

International Stock Fund

MARKET COMMENTARY

Amid heightened geopolitical tensions and the outbreak of war in Iraq, international equities declined during the first quarter of the year. European markets lagged other regions of the world as political discussions preoccupied the markets and economic news remained uninspiring. Within Europe, the Netherlands, Germany, and France were among the weakest performers, while Spain was one of the few markets that managed to post a gain. Japan's market also declined during the period, but managed to hold up slightly better than the European region. Similar to Germany, Japan's economy continues to teeter on the brink of recession. Emerging equity markets declined during the quarter, but continued to outperform their developed peers. The Asian markets outside of Japan turned lower, with South Korea suffering the largest decline due to rising political tensions on the peninsula. Thailand and the developed markets of New Zealand and Australia were the area's largest gainers. Latin America edged up slightly. Argentina soared on the back of a stronger currency and Brazil's market increased on news of further improvements to the country's current account balance and fiscal position.

Portfolio Performance

International Stock Fund Performance
periods ending March 31, 2003

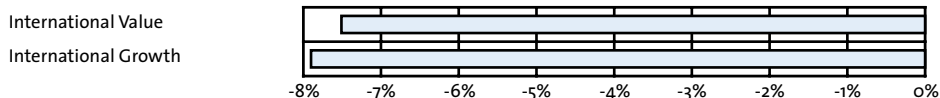
	Three Months	YTD	Annualized			
			One Year	Three Years	Five Years	Ten Years
International Stock Fund (%)	-10.14	-10.14	-27.40	-22.08	-8.13	2.46
MSCI EAFE Index (%)	-8.13	-8.13	-22.95	-19.30	-6.86	2.25

Returns for the fund are shown net of expenses. Figures include changes in principal value, reinvested dividends and capital gains distributions. Investment return and principal value will vary. Shares may be worth more or less at redemption than at original purchase. Past performance cannot guarantee future results.

Index Returns

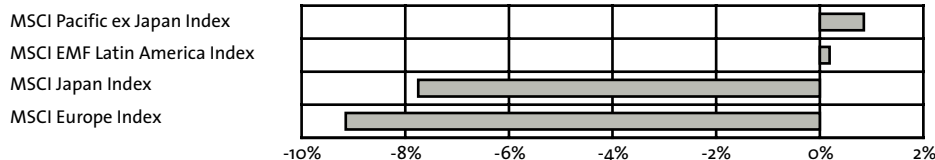
for the quarter ending March 31, 2003

Growth and Value Performance¹

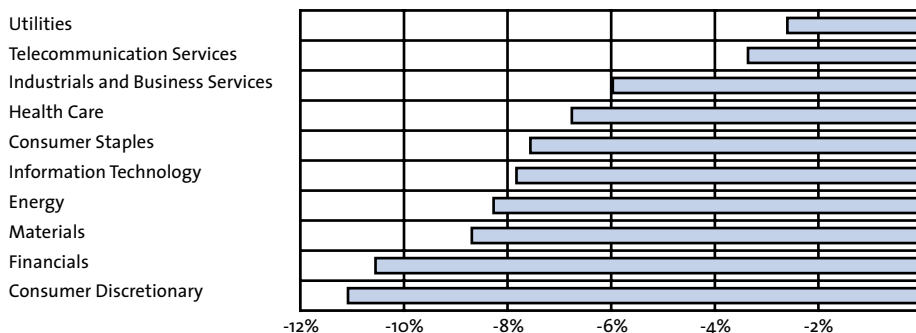


¹ Returns based on SSB PMI ex-U.S. Growth and Value Indices

Regional Performance²



International Sector Performance²



² Returns based on MSCI Indices

Outlook

The military conflict in Iraq will continue to preoccupy global financial markets until the outcome becomes clearer. As we move closer toward a resolution to this conflict, we believe that global equity markets are likely to shift their focus toward economic fundamentals and earnings prospects. We continue to believe that overall global economic growth will be subdued in 2003. However, we expect the latter half of the year to benefit from a pick-up in consumer and business spending, fueled by rising confidence levels following an end to the war. In a challenging environment in which revenue growth is scarce for many companies, we continue to focus on those that are generating earnings growth through cost cutting measures and margin expansion. We find the prospects for European equities to be more attractive than in Japan, while companies in parts of the emerging markets offer substantial value.

**ACTIVITY
THIS QUARTER**

Portfolio transaction activity involved repositioning our exposure in Asia ex-Japan and adding to telecom. In South Korea, we reduced our position in Samsung Electronics and Kookmin Bank. We believe it will be a challenge for Samsung to achieve consensus earnings growth estimates in 2003, while Kookmin Bank faces a more difficult macroeconomic environment. Elsewhere in Asia, we eliminated Hutchison Whampoa, due to declining growth prospects. While in Australia, we reduced News Corp on valuation concerns. We used the proceeds from these sales to purchase China Telecom and China Mobile, both of which offer attractive valuations and solid earnings growth. We also added to SK Telecom after a period of weak performance. In Europe, we purchased France Telecom, on news that the company plans to reduce debt to improve profitability. Outside of telecom, we reduced our position in the pallet distribution company Brambles, following an earnings disappointment. We purchased L'Oréal, a global leader in the cosmetics industry, and Mediaset, the Italian media firm.

Attribution Analysis

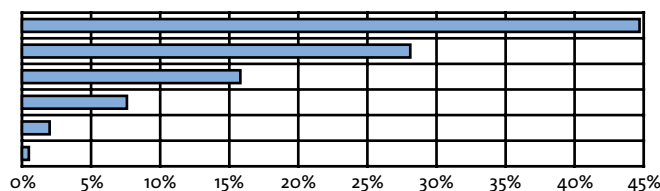
Your portfolio underperformed its benchmark. Underweighting Australia and overweighting South Korea and France detracted from returns while underweighting the weak German market was beneficial. Stock selection within France was positive, but selections in Japan, Switzerland, and Spain hampered performance. Overweighting wireless telecoms and underweighting insurance was helpful, but was offset by overweighting media and commercial services. Stock selection was hurt by positions within media, pharmaceuticals, and commercial services. Selections within the retail and insurance industries added value.

Portfolio Weights

March 31, 2003

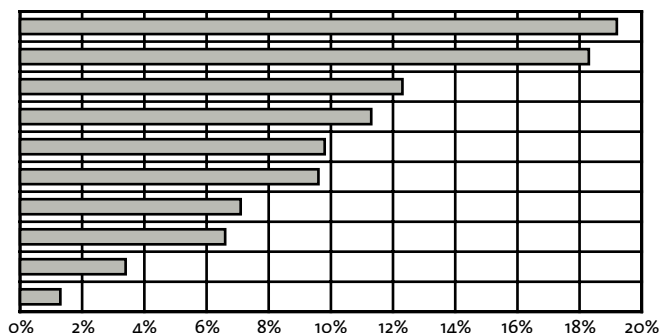
by Region

Europe (except UK)
United Kingdom
Japan
Pacific (except Japan)
Latin America
Canada



by Sector

Financials
Consumer Discretionary
Health Care
Telecommunication Services
Energy
Consumer Staples
Industrials and Business Services
Information Technology
Materials
Utilities



TOP TEN HOLDINGS

as of March 31, 2003

- GlaxoSmithKline**
Pharmaceuticals & Biotechnology, United Kingdom
- TotalFinaElf**
Energy, France
- Vodafone**
Telecommunication Services, United Kingdom
- Reed Elsevier**
Media, United Kingdom/Netherlands
- Royal Bank of Scotland**
Banks, United Kingdom
- Nestle**
Food Beverage & Tobacco, Switzerland
- Shell T & T/Royal Dutch**
Energy, United Kingdom/Netherlands
- BNP Paribas**
Banks, France
- Nokia**
Technology Hardware & Equipment, Finland
- Rio Tinto**
Materials, United Kingdom

Top ten holdings represent 26.5% of the portfolio. All other securities mentioned in this report represent 6.4% of the fund's total assets.

Key Statistics

	International Stock Fund	MSCI EAFE Index
March 31, 2003		
Number of Holdings	178	994
Investment Weighted Median Market Cap (\$mm)	\$22,171.2	\$20,373.9
P/E Ratio (12 months forward)	15.6x	16.2x
Top 20 Holdings as Percent of Total	39.3%	28.0%
Percent of Portfolio in Cash	1.1%	N/A
Return on Equity (Last 12 months excl. charges)	12.3%	9.6%
	International Stock Fund	MSCI EAFE Index
Five Years Ended March 31, 2003		
Standard Deviation	18.62%	16.57%
Beta	1.10	1.00
Alpha	0.83	0.00
Sharpe Ratio	-0.61	-0.66

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients and no assumptions should be made that the securities identified and discussed were or will be profitable.