



Report of the Auditor General of British Columbia

To the Unitholders of:

Canadian Money Market Fund ST1
Canadian Money Market Fund ST2
U.S. Dollar Money Market Fund ST3
Indexed Government Bond Fund
Long Term Bond Fund
British Columbia Focus Fund
Indexed Canadian Equity Fund
Active Canadian Equity Fund
Enhanced Canadian Equity Fund

North American Equity Fund
Active U.S. Equity Fund
S & P 500 Index Equity Fund
Enhanced Indexed U.S. Equity Fund
U.S. Value Index Equity Fund
U.S. Equity Derivatives Fund
Currency Overlay Fund
U.S. Currency Hedging Fund
(collectively, "the Funds")

I have audited the statements of net assets as at March 31, 2004 and March 31, 2003 of the Funds, the statements of changes in net assets for the years then ended, or for the shorter period since the inception date disclosed in Note 1, and the statements of investments as at March 31, 2004. These financial statements are the responsibility of the Funds' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at March 31, 2004 and March 31, 2003, the changes in their net assets for the years then ended or for the shorter period since the inception date disclosed in Note 1, and their investments as at March 31, 2004 in accordance with Canadian generally accepted accounting principles.

Victoria, British Columbia
July 21, 2004

Wayne Strelhoff
Wayne Strelhoff, FCA
Auditor General