit investment in the Funds by any Canadian resident. No tax liability is incurred in Canada. The Fund holds written confirmation of this from the Canadian tax authorities.

With the fund manager operating from Vanuatu, the tax-free situation is protected.

You have the comfort of knowing that Canadian law applies to the Fund in which you invest.

Investors must determine their personal tax liability, if any, from their own financial advisers.

FEES AND EXPENSES

Payable by each Fund

Each Fund meets its bank charges, audit fees, proportional annual company registration fee and investment costs. It pays a management fee to Pacific Fund Managers Limited that is detailed under the headings of the various Funds.

The level of costs can be ascertained by referring to the detailed Profit and Loss Statement later in this prospectus. Total average MER (management expense ratio) is below 0.85% P.A.

THE FUNDS WILL NOT PAY THE COSTS OF THIS PROSPECTUS, ANY MARKETING CHARGES OR DIRECTORS FEES. THE FUNDS BELONG TO THE MEMBERS. AFTER PAYING THE COSTS ASSOCIATED WITH RUNNING EACH FUND, THE RETURNS ACCRUE ONLY FOR THE BENEFIT OF MEMBERS.

Payable by the Investor

The Fund Manager is entitled to a fee of US\$15 to cover its costs associated with the allotment of shares. This will be deducted from each investor's application monies. The Fund Manager is also entitled to a fee of US\$15 when an investor switches between funds, or redeems shares, or requests the Fund Manager to purchase their shares and remit the proceeds.

THE INVESTOR PAYS NO OTHER FEES TO THE FUND OR FUND MANAGER. THERE ARE NO UP FRONT, SELLING, NOR REDEMPTION FEES. NEITHER THE FUND NOR FUND MANAGER EMPLOY AGENTS.

The investor may pay an advisor a fee in respect of advice given or work preformed, but that is a matter between the investor and the advisor.

NET ASSET VALUE

This is the figure, which determines the value of each share in each Fund, and is both the buying and selling price of each Fund's shares.

Shares of Pacific Capital Growth Funds Limited are not listed on any stock exchange, and no listing is being sought. As a result, the share price is not determined by supply and demand on a day-to-day basis.

The total assets of each Fund are valued weekly and the resulting figure is divided by the number of shares on issue for that Fund, to determine the net asset value per share. This value is expressed to four decimal places and is the figure that is used for both purchases and redemptions.

PACIFIC CAPITAL GROWTH FUNDS LIMITED

PROFIT AND LOSS ACCOUNT

For the 5 years ended 30 September
(Expressed in United States Dollars)

| | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Investment Income | | | | | |
| Interest received/receivable | 1,471,583 | 1,738,301 | 2,093,583 | 1,797,301 | 1,814,886 |
| Investment Appreciation | 0 | 0 | 98 | 0 | 0 |
| Gains/(losses) on currency trading | (43,817) | 0 | 2,986 | (7,739) | (5,708) |
| Dividends received | 0 | 3,671 | 2,721 | 80,795 | 142,620 |
| Gains/(losses) on sale of investments | 353 | 1,826 | 8,652 | 75,375 | 1,081 |
| | <u>1,428,119</u> | <u>1,743,798</u> | <u>2,108,040</u> | <u>1,945,732</u> | <u>1,952,879</u> |
| Expenses | | | | | |
| Management fees | 186,973 | 216,128 | 290,098 | 254,816 | 257,620 |
| Audit fees | 16,235 | 14,347 | 14,640 | 10,100 | 8,561 |
| Bank charges | 4,319 | 514 | 427 | 468 | 3,076 |
| Decrement in value of equities | 0 | 0 | 428 | 82,871 | 0 |
| Amortization of bond premiums | 132,830 | 255,345 | 356,503 | 61,867 | 59,213 |
| Other expenses | 1,453 | 13,283 | 359 | 46 | 64 |
| | <u>341,810</u> | <u>499,617</u> | <u>662,455</u> | <u>410,168</u> | <u>328,534</u> |
| Net Income | 1,086,309 | 1,244,181 | 1,445,585 | 1,535,564 | 1,624,345 |
| Net income applied to redeemable participating shares at valuation | (1,086,412) | (1,244,145) | (1,445,730) | (1,535,613) | (1,622,504) |
| Profit For The Year | <u>(103)</u> | <u>36</u> | <u>(145)</u> | <u>(49)</u> | <u>1,841</u> |

BALANCE SHEET AT 30 SEPTEMBER 2001

(Expressed in United States Dollars)

| | |
|-----------------------------------|--------------------------|
| INVESTMENTS | |
| Bank Bills | 0 |
| Interest bearing call accounts | 798,829 |
| Interest bearing deposits | 14,023,658 |
| Interest receivable | 329,450 |
| Quoted bonds | 9,149,964 |
| Quoted equities | <u>24,869</u> |
| Total assets | <u><u>24,326,770</u></u> |
| CURRENT LIABILITIES | |
| Redeemable participating shares | 24,287,510 |
| Creditors and accruals | <u>39,311</u> |
| Total liabilities | <u><u>24,326,821</u></u> |
| Net assets | <u><u>(51)</u></u> |
| SHAREHOLDERS' EQUITY | <u><u>24,294,939</u></u> |
| Founders' shares | 100 |
| Unappropriated profit | <u>(151)</u> |
| Total shareholders' equity | <u><u>(51)</u></u> |

1. Statement of significant accounting policies

The significant policies, which have been adopted in the preparation of these financial statements, are:

Fund operations

Pacific Capital Growth Funds consists of ten different investment funds operating with various investment goals and in a number of different currencies. These funds are open for subscription with this prospectus. Investment is made by the purchase or sale of redeemable participating shares of a fund at current share valuation. Each fund operates as a separate entity, and all profits and losses after deduction of operating expenses are allocated back to shareholders by weekly or monthly revaluation of shares.

Basis of preparation

They are prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies are consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

Management fees

Management fees are charged at the time of each fund valuation and are based on a fixed percentage of fund value. In certain circumstances, the Fund Manager may waive its right to management fees.

Foreign currency

Assets and liabilities held in foreign currencies have been converted to US dollars at rates ruling at year-end. Transactions (in foreign currency funds) during the year were recorded in the prevailing currency of the fund. The income and expense items of each fund have been translated to United States dollars at year-end rates. For the purpose of preparing these accounts, an unrealised exchange gain or loss has been recorded to reflect the difference in value of the opening balance of shareholders equity in the various foreign currency funds translated to US Dollars at year end rates.

Investments

Investments in bonds, bank bills and quoted equities are recorded at cost, with the exception of those funds that are required to have the bonds and equities valued at current market rates. Bond premiums or discounts are amortised over the life of the bond for all currency funds. Dividends are recorded as income when received and interest income is accrued as it becomes due.

Income taxes

The Company is exempt from income taxes in Canada, and does not do business in any other country where there is a tax liability, other than withholding taxes.

2. Share capital

| | 2001 US\$ |
|------------------------------------|--------------|
| Authorized | |
| 100 founder shares of no par value | 100 |
| Issued and fully paid | |
| 100 founder shares of no par value | 100 |

3. Redeemable participating shares

| | | | | |
|---|------------------------|-------------------------|---------------------|-------------------|
| Authorized | | | | |
| Redeemable participating shares of no par value | | | | Unlimited |
| Issued and fully paid at 30th Sept 2001 | Shares on issue | Foreign currency | Rate to US\$ | US\$ |
| A\$ Managed Currency Fund | 7,877 | 420,620 | 0.4912 | 206,608 |
| A\$ Cash Management Fund | 459,501 | 20,579,738 | 0.4912 | 10,108,768 |
| Euro Cash Management Fund | 117,861 | 1,979,012 | 0.9175 | 1,815,743 |
| NZ\$ Cash Management Fund | 121,611 | 4,026,158 | 0.4015 | 1,616,735 |
| Sterling Cash Management Fund | 50,306 | 1,390,651 | 1.4736 | 2,049,264 |
| Swiss Franc Cash Management Fund | 755 | 23,741 | 1.6110 | 14,737 |
| US\$ Managed Currency Fund | 3,059 | 93,190 | 1.0000 | 93,190 |
| US\$ Cash Management Fund | 299,333 | 8,221,791 | 1.0000 | 8,221,791 |
| US\$ Forex Trading Fund | 3,084 | 126,619 | 1.0000 | 126,619 |
| Yen Cash Management Fund | 1,389 | 4,146,855 | 119.66 | 34,655 |
| | <u>1,064,776</u> | | | <u>24,288,110</u> |

4. Investments

The market value of investments translated into US dollars at year-end was \$9,149,963 for bonds (2000-\$12,202,362).

5. Related Party Transactions

The company has not paid, and has no liability to any director for any fees or benefits for services rendered either as a director or otherwise in respect of the year covered by these financial statements.

Management fees are paid to Pacific Fund Managers Limited, a related company. Virtually all investments in redeemable participating shares of the funds are made by one group of related companies.

16 January 2002

The Directors
Pacific Capital Growth Funds Limited
PO Box 45
Port Vila
VANUATU

Dear Sirs,

PACIFIC CAPITAL GROWTH FUNDS LIMITED – PROSPECTUS CONSENT

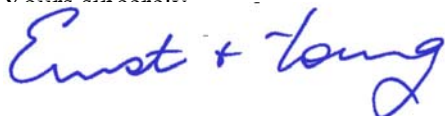
We refer to the prospectus to be dated on or about 26 January 2002 offering participating redeemable shares in Pacific Growth Funds Limited ("Prospectus").

In accordance with Section 54 of the Vanuatu Companies Act (CAP. 191) Ernst & Young hereby confirms, that at the date of registration of the Prospectus, Ernst & Young consents, and has not withdrawn its consent to our Auditor's Report appearing in the form and context in which it is included in the Prospectus and to the name Ernst & Young appearing in the Prospectus as auditors of the Company. Our audit report should be read in conjunction with the Financial Statements, a copy of which can be obtained from the company.

Ernst & Young has not made or purported to have made any statement in the Prospectus other than in its Auditor's Report. Ernst & Young is not aware of any statement in the Prospectus based on a statement made by it other than in its Auditor's Report, and Ernst & Young expressly disclaims responsibility for any other statements in the Prospectus.

Ernst & Young have been only involved in the preparation of its Report and specifically disclaim liability in respect of any statement included elsewhere in the Prospectus. Ernst & Young has not authorized or caused the issue of the Prospectus.

Yours sincerely,



Ernst & Young
Port Vila

INDEPENDENT AUDIT REPORT

To the shareholders of Pacific Capital growth Funds Limited

Scope

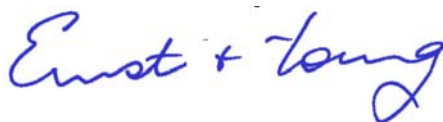
We have audited the financial statements of Pacific Capital Growth Funds Limited for the financial year ended 30 September 2001 as set out on pages 3 to 13. The company's directors are responsible for the financial statements. We have conducted an independent audit of the financial statements in order to express an opinion on it to the shareholders of the company.

Our audit has been conducted in accordance with generally accepted auditing standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statement, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements present a view, which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis,

Audit Opinion

In our opinion, the financial statements of Pacific Capital Growth Funds Limited presents fairly, in all material respects, the company's financial position as at 30 September 2001 and its performance for the year ended on that date in accordance with generally accepted accounting principles.



Ernst & Young



Mark Hayward

Partner

Port Vila

Date: 16/01/02

ADDITIONAL STATUTORY INFORMATION

1. Holders of Founders Shares of Issuer:

At 30th September 2001, there were 100 Founders shares on issue, of which 99 were registered in the name of Pacific International Trust Company Limited and 1 was registered in the name of Pine Limited, neither of whom undertake any responsibility in respect of the securities being offered in this Prospectus.

2. Provisions Relating to Initial Flotation

The plans of the Directors of the Company are set out on page 2 of this prospectus. The funds raised by this issue are not required for the plans, but will increase the amounts invested.

Under its Articles and By-laws, the Company is empowered to invest in a wide range of investments. However, investors will nominate in their share application, which Fund's shares they wish to purchase and the amounts subscribed will be applied in the manner detailed for the respective Funds, as per pages 5 to 9, inclusive.

The net result of this issue on the financial position of the Company is expected to be an increase in the share capital of the Company, reflected by a corresponding increase in the current assets of the Company. This is based on the assumption that, in accordance with the principal objective of the Funds, as detailed on page 2, the funds raised will be placed as shown in the asset categories listed on pages 5 to 9.

3. Appointment and Retirement of Directors

1. The By-laws of the Company make no provision for retirement at any particular age.
2. A Director need not be the holder of any shares in the Company.
3. No person has the right to appoint a Director of the Company other than the Members of the Company in general meeting or the Directors of the Company acting as a board to either fill a casual vacancy, or appoint an additional Director, so long as the number of directors then in office does not exceed the total previously authorised by the Members.

4. Director Interests:

No Director is entitled to remuneration other than by way of director's fees. No director's fees have ever been paid and none will be paid during the term of this prospectus. No retirement or compensation benefits are provided to the Directors. The Directors provide their services free of charge to the company. Some of the Directors may have an interest in the material contract referred to in Clause 5 hereof. The rights, obligations and restrictions on interested Directors are those set out in Section 17 of the New Brunswick Business Corporation Act.

5. Material Contracts:

The only material contract entered into by the Company at any time in the ten years preceding the date upon which this Prospectus was delivered in registrable form to the Registrar of Companies, for registration not being a contract entered into in the ordinary course of business, is as follows: -
An agreement dated the 1st day of April, 1988 between the Company and Pacific Fund Managers Limited whereby the latter was appointed to the position of Fund Manager, which Agreement was subsequently last amended on the 12th day of February, 1999.

6. Issue Expenses:

Particulars of issue expenses are as follows:

- (a) Prospectus issuance costs including printing and extra audit costs will be paid for by Pacific Fund Managers Limited.
- (b) No commission is payable by the Company.

7. Restrictions on the Company:

There are no restrictions in the By-laws of the Company in respect of borrowing or distribution of profits.

8. Applications for Shares:

The Company continues to accept applications for shares from residents of countries other than Canada pursuant to the Prospectus sent for registration on January 27th 2000. Applications from residents of Canada will not be accepted.

9. Places of Inspection of Documents:

The following documents, or copies thereof may be inspected during normal business hours without fee by any person who so requests during the currency of this Prospectus at First Floor, International Bldg, Lini Highway, Port Vila, Vanuatu: Share Register; Articles; Management Agreement with Pacific Fund Managers Limited; New Brunswick Business Corporation Act; detailed 2001 accounts.

10. Voting Rights:

Every share in the Company entitles the holder to one vote for that share regardless of the class of share.

DIRECTORS STATEMENT

In our opinion, after due inquiry by us in relation to the period between the date of the latest balance sheet set out in this prospectus and the date of registration of this prospectus, there have not arisen any circumstances that materially adversely affect:

- a) The trading or profitability of the Company; or
- b) The value of its assets; or
- c) The ability of the Company to pay its liabilities due within the next 12 months.

This prospectus has been duly signed by each of the Directors of the Company, or their authorised agent, acknowledging their consent to be Directors and to the issue of this prospectus.

Thomas M. Bayer

Robert M. Bohn

Charles S. Kleiman

Susan Phelps

INDEX (Following the clauses in Companies Act Chapter 191)

| Schedule 4 | Matter specified | Page |
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| 1. | Founders shares | 15 |
| 4. | Minimum subscription | 2 |
| 5. | Opening of subscriptions | 9 |
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| 15. | Auditors | 4 |
| 17. | Voting rights | 15 |
| 19. | Auditors Report and Consent | 13 & 14 |

Clauses 2,3,7,8,9,10,11,12,13,16,18,20 & 21 of Schedule 4 are not applicable.

APPLICATION FORM - PACIFIC CAPITAL GROWTH FUNDS LIMITED

Mr/Mrs/Miss/Ms

Family name

First names

And / Corporate

Company Name

Address

| | <u>Amount</u> | | | <u>Amount</u> | | |
|---------------------|---------------|----|-----------------------|---------------|----|--------------------------|
| I/We wish to invest | _____ | in | US\$ Cash Management | _____ | in | Euro Cash Management |
| | _____ | in | US\$ Managed Currency | _____ | in | Sterling Cash Management |
| | _____ | in | US\$ Forex Trading | _____ | in | NZ\$ Cash Management |
| | _____ | in | A\$ Cash Management | _____ | in | Yen Cash Management |
| | _____ | in | A\$ Managed Currency | _____ | in | CHF Cash Management |

Pursuant to the Prospectus delivered for registration on January 25th, 2002 I/we agree to be bound by the provisions of the Articles and the By-Laws and request the Trustee to hold my shares so issued to my order.

Payment has been arranged by telegraphic transfer on _____ (or cheque/draft is enclosed).

I warrant that by virtue of my subscribing for, and holding shares, I am not nor will be in breach of any laws or regulations of any competent jurisdiction. I further warrant that this Agreement does not violate any laws or regulations in the country in which I am resident. I also warrant that I am not a resident of Canada.

Signature(s) _____
(Each to sign if investments to be held jointly)

Dated the _____ day of, 2002.

Joint Owners Note:

Unless otherwise instructed, redemption requests will be accepted with one joint owner's signature only and payment will be made in accordance with those requests.

All Investors Note:

Telegraphic transfers should be made to:-
ANZ Bank Limited
Port Vila, Vanuatu
Credit: Pacific Capital Growth Funds Ltd.
Message "(investors name)"

Cheques or bank drafts accompanying application forms are accepted on a collection basis and the net proceeds received by Pacific Capital Growth Funds Ltd are available as application monies upon receipt by the Fund.

Items required from investor(s)

Person:

Copy of Passport
Utility Bill or similar to prove residency

Company:

Certificate of Incorporation (certified)
List of Authorised Signatories (certified)