

GO

**GLOBAL-ONE**

Money Market Fund





You want **the security of Cash**.....

You want to **make the most of your money**.....

You want **professional management**.....

You want **access to your money**.....

You want **Global One**.....

**GO**



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# Risk/Return Summary

***Investment Goal***

The **GO** (pronounced *geo*) money market fund seeks current income with liquidity and stability of principal similar to a traditional money market fund.

***Investment Policies***

The Fund invests in a portfolio consisting of Institutional Money Market Funds and foreign currencies of major world economies.

***Principal Risks of Investing***

Money market funds & have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period a shareholder owns shares of the Fund. The Fund is subject to risks related to changes in interest rates and foreign exchange rates.

An investment in the Fund is not a deposit in Quiet Systems Ltd. and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money by investing in the Fund.

***Who May Want to Invest in the Fund***

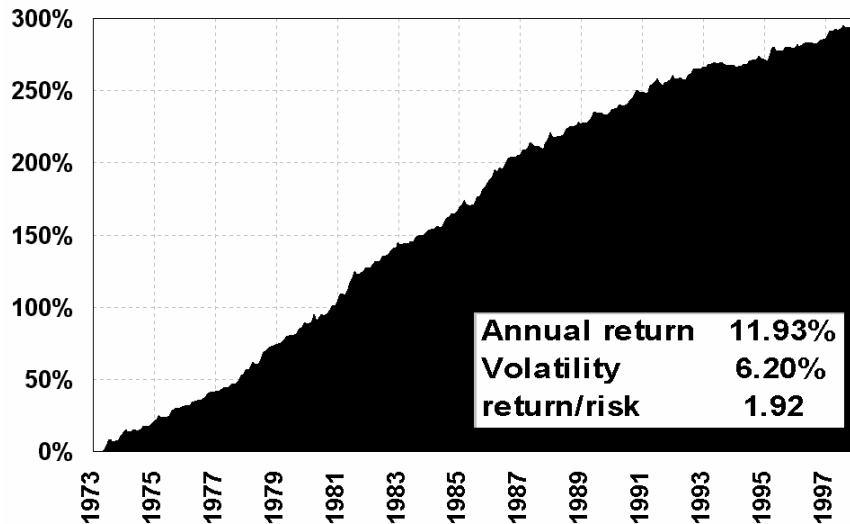
The Fund is designed for investors seeking current income with liquidity and security of principal. The Fund is particularly suitable for individuals, families of mutual funds, banks, corporations and others seeking investment of short-term funds for their own accounts or those of their customers.



# Performance

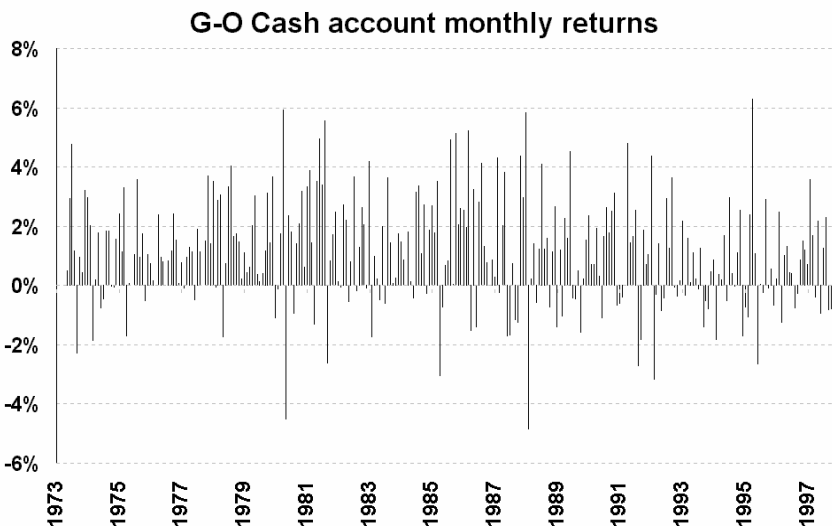
## Returns from 1973-1997

The graph & bar chart below indicate the risks of investing in GO by showing how the performance of GO would have varied from year to year. The graph and bar chart does not assume reinvestment of dividends and distributions. GO's past performance does not guarantee future returns.

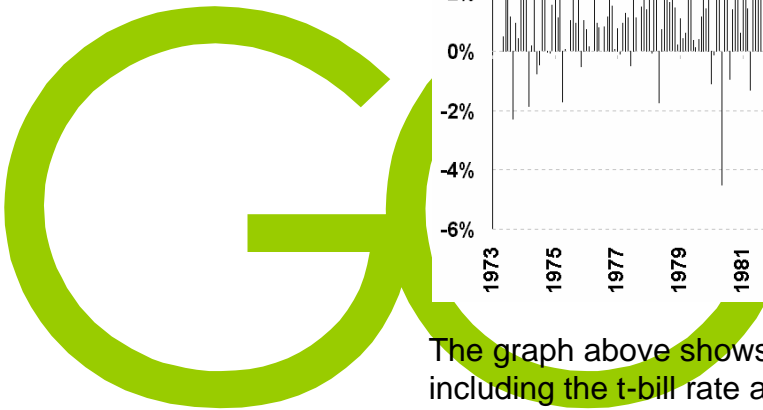


The graph above indicates the arithmetic (non-compounded) returns with fees removed. Volatility is calculated on an annualized basis using monthly data.

## Monthly Return Profile



The graph above shows monthly returns from a GO account including the t-bill rate and standard fees removed.

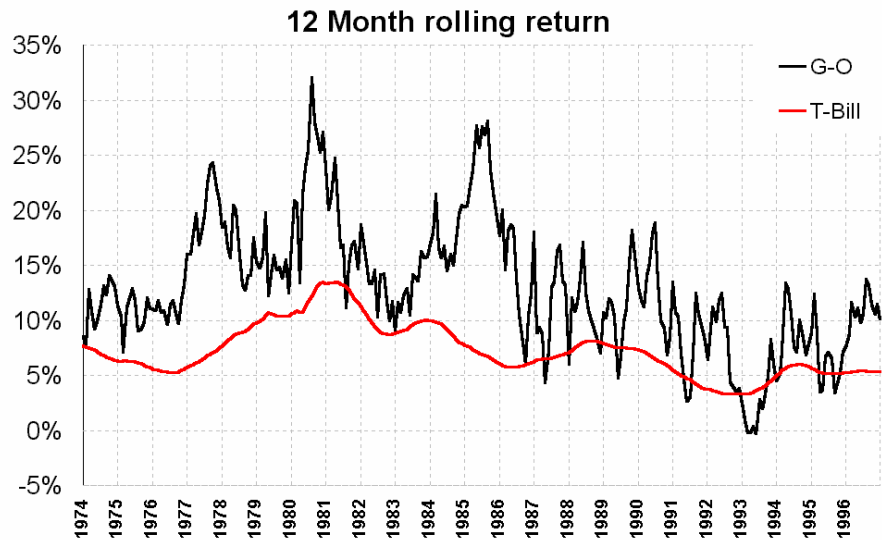


# GO v. T-bills

## Returns from 1973-1997

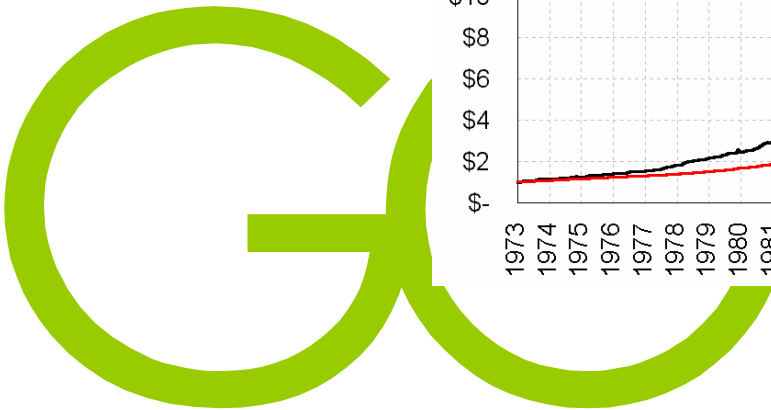
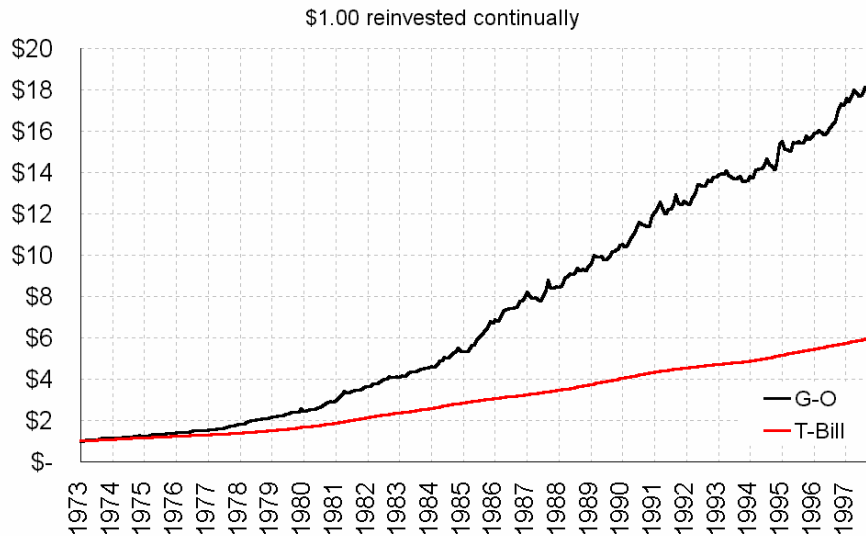
**GO** out performed a standard investment in t-bills and other "risk free" investments. There have been fluctuations in return and periods of loss. When looking at the 12-month holding return offered by **GO** account it is significantly higher than a similar money market investment. This is achieved by the buying and selling of currency. **GO** attempts to represent a safe **global** money market account.

## Rolling Returns



Geometric (compounding) returns are indicated below. Taxes have not been removed

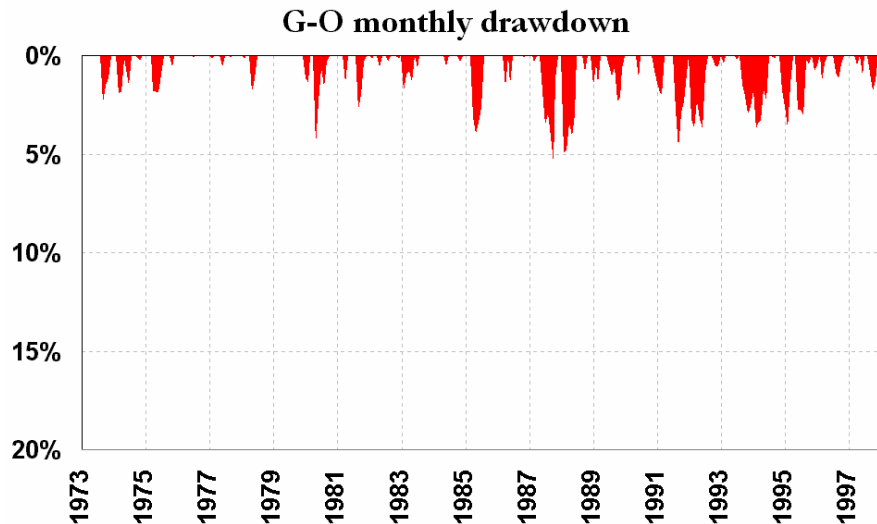
## Geometric Returns From 1973



# Risk

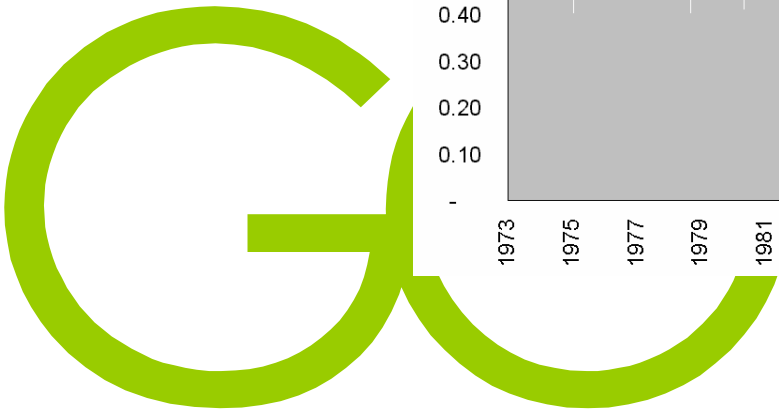
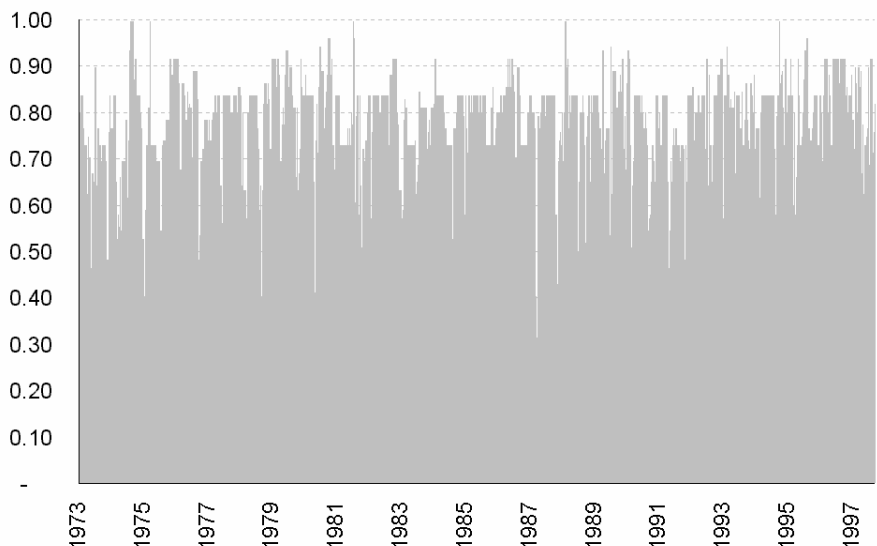
## *Drawdown*

Many investors experience risk in the form of a high to low drawdown. The graph, below, illustrates the largest drawdowns from GO. The drawdown assumes an investment at the worst period and the subsequent loss that would be associated assuming the investor withdrew funds from GO account at that period (a worst case scenario).



## *Leverage*

**GO** doesn't use leverage. **GO** uses no leverage which should minimize some consumer concerns about risk.



## Risk continued

### *Principal Risks of the GO Cash Account*

The principal investment risk of investing in GO are described above in the Risk/Return Summary. The following supplements that description.

### *Interest Rate Risk*

Institutional money market funds are susceptible to interest rate & price fluctuations due to the normal interest rate market influences, supply, demand, central bank policies and other market factors.

### *Credit Risk*

The risk that an issuer will be unable to make principal and interest payments when due is known as “credit risk.” U.S. Government securities are considered to be the safest type of investment in terms of credit risk. Not all U.S. Government Securities are backed by the full faith and credit of the United States. Obligations of certain agencies and instrumentalities of the U.S. Government are backed by the full faith and credit of the United States. Others are backed by the right of the issuer to borrow from the U.S. Treasury or are backed only by the credit of the agency or instrumentality issuing the obligation.

### *Other Risks*

Certain investment strategies employed by GO may involve additional forms of investment risk. Leverage risk is associated with securities or practices that multiply small market movements into larger changes in the value of the Fund’s investment portfolio. The Fund does not currently intend to employ investment strategies that involve leverage risk.



# Fund Management

***Investment Adviser***

The Adviser, Quiet Systems Ltd., serves as the Fund's investment adviser. The investment advisor was established in Grand Cayman in 1998.

As investment adviser, Quiet Systems Ltd. manages the Fund and is responsible for all purchases and sales of the Fund's securities. For the investment advisory services provided and expenses assumed by it, Quiet Systems Ltd. is entitled to a fee of 1.00%, computed daily and payable monthly, based on the Fund's average net assets.

***Custodian***

Mees Pierson of Georgetown, Grand Cayman.

***Distributor***

The Distributor has yet to be determined.



# How GO works

## *Institutional Client*

The **GO** account works the institutional clients perspective.

1. Fund of fund/Institutional client opens account & wires funds to Custodian.
2. Credit line opened by Custodian with Interbank trading desk.
3. Quiet Systems Ltd. given authority to trade the Interbank account.
4. Custodian deposits excess funds into standard institutional money market fund, which may or may not be controlled by the institutional clients themselves.
5. Quiet Systems Ltd. representative buys and sells foreign currency through the Interbank trading desk.
6. Excess debits and/or credits from the Forex trading are placed with the custodian to be deposited in the money market account
7. The client receives a daily NAV with daily redemption possibility.
8. Management fees of 1.00% per annum are removed monthly by the custodian and deposited with Quiet Systems Ltd.

## *Retail Client Perspective*

1. The fund works like a standard money market account including the features and benefits.



# GO asset allocation

## *Foreign Exchange Trading Methodology*

**GO** uses a systematic trend following approach based upon multiple moving averages applied to 8 currency pairs. The currency pairs are allocated relative to the 1995 Bank of International Settlements foreign exchange survey. The **GO** methodology has a high correlation with the Ferrell Index and the Barclay Index of Currency Traders.

## *Instrument Choice*

**GO** trades spot Forex without the use of derivatives. Counterparties are only the largest most well recognized banks globally.

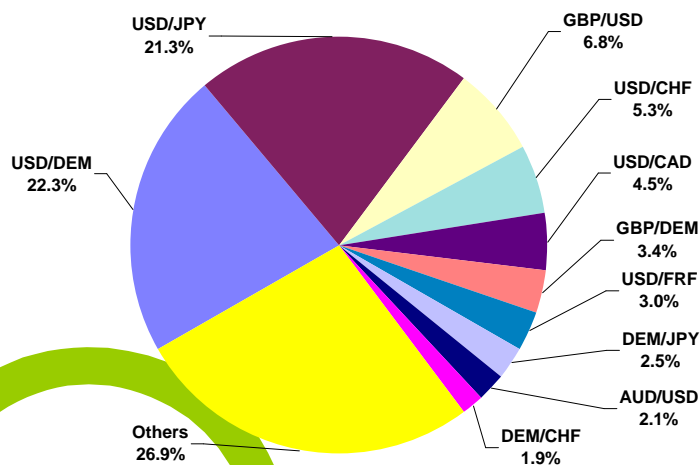
## *Allocation Methodology*

Allocation is guided by the *Survey of Foreign Exchange and Derivatives Market Activity* conducted by the Monetary and Economic Department of the Bank for International Settlements (BIS).

## *World Currency Flows*

The currency pairs with the greatest trading volume were selected, accounting for 68% of total currency trading volume.

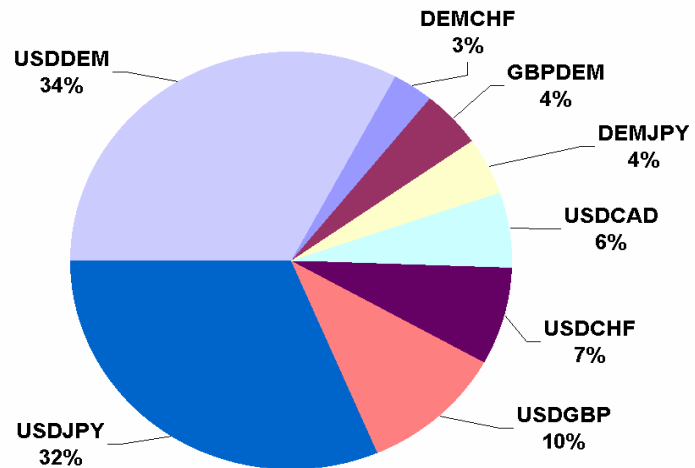
1995 trade US\$1.2 trillion daily



GO's allocation model tracks the \$1.2 trillion/daily currency market.

**Allocation Methodology**

The **GO** allocation model closely tracks the \$1.5 trillion/daily currency market. The pie chart below indicates the allocation methodology used.



**The Euro**

*The Euro will replace the DEM as it becomes appropriate.*

**Trend Following**

Trend following is the self-described methodology of choice for over 75% of currency funds. The approach is simple and well understood in the marketplace as a long term and successful approach to currency trading. In the academic world, trend following's success is explained by the presence of serial auto-correlation in currencies. Many causes are put forward for this behaviour.

**Serial Auto-Correlation**

Serial auto-correlation is a statistical behavior found in currency prices. Traders take advantage of this non-random price behavior using simple trend following techniques. Some have argued serial auto-correlation (trending) is a function of prices anticipating central bank interest rate policy which has a bias towards a trending as opposed to mean reverting behavior.



**Central Banks**

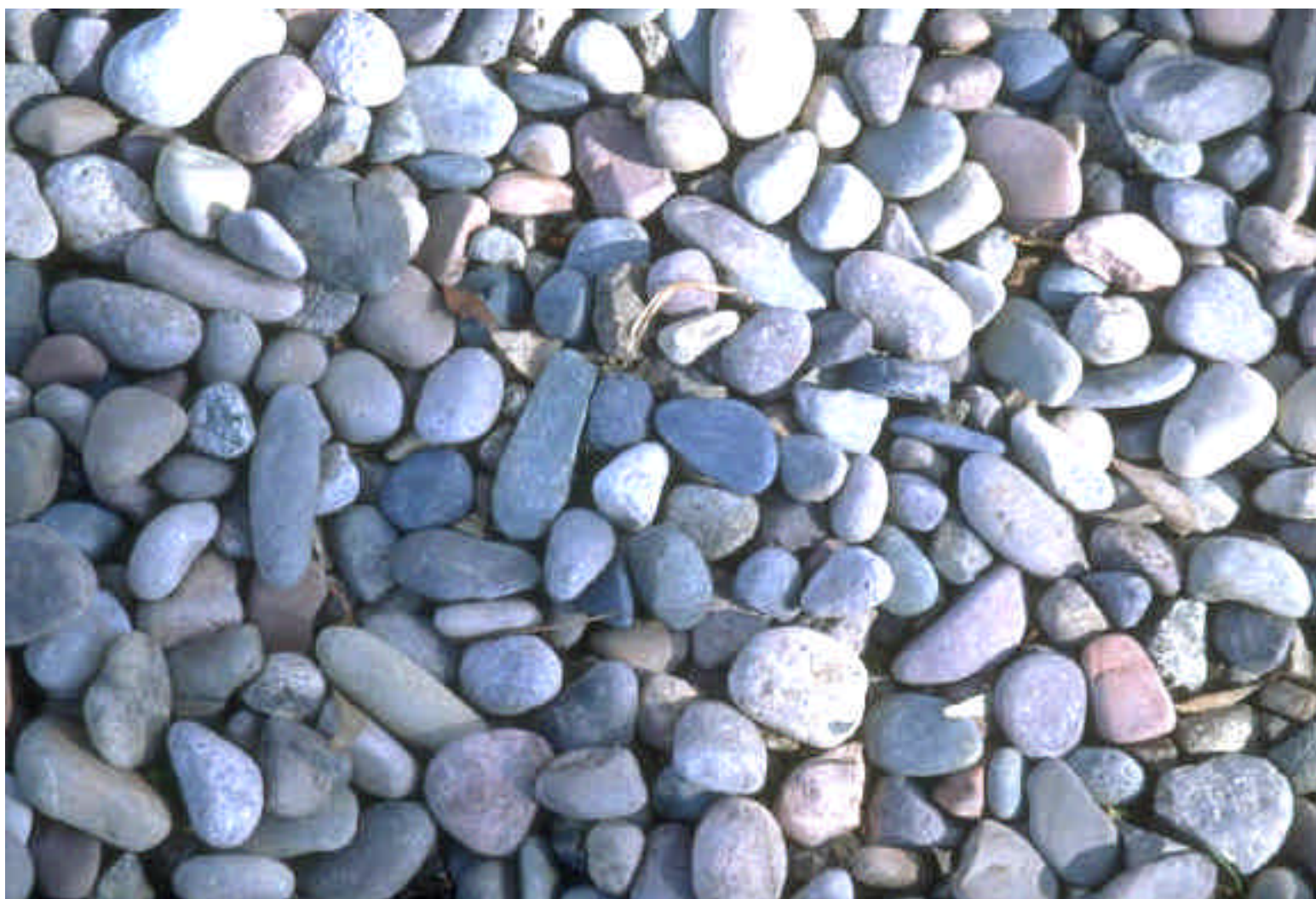
*Central banks (the world's largest Forex holders and traders) are not in business to make money, their typical mandates are inflation control and money supply management, to dampen the economic cycles and foster growth.*

### *Performance Profile*

The performance profile of a fixed allocation and fixed trend following approach has yielded a return series, which has a high degree of correlation with existing Forex funds and Forex fund indices. Quiet Systems Ltd. believes the factors which allow for profiting in the Forex markets over the last 24 years will continue to exist in the foreseeable future based on the assumption that Central banks will act in the same way to dampen economic cycles and foster growth.

### *Forex Risk*

The most well known form of Forex risk is extreme price moves. The **GO** cash account only trades currencies of the largest countries in an effort to avoid price risk. The data, which has been used to show this approach over the previous 24 years, includes many major geopolitical and economic events over time. None of these has affected the profitability of the approach in the long run.



# About money market funds

## *Growth*

Assets in money market funds increased \$157 billion, or 17%, in 1997 to a record \$1.059 trillion. Most of the increase in assets came from \$102 billion in net new cash flow.

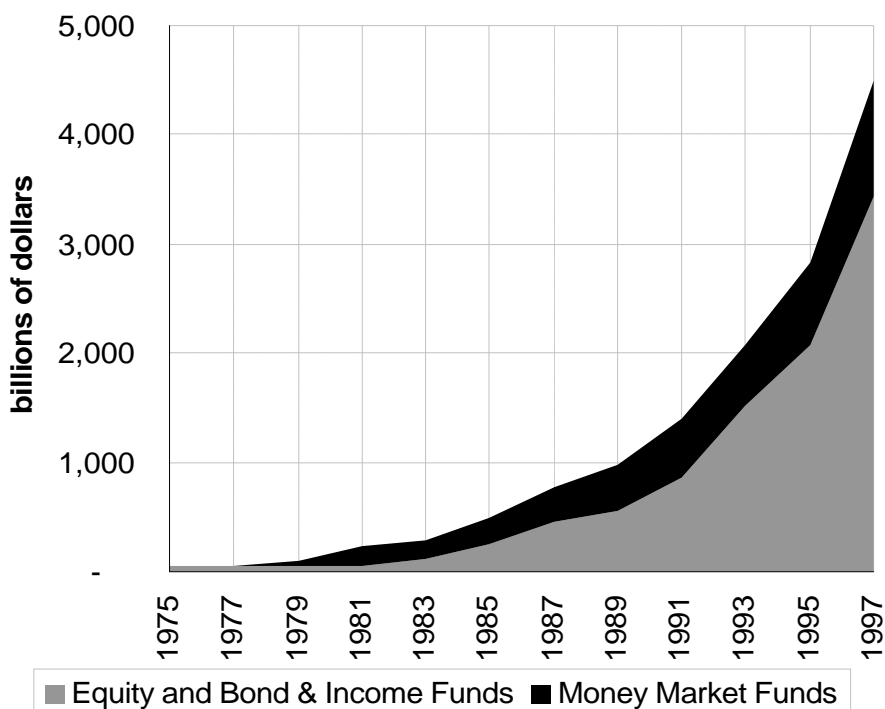
## *Retail Funds*

The net inflow to retail money funds, those offered to individuals with small-sized accounts remained strong last year. Net inflows were supported by a further widening in the already appreciable gap between yields on retail money funds and on bank and thrift saving deposits.

## *Institutional Funds*

The net inflow to institutional money funds, those held primarily by businesses, governments, institutional investors, and high-net households—rose by \$46.7 billion in 1997. The strength in institutional net flow was due in part to ongoing outsourcing of cash management services to money market funds by businesses, municipalities & pension funds.

## *U.S. Fund Growth Continues*



**Number of funds**

The total number of available Money market mutual funds has continued to grow in parallel with the fund industry itself. The table below shows the growth in the U.S. Money market fund industry.

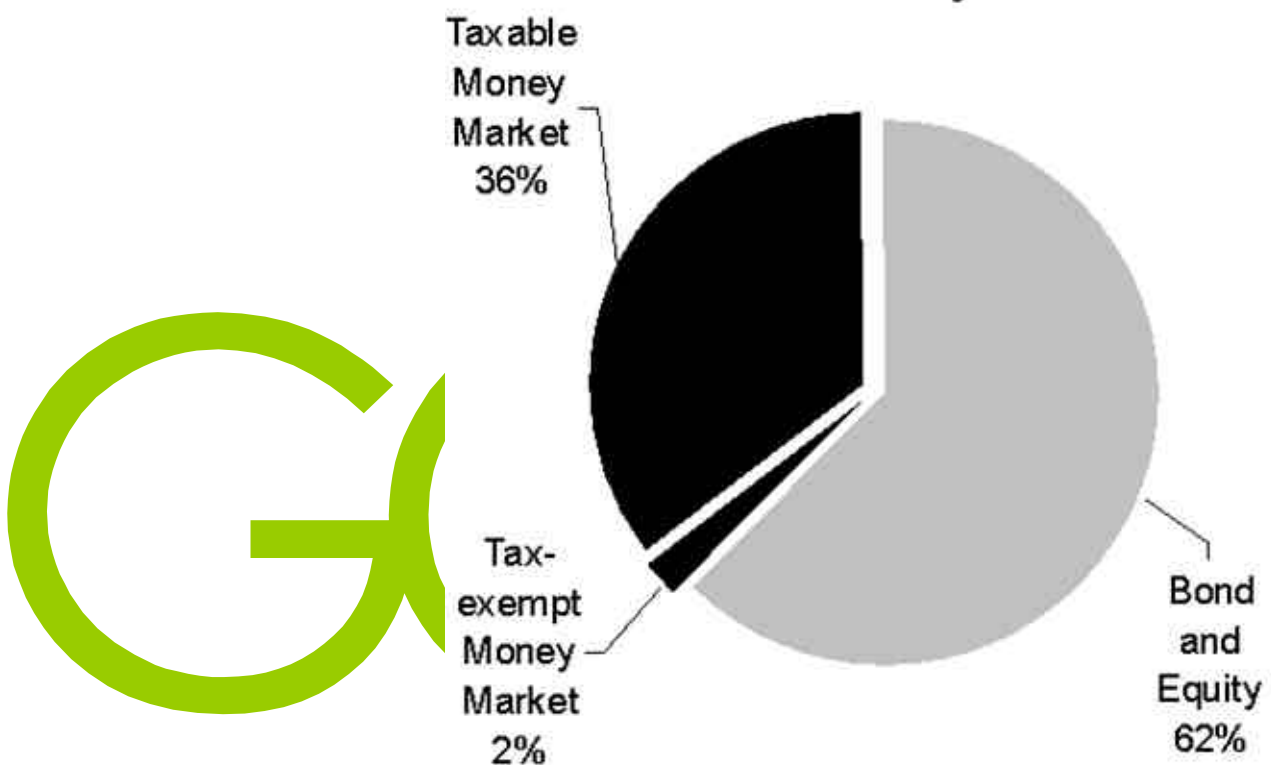
**Total Number of Funds**

Year	Taxable Money Market Funds	Tax- Exempt Money Market Funds
1990	508	235
1991	554	267
1992	586	279
1993	628	292
1994	644	319
1995	672	325
1996	665	323
1997	682	331

**Money funds growth**

Sales of money market funds in 1997 >\$230 billion. This represents a significant portion of the industry.

**Sales Due to Exchanges by Investment Objective**



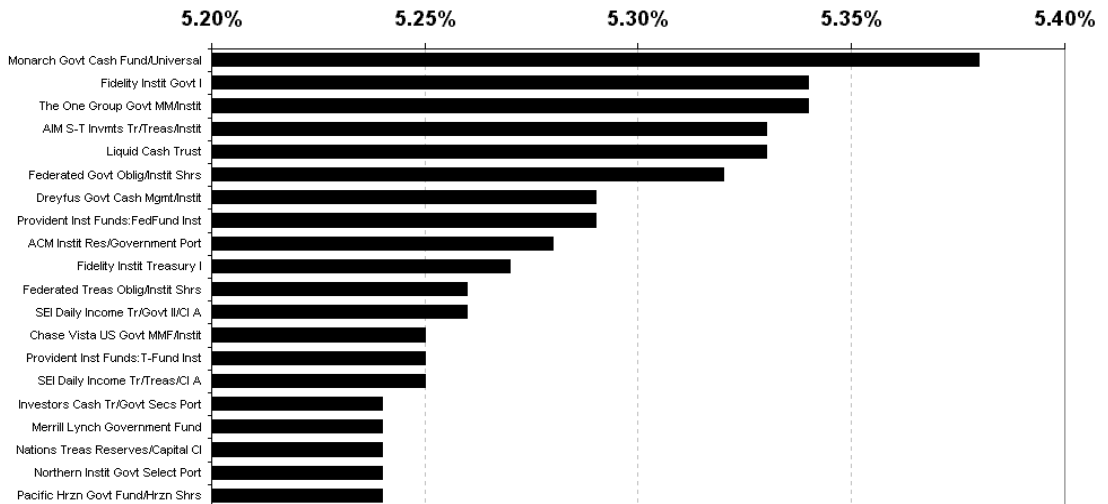


*Ahead of the pack*

Below is bar chart indicating the top 20 Government Institutional Funds. The difference between #1 & #20 was 13 Bps. **GO beats the average performer in the group by 450 Bps.**

FOR MORE INFORMATION CONTACT NICK GOGERTY  
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**GOVERNMENT INSTITUTIONAL FUNDS  
 Ranked by Highest 5 Year Total Return**



IBC Financial Data as of Jan 31, 1999

