

The World Trust Fund

-- Investing in undervalued assets at a tangible discount

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The World Trust Fund

REGISTERED:	Luxembourg
INCEPTION:	July 1991
LISTED:	London Stock Exchange
SHARES:	6,235,335
SYMBOL:	WTR.L (Bloomberg)
MARKET MAKERS:	UBS, LAZARD, JP MORGAN DRESDNER, WINTERFLOOD
NET ASSETS:	\$167 million.
MANAGER:	Lazard Asset Management
MANDATE:	Investing in global markets
BENCHMARK:	MSCI World Index

The World Trust Fund: Strategy

- Double Discount Hunter.
- Invests in:
 - investment trusts listed in London
 - closed-end funds listed in the U.S.
 - offshore closed-end funds
 - diversified holding companies
 - other discounted assets
- Search for best investment opportunities worldwide. Buy discounted holdings in companies/sectors/countries we like.
- Identify catalysts.
- Hedge market exposure with short sells.

The World Trust Fund

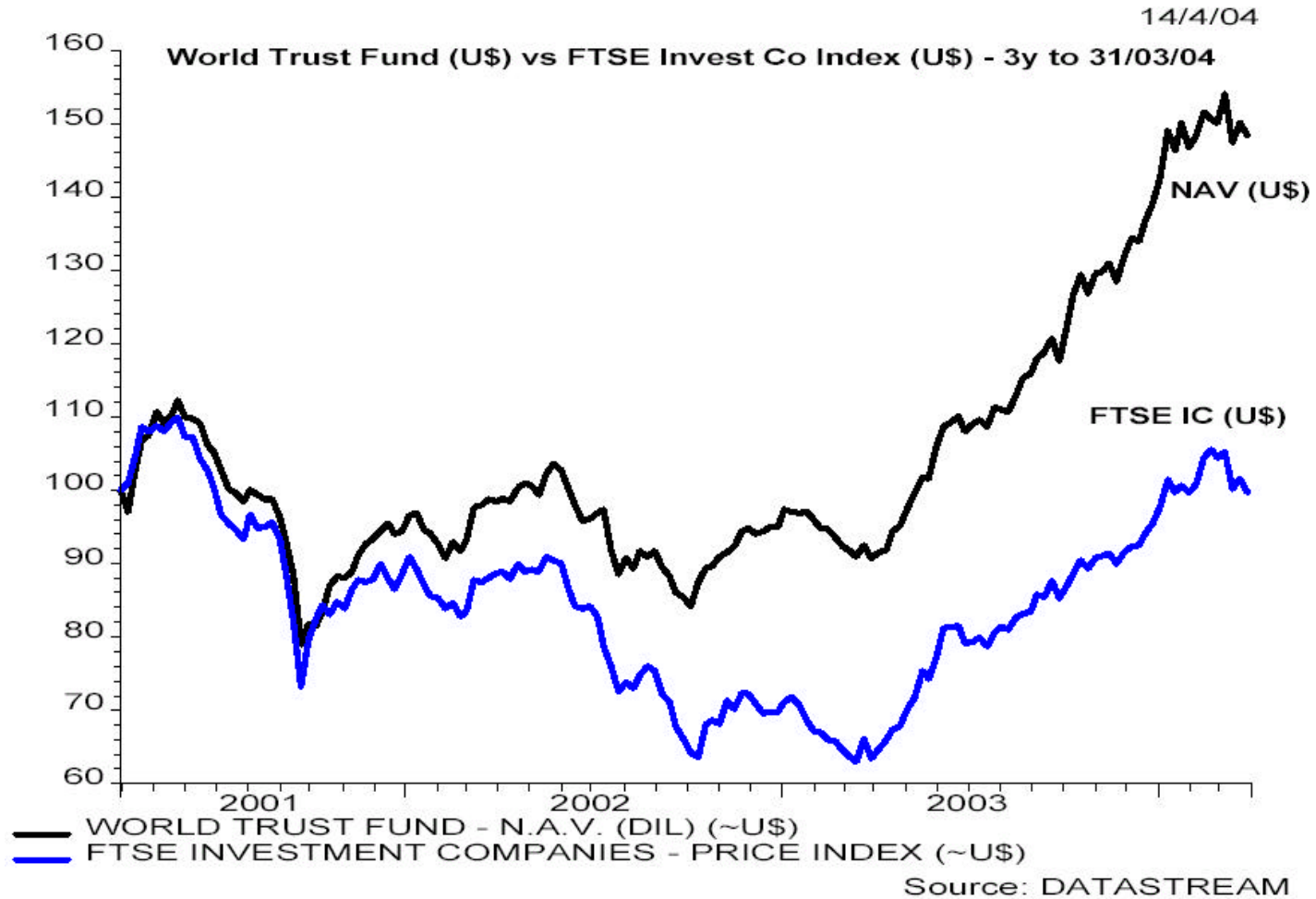
Price (Mid)	\$ 22.35	
NAV	\$ 26.86	
Discount		- 16.8%

....with an internal discount of 15%,

\$1 buys \$1.41 worth of assets

As of March 31, 2004

World Trust Fund vs. Investment Trust Co Index



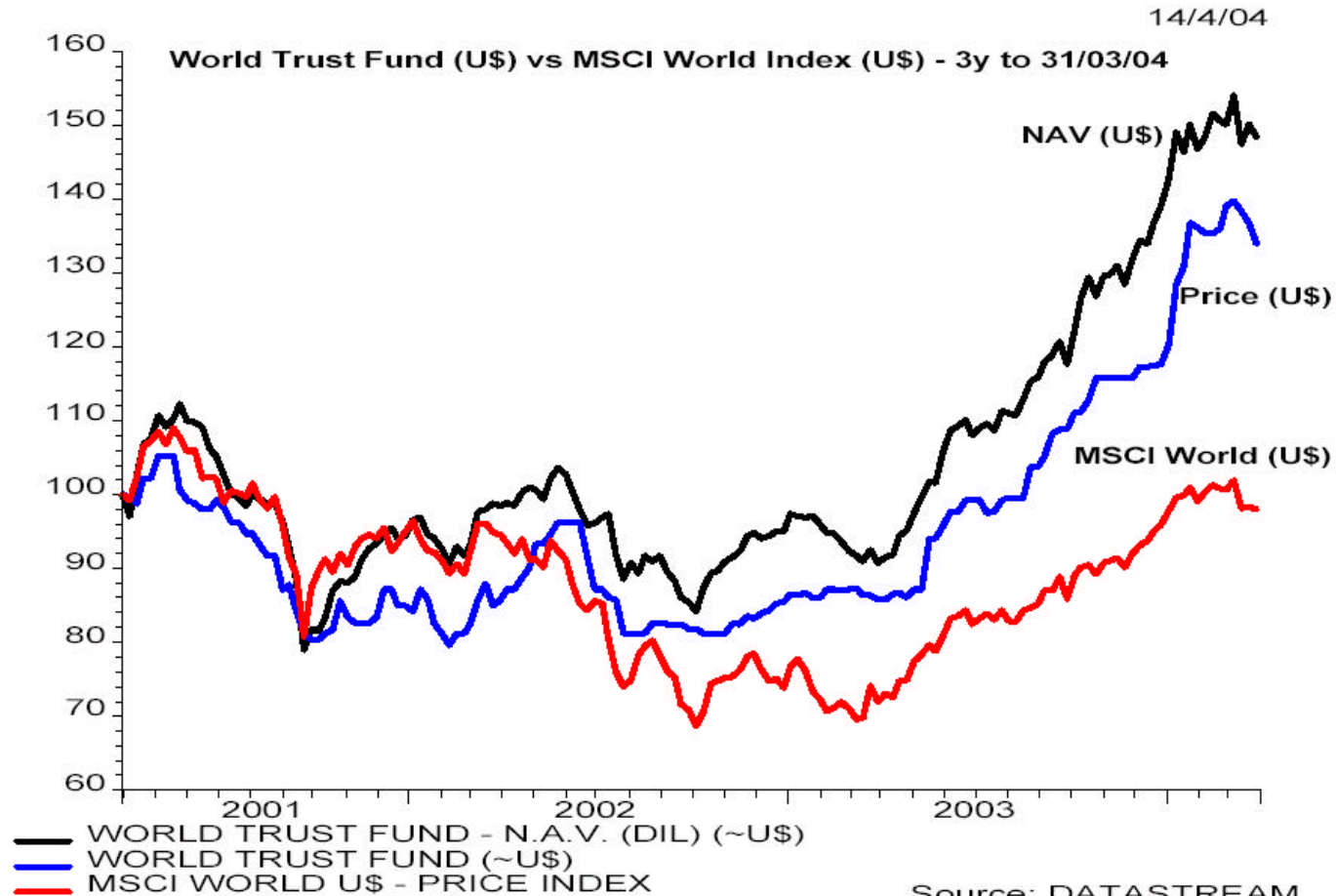
Source: UBS

Past performance does not guarantee future results.

A fund with hedging strategies may utilize investment techniques, such as short selling, not utilized in these indices.

The World Trust Fund vs. MSCI World

The World Trust Fund outperformed its benchmark by 50 percentage points over the three year period.



Source: UBS

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Performance Comparisons *(cumulative)*

	YTD	1 year	3-Yr	5-Yr
• World Trust Fund Price	13.9	56.8	34.4	39.0
• World Trust Fund NAV	6.4	66.4	48.6	50.6
• MSCI World	2.2	41.5	-0.2	-10.8
• MSCI EAFE	3.7	53.9	-4.2	- 5.8
• S&P 500	1.7	35.1	1.9	- 5.9

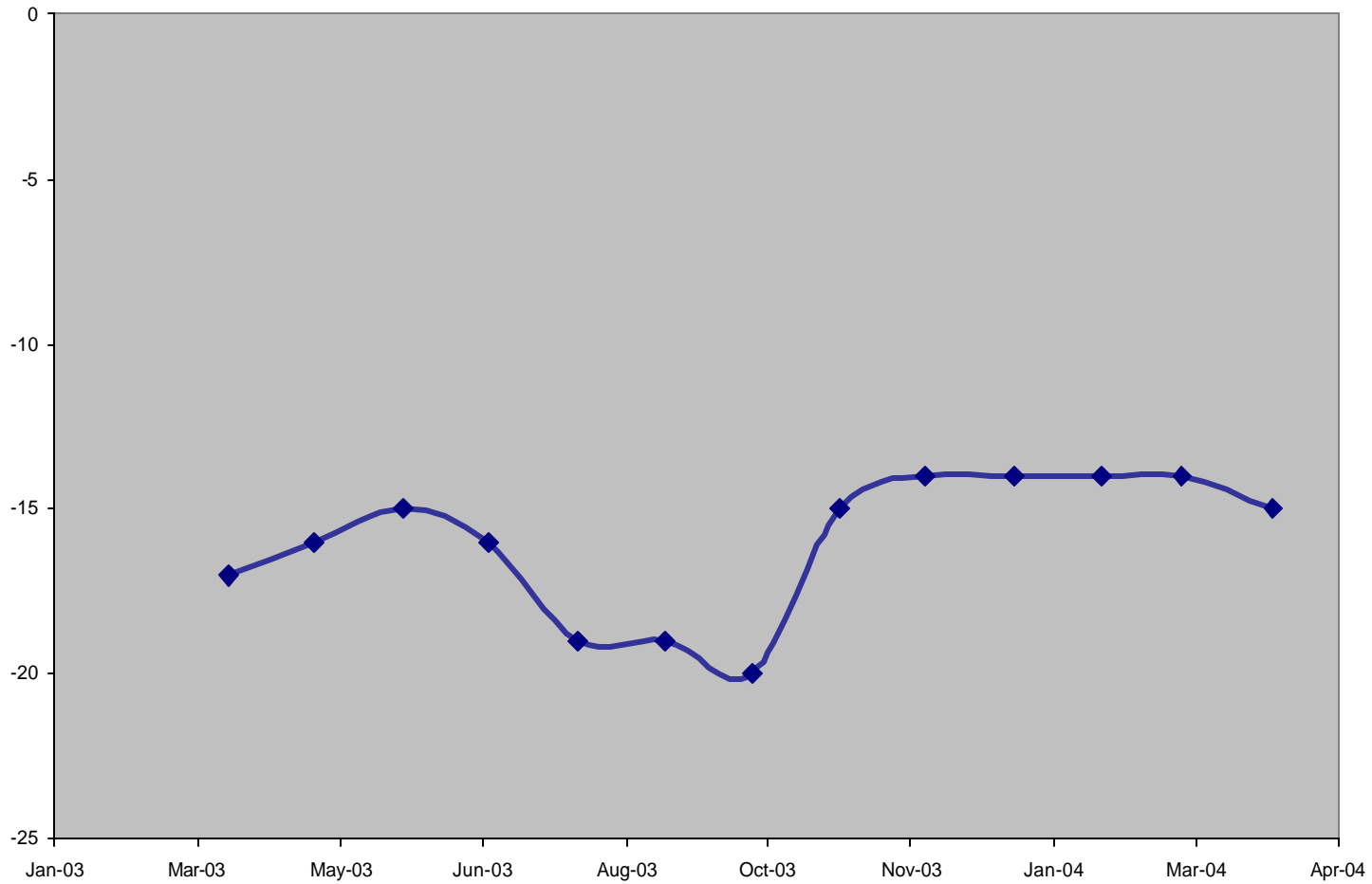
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- *As of March 31, 2004, All returns cumulative.*

World Trust Fund Internal Discount

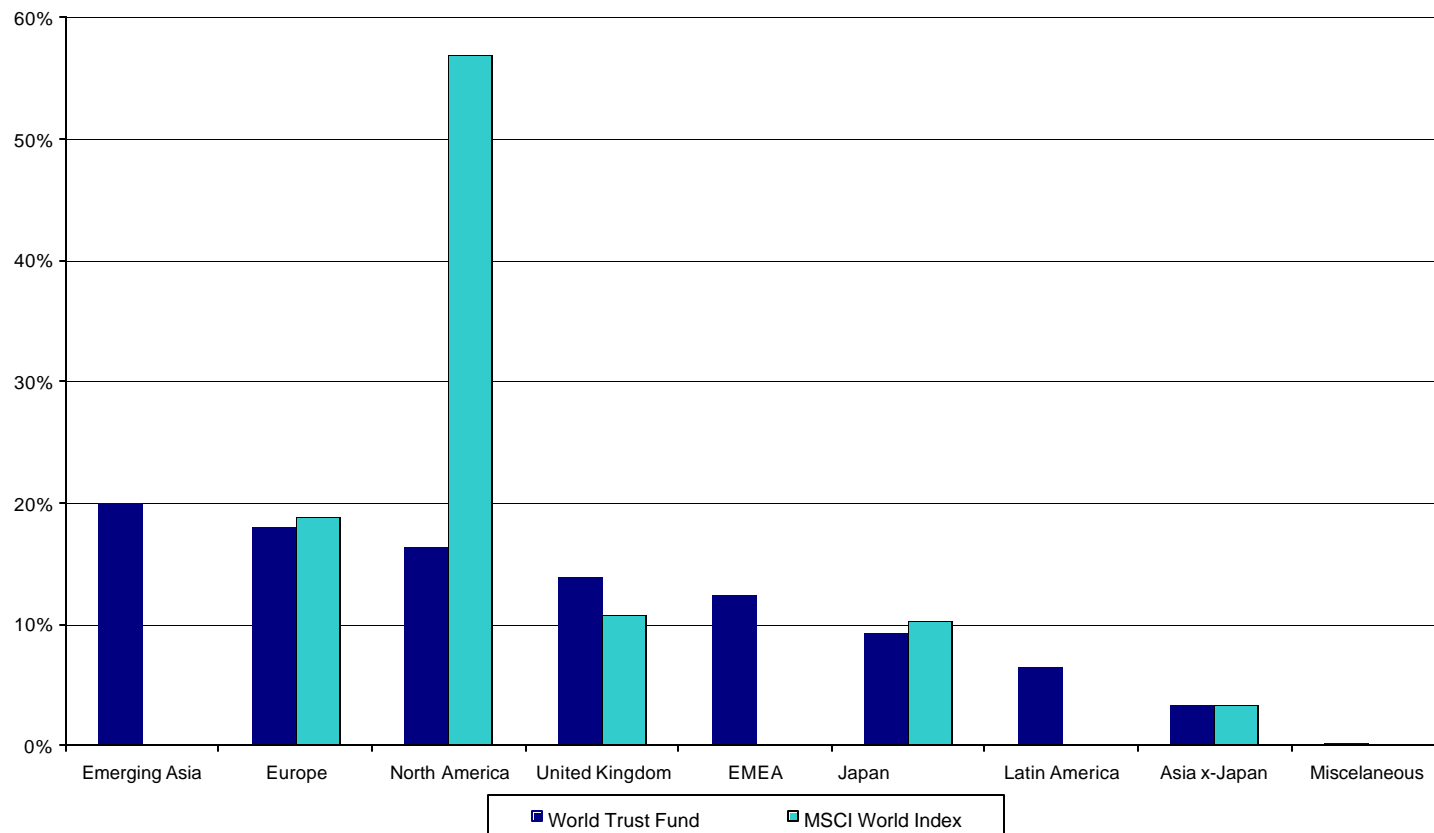
While the general discount of the sector has narrowed, the average discount of the underlying holdings is still an attractive 15%.



Source: Fundamental Date

Geographical Allocation

The Fund is underweight the U.S., and focuses its investments on emerging markets, Japan & Europe.



Allocations and security selection are subject to change.

As of March 31, 2004

Country Allocation

Even though the Fund is benchmarked against the MSCI World Index, it is invested in countries and sectors we think attractive.

Top Countries

– U.S.A	16%
– U.K.	15%
– Japan	11%
– Russia	8%
– Taiwan	8%

Allocations and security selection are subject to change.

As of March 31, 2004

Top 10 Holdings

The Fund's style is concentrated investments in the most attractive areas

Fund Name	Portfolio %	Disc/Prem
Merrill Lynch World Mining	7.4	-12.1
MS Emerging Markets	6.3	-10.1
Fleming Russia	6.1	-9.4
F&C Small Companies	5.5	-21.8
John Hancock Bank	4.9	-6.2
Swiss Helvetia	4.5	-14.2
Eurazeo	4.1	-25
Templeton Emerging	3.8	-13.3
Advanced Developing	3.6	-11.4
Finsbury Worldwide Pharm	3.4	-3.2
	49.6	

Allocations and security selection are subject to change.

As of March 31, 2004

Corporate Action

The Fund actively to enhance shareholder value by encouraging managers of our holdings to seek ways to narrow discounts and unlock value.

- **France Growth Fund** - The board recommended that the fund be dissolved, and liquidation will soon start.
- **John Hancock Bank Fund** - Managed distribution of 10% was announced.
- **Eurazeo & Rue Imperiale** will be merged. 2.8125 shares of Eurazeo will be offered for every Rue Imperiale share, and an additional bonus share of Eurazeo will be offered.
- **Korea Fund** - 16% of our shares were tendered back to the company at a discount of 2%.
- **ROC Taiwan Fund** - Management has changed to internal management.

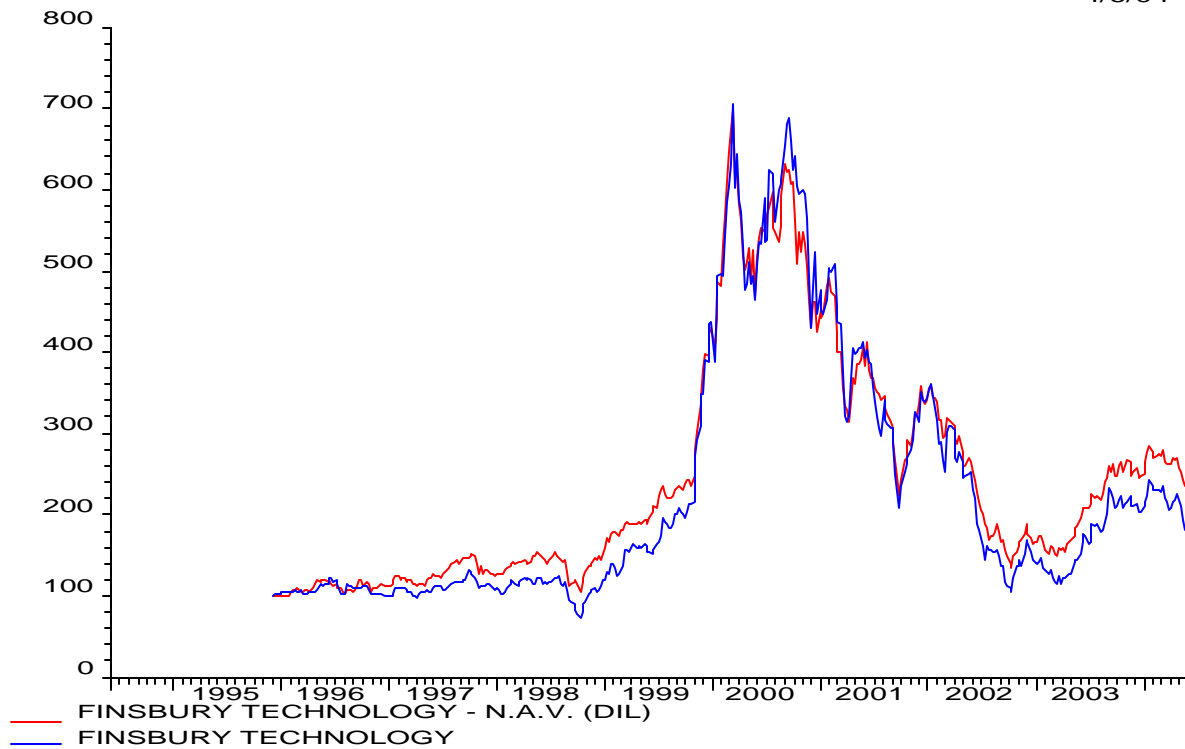
Corporate Action: Caledonia Investments

- Our top holding for a while and a top performer on a relative basis.
- Converted to an investment trust on April 1, 2003.
- Exemption from corporate tax on disposal of investments.
- Focused investments.
- 4.5% dividend.

- Purchased first in March 2000.
- Special dividend paid in June 2000. Share repurchases started.
- James Cayzer resigned, requesting restructuring, in June 2001
- The Board fired Nigel Cayzer in Nov 2001.
- New CEO was named in May 2002.
- Directors cut their bonuses by 40% in June 2002.
- Shareholder sought to ouster Chairman.
- On Nov 21, 2002, the company announced a profit rise of 70%, and the plan of conversion. Shares jumped 15% on the news.

Top Holdings: Finsbury Technology

4/6/04



**WINNER 2001 & 2002
& 2003**
Standard & Poor's Microcap
BEST UK INVESTMENT TRUST
OVER 3 & 5 YEARS
in the Specialist Technology,
Media & Telecom Sector

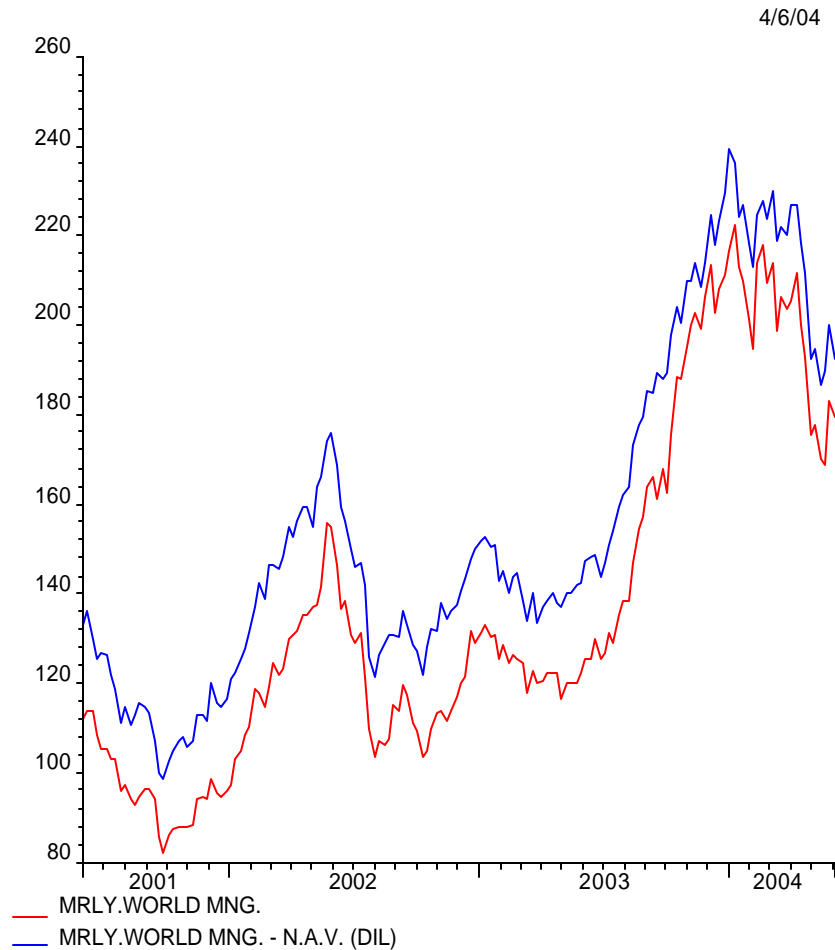
Source: DATASTREAM

Top Holdings: ML World Mining

Fund:

- London listed investment trust.
- Global resources fund managed by a specialist team.

<u>Holdings</u>	<u>Country</u>	<u>Wt.</u>
CVRD	Brazil	7.1%
Minas Buenaventura	Peru	6.7%
Rio Tinto	Global	6.5%
BHP Billiton	Australia	5.8%
Falconbridge	Canada	5.4%



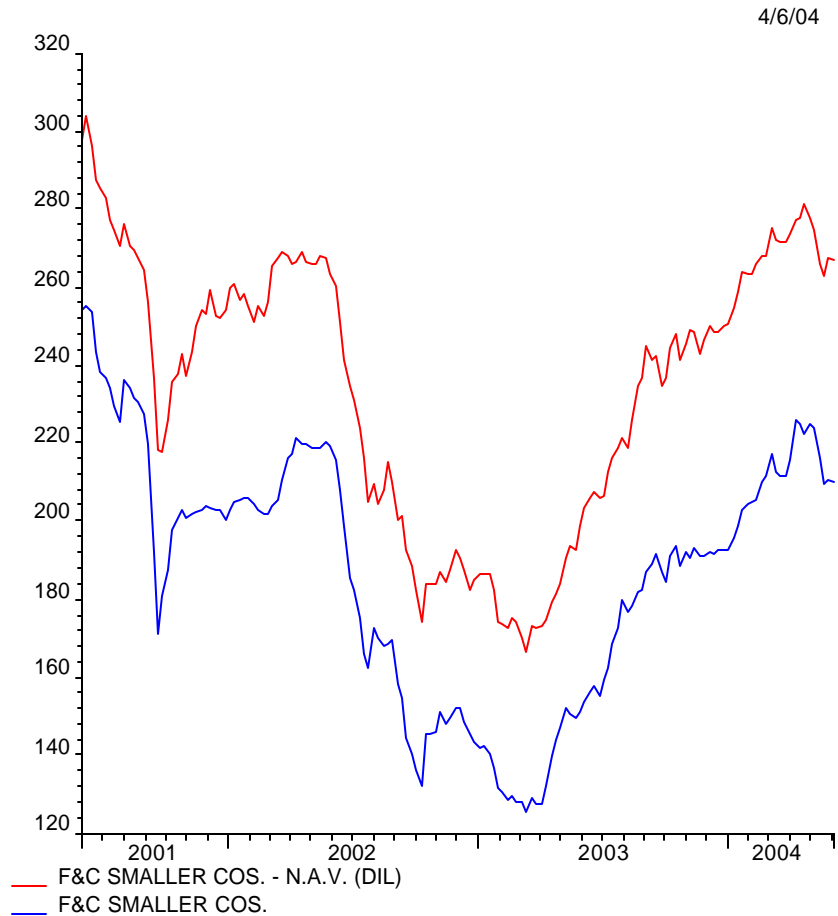
Source: DATASTREAM

Top Holdings: Foreign & Colonial Smaller

Fund:

- London listed investment trust.
- Global small-cap investments with a discount of 21%.

<u>Holdings</u>	<u>Country</u>	<u>Wt.</u>
Cairn Energy	UK	1.9%
Kirby Corp	US	1.0%
Infratil Ltd	New Zealand	0.9%
Linmark Group	Hong Kong	0.9%
CLS Holdings	UK	0.9%



Source: DATASTREAM

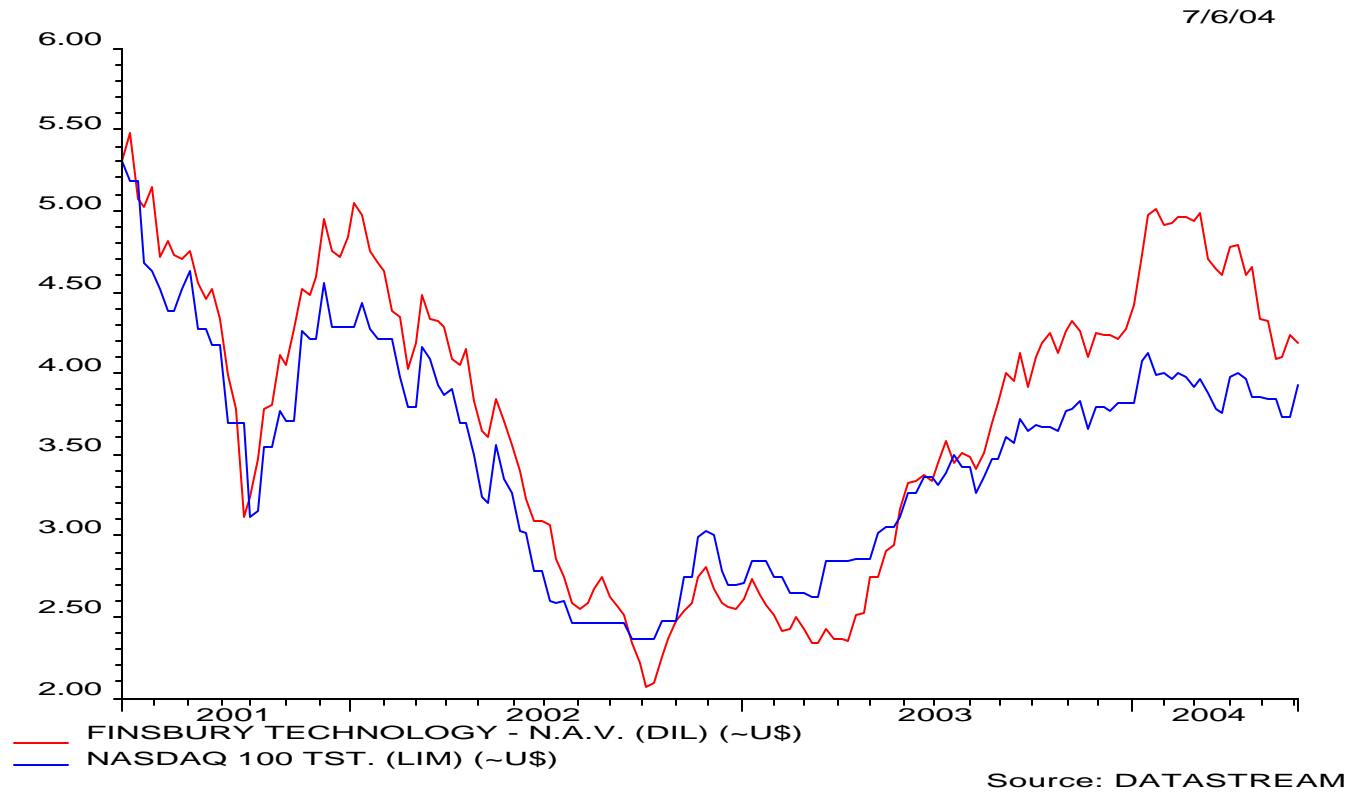
Hedging Transactions: Short Sells

- In July 1998, the Placing Memorandum was amended to permit the hedging of risk of underlying assets.
- So far, Index ETFs are mainly used to hedge a portion of the exposure.
- In May 2002, approval was granted by the Luxembourg authorities to short with: closed-end funds, baskets of stocks and stocks.

What We Shorted

- QQQ (Nasdaq 100 Index Trust)
 - Spiders (S&P 500 Index Trust)
 - Nasdaq Biotech Index Trust
 - Semiconductors Trust
 - Financial Index Trust
 - Dow Jones Utilities Index Trust
 - iShares Switzerland Index Trust
 - iShares Japan Index Trust
-

Hedging: QQQ vs. Finsbury Technology



Ticker: QQQ
Inception: March 1999
Current market Cap: \$22,481m

CONCLUSION

The World Trust Fund invests in undervalued assets worldwide at a tangible discount

- Global discount hunter.
- Expertise in closed-end funds in London, New York, offshore and local exchanges.
- Some of the best managers all in one portfolio.
- Well-diversified investments.
- Shareholders of World Trust Fund have discount on discount.
- Annual vote on open-ending.