

**INSINGER DE BEAUFORT ZEUS (OS)
FUND**

**A SERIES OF INSINGER DE BEAUFORT ZEUS FUND
LIMITED**

**ANNUAL REPORT
MARCH 31, 2001**

INSINGER DE BEAUFORT ZEUS (OS) FUND

A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED

Financial Statements

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INSINGER DE BEAUFORT ZEUS (OS) FUND

A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED

General Information

DIRECTORS (NON EXECUTIVE)

Oskar P. Lewnowski
Judy Hylton
Martyn Crespel
Grant Brown
Thomas Davis (resigned August 31, 2000)
William Maycock (appointed August 31, 2000)

REGISTERED OFFICE

Tropic Isle Building
Road Town, Tortola
British Virgin Islands

INVESTMENT ADVISOR

Insinger de Beaufort Asset Management NV
Herengracht 537 1017 BV Amsterdam
The Netherlands

CUSTODIAN

Comerica Bank
One Detroit Centre
500 Woodward Avenue
Detroit, Michigan 48226, U.S.A

AGENT AND PRINCIPAL DISTRIBUTOR

Olympia Capital International Inc.
Williams House
20 Reid Street, Fourth Floor
Hamilton HM 11, Bermuda

REGISTRAR AND TRANSFER AGENT

Winchester Fiduciary Services Limited
Williams House
20 Reid Street, Fourth Floor
Hamilton HM 11, Bermuda

LEGAL ADVISOR

Shearman & Sterling
599 Lexington Avenue
New York, NY 10022, U.S.A.

AUDITORS

KPMG
Chartered Accountants
5 George's Dock
IFSC
Dublin 1,
Ireland.

INSINGER DE BEAUFORT ZEUS (OS) FUND

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Investment Performance Commentary

The 12-months to the 31st March 2001 was a very difficult period for world markets. All major equity markets fell significantly over the period with the NASDAQ leading the way, over the 12 months it fell 59.76%.

The Insinger De Beaufort Zeus (OS) Fund fell 5.05% over the 12-months, by way of comparison the MSCI World Index fell 25.10%. In terms of volatility the Fund's volatility at 6.97% was approximately half that of the index.

Through the master/feeder structure, the Fund had 19 positions at the end of March 2001, the largest allocation was to US managers.

Within the Fund's US portfolio, the managers produced a negative result in the face of the markets' severe decline, the managers however did protect their portfolios from the worst of the storm in the markets, and two managers produced positive returns over the period. Only one manager, Zweig-Di Menna, failed to live up to our expectations. This manager's performance in the first quarter 2001 was adversely affected by a strong directional market stance. The Fund's position with this manager was redeemed after the end of the period under review.

In Europe markets were also weak, however the Fund's managers successfully protected portfolios and made a positive return. The best performing manager was AlphaGen Capella, this fund returned over 21% in the period.

In the International sector, the Fund's investment in the Research Fund produced a positive return, this fund focuses on newer managers and had over 20 investments at the end of the review period.

In the Far East and Emerging Markets conditions were highly volatile, the funds managers succumbed to the downturn but not to the same extent.

The Fund's two holdings in non-equity related strategies both performed well and offered the portfolio protection.

The Investment Advisor continues to adopt a highly cautious approach to investing. The portfolio is well diversified and the managers selected for the portfolio are both experienced and have the flexibility to capitalise on any improvement in the markets when they occur.

International Asset Management Limited



Chartered Accountants

5 George's Dock
IFSC
Dublin 1
Ireland

**Auditors' report to the shareholders of Insinger de Beaufort Zeus
(OS) Fund, a Series of Insinger Zeus Fund Limited**

We have audited the accompanying statement of net assets of the Insinger de Beaufort Zeus (OS) Fund, a series of Insinger Zeus Fund Limited ("the Series") as of March 31, 2001, and the related statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Series' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Series as of March 31, 2001, the results of its operations and the changes in its net assets for the year then ended, in conformity with United States generally accepted accounting principles.

KPMG
Chartered Accountants
Dublin

September 26, 2001



INSINGER DE BEAUFORT ZEUS (OS) FUND
A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED

STATEMENT OF NET ASSETS

March 31, 2001

	Expressed in U.S. Dollars	
ASSETS:	2001	2000
Investment in Insinger IAM Trust, at fair value (cost: \$48,288,387 and \$45,626,418) (Notes 1 & 2)	69,190,021	70,150,479
Cash and cash equivalents (Note 3)	102,914	477,676
Subscriptions receivable	496,866	519,182
Receivable for securities sold	-	1,500,000
Interest and dividend receivable	257	1,045
Unamortized organization expenses	4,928	15,062
Other receivables	996	2,502
	<u>69,795,982</u>	<u>72,665,946</u>
Total Assets		
LIABILITIES:		
Investment Manager's fees payable (Note 4)	71,895	580,569
Accrued liabilities	33,501	29,187
Redemption payable	216,898	1,628,487
	<u>322,294</u>	<u>2,238,243</u>
Total Liabilities		
NET ASSETS: applicable to 413,371.865 and 397,905.519 outstanding shares of redeemable common stock of \$0.01 par value per share (Note 7)	<u>\$69,473,688</u>	<u>\$70,427,703</u>
NET ASSET VALUE PER SHARE	<u>\$168.07</u>	<u>\$ 177.00</u>

DIRECTORS:




SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

INSINGER DE BEAUFORT ZEUS (OS) FUND
A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED
STATEMENT OF OPERATIONS
For the year ended March 31, 2001

	Expressed in U.S. Dollars	
INVESTMENT INCOME (NOTES 2 AND 3):	2001	2000
Investment income from Insinger IAM Trust	631,360	246,486
Interest Income	1,222	910
Dividends	19,596	16,009
Total Investment Income	652,178	263,405
EXPENSES (NOTES 2 AND 4):		
Investment expenses from Insinger IAM Trust	174,758	145,748
Investment Manager's base fee	871,455	760,460
Investment Manager's performance fee	-	2,159,285
Directors' fees	4,504	4,512
Domiciliary fees	4,905	2,005
Printing and mailing expenses	7,000	29,599
Professional fees	18,858	21,160
Registrar and transfer agent	2,501	2,505
Amortization of organization expenses	10,134	10,166
Insurance	8	1,403
Miscellaneous	23,492	2,813
Total Expenses	1,117,615	3,139,656
NET INVESTMENT LOSS	(465,437)	(2,876,251)
NET REALIZED AND UNREALISED (LOSS)/GAIN ON INVESTMENTS (NOTE 2)		
Net realized gain on sale of investments from Insinger IAM Trust	3,134,937	799,431
Change in unrealized (depreciation)/appreciation of investments from Insinger IAM Trust	(6,252,037)	19,914,761
Net realized and unrealized (loss)/gain on investments	(3,117,100)	20,714,192
NET (DECREASE)/INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	(\$3,582,537)	\$17,837,941

SEE ACCOMPANYING NOTES FORMING PART OF FINANCIAL STATEMENTS

INSINGER DE BEAUFORT ZEUS (OS) FUND
A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2001

	Expressed in U.S. Dollars	
FROM OPERATIONS:	2001	2000
Net investment loss	(\$465,437)	(2,876,251)
Net realized gain on sale of investments from Insinger IAM Trust	3,134,937	799,431
Change in unrealized appreciation of investments from Insinger IAM Trust	<u>(6,252,037)</u>	<u>19,914,761</u>
 Net (decrease)/increase in net assets resulting from operations	 <u>(3,582,537)</u>	 <u>17,837,941</u>
 FROM CAPITAL SHARE TRANSACTIONS (NOTE 7):		
Proceeds from issue of redeemable common stock	7,588,378	13,166,595
Redemption of redeemable common stock	<u>(4,959,856)</u>	<u>(5,008,877)</u>
Net increase from capital share transactions	<u>2,628,522</u>	<u>8,157,718</u>
 Net (decrease)/increase in net assets	 <u>(954,015)</u>	 <u>25,995,659</u>
 NET ASSETS:		
Beginning of Year	<u>\$70,427,703</u>	<u>\$44,432,044</u>
End of Year	<u>\$69,473,688</u>	<u>\$70,427,703</u>

SEE ACCOMPANYING NOTES FORMING PART OF FINANCIAL STATEMENTS

INSINGER DE BEAUFORT ZEUS (OS) FUND

A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

March 31, 20001

Note 1 - Operations

Insinger de Beaufort Zeus Fund Limited (the "Company") is a corporation organised in the British Virgin Islands. Shares of the Company are denominated and issued in several series, each of which is identified to a separate and legally distinct, individually managed portfolio of assets. The Company commenced operations of the Insinger de Beaufort Zeus (OS) Fund (the "Series") on September 30, 1996. The objective of the Company is to provide above average returns with performance exhibiting low volatility and limited correlation to traditional asset classes. The Series is currently listed on the Irish Stock Exchange.

On March 28, 2001, the name of the Company was changed from Insinger Zeus Fund Limited to Insinger de Beaufort Zeus Fund Limited and the name of the Series was changed from Insinger Zeus (OS) Fund to Insinger de Beaufort Zeus (OS) Fund

The Series accomplished its investment objective through its investment in Insinger IAM Trust (the "Trust"), a master fund in which the Series and other funds invest, which has the same investment objective as the Series. At March 31, 2001 and 2000 the Series held an investment of 36,491 and 35,598 shares in the Trust which represents 31.24% and 30.99% respectively of its issued and outstanding shares.

As the performance of the Series is directly affected by the performance of the Trust, these financial statements should be read in conjunction with those of the Trust.

Note 2 - Significant Accounting Policies

The Series prepares its financial statements in accordance with United States generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following are the significant accounting policies adopted by the Series:

A. *Investment in Insinger IAM Trust.* The investment in the Trust is recorded at the net asset value of those shares held as reported by the Trust. The net asset value of the Trust is determined by its investment advisor valuing its securities at fair value. Realized gains and losses on the sale of securities by the Trust are calculated on a FIFO basis. The Series's proportionate share of investment income, expenses, realized gains or losses and the change in unrealized appreciation or depreciation of investments has been recorded in the statement of operations.

B. *Organization expenses.* Organization expenses are being amortized over a five-year period using a straight-line method of amortization.

C. *Dividend income.* Dividend income is recognized on the ex-dividend date.

INSINGER DE BEAUFORT ZEUS (OS) FUND

A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

March 31, 2001

(Continued)

Note 3 - Cash and cash equivalents

Cash and cash equivalents includes an investment in Winchester Reserves Limited U.S. Dollar Series (whose net asset value per share is expected to remain constant at \$1.00) which is considered highly liquid. At March 31, 2001 and 2000, \$99,397 and \$473,293 respectively was invested in this Series of Winchester Reserves Limited and for the years ended March 31, 2001 and 2000, dividends of \$19,596 and \$16,009 respectively were earned.

Note 4 - Investment Management and Distribution Fees

A. Investment Manager's Fees. Under the Investment Management Agreement dated September 30, 1996, between the Company and Insinger de Beaufort Asset Management NV (the "Investment Manager"), the Investment Manager receives:

- (i) A base fee payable monthly at an annualized rate of 1.25%, based upon the Series's month end net assets; At March 31, 2001 the accrual for management fees was \$71,895 and the charge for the year then ended was \$871,455. The investment manager may allocate part of its fees to the Investment Advisor and other parties.
- (ii) A performance fee equal to 7.5% of the increase in the net asset value of the Series over the highest previously calculated month end net asset value appropriately adjusted for subscriptions and redemptions. At March 31, 2001 the accrual for performance fees was \$0 and the charge for the year then ended was \$0.

The Investment Manager relies on investment advice from the Investment Advisor, International Asset Management Ltd.

B. Distribution Fees. The Series is entitled to a sales charge of up to 3% of the purchase price of each share issued. All, or a part of, such sales charge may be reallocated by the Series to its own personnel, to personnel of the Agent, the Investment Manager and their affiliates or to recognized agents. For the years ended March 31, 2001 and 2000, no sales charges were made by the Series.

Note 5 - Income taxes

Under current British Virgin Islands legislation, there is no income tax, capital gains or withholding tax, estate duty or inheritance tax payable by the Company or the Series. The Company has been advised by its U.S. Counsel that, provided the Series and the Trust do not engage in business in the United States (which they do not intend to do), the Company, the Series and the Trust should not be subject to U.S. federal income or withholding taxes on gains realized by them from trading in securities in the U.S. other than the 30% withholding tax on U.S. source dividends.

Because the Company and the Series are not subject to taxation in the British Virgin Islands and they have been advised that the Series's proposed method of operations should not result in it being subject to United States income taxes, no provision for taxation has been made in the financial statements.

INSINGER DE BEAUFORT ZEUS (OS) FUND

A SERIES OF INSINGER DE BEAUFORT ZEUS FUND LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

March 31, 2001
(Continued)

Note 6 - Distributions to shareholders

The Directors of the Company do not currently intend to distribute income to shareholders of the Series. The Directors will periodically review this dividend policy in light of the Series ongoing needs and operations.

Note 7 - Capital Stock

The Company is authorized to issue up to 50,000,000 shares in one or more series or classes with such rights, preferences and privileges as the Board of Directors may authorize. The Series has an authorized capital of 5,000,000 shares of redeemable common stock of par value \$0.01 per share. As at March 31, 2001, 413,371.865, (2000 - 397,905.519) shares of redeemable common stock were outstanding.

Transactions in the redeemable common stock of the Series for the years ended March 31, 2001 and 2000, were as follows:

	2001		2000	
	Shares	Amount \$	Shares	Amount \$
Opening Balance	397,905.519	46,367,759	340,299.345	38,210,041
Shares Issued	44,768.724	7,588,378	89,842.630	13,166,595
Shares Redeemed	<u>(29,302.378)</u>	<u>(4,959,856)</u>	<u>(32,236.456)</u>	<u>(5,008,877)</u>
Closing Balance	<u>413,371.865</u>	<u>48,996,281</u>	<u>397,905.519</u>	<u>46,367,759</u>

At March 31, 2001 and 2000, the Series two largest shareholders own approximately 67.35% and 93%, respectively, of the outstanding shares.

Note 8 - Other Related Party Transactions

Certain of the directors of the Fund are also directors, shareholders or partners of companies or firms who provide services to the Fund. Mr. Oskar P. Lewnowski, director of Insinger de Beaufort Zeus (OS) Fund is also chairman of Olympia Capital International Inc., administrator to the Fund and is chairman of Winchester Fiduciary Services Limited, the Registrar and Transfer Agent. Mr. William F. Maycock, director of the Fund, is also the president and chief executive officer of Winchester Global Trust Company Limited, which wholly owns the Registrar and Transfer Agent, Winchester Fiduciary Services Limited.

Mr. Grant Brown is Trust and Fiduciary Director of Insinger Trust (BVI) Limited, a company related to the investment advisor. Mr. Martyn Crespel is Chief Executive Officer of Insinger Trust (BVI) Limited. Ms. Judy Hylton is a director of Insinger Trust (BVI) Limited. No further material contracts for provisions of services existed during the period under review to which the company is a party and in which any director was interested.

INSINGER DE BEAUFORT ZEUS (OS) FUND

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NOTES FORMING PART OF FINANCIAL STATEMENTS

March 31, 2001

(Continued)

Note 9 – Off Balance Sheet Risks

The Company's risk with respect to its investments is limited. Its maximum exposure to either market or credit loss is limited to its equity in those investments as presented in the statement of net assets.

Note 10 – Post Year End Events

Effective April 1, 2001 Insinger de Beaufort Zeus (OS) Fund, withdrew from the master/feeder structure and continued to operate under the same investment objectives. On withdrawal the Series received a portion of the each of the investments of the Master Fund equal to its percentage holding of the Master Fund on March 31, 2001.

Note 11 – Approval of Financial Statements

The board of directors approved these financial statements on September 24, 2001.