

THE CAYMAN NATIONAL

MASTER SERIES

DOW JONES INDUSTRIAL AVERAGE INDEX FUND

THIS SUPPLEMENTAL OFFERING MEMORANDUM FOR THE DOW JONES INDUSTRIAL AVERAGE INDEX FUND (THE "FUND") IS DATED JUNE 2004 AND FORMS PART OF THE OFFERING MEMORANDUM FOR THE CAYMAN NATIONAL FAMILY OF FUNDS DATED JUNE 2004.

THIS SUPPLEMENTAL OFFERING MEMORANDUM FOR THE FUND TOGETHER WITH THE OFFERING MEMORANDUM FOR THE CAYMAN NATIONAL FAMILY OF FUNDS DATED JUNE 2004 SHALL TOGETHER COMPRISE THE OFFERING MEMORANDUM FOR THE FUND.

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SUPPLEMENT TO THE OFFERING MEMORANDUM FOR THE CAYMAN NATIONAL MASTER SERIES DATED JUNE 2004

INVESTMENT OBJECTIVE

The investment objective of the Dow Jones Industrial Average Index Fund (the “Fund”) is to track, as closely as possible, the performance of the Dow Jones Industrial Average. In order to pursue this investment objective the Manager (as defined below) will allocate the assets of the Fund to the purchase of securities and/or investment vehicles so that the returns on the Fund’s investments will reflect the performance of the Dow Jones Industrial Average.

INVESTMENT MANAGER

The Trustee of the Fund has entered into an Investment Management Agreement (the “Management Agreement”) with Cayman National Securities Ltd. (the “Manager”). The Manager was incorporated on 21st June 1976 under the laws of the Cayman Islands and has its principal place of business at the Cayman National Building, 200 Elgin Avenue, 4th Floor, George Town, Grand Cayman, Cayman Islands, B.W.I.. The Manager is licenced to provide management services to mutual funds under the laws of the Cayman Islands. The Manager is a wholly owned subsidiary Cayman National Corporation Ltd.

SUBSCRIPTIONS, REDEMPTIONS AND SWITCHING

The Fund’s subscription, redemption and switching procedures are set out in detail in the Offering Memorandum for The Cayman National Master Series Trust dated June 2004. Until the Initial Offering Period closes, Units in the Fund may be subscribed for at US\$100 per Unit. The Initial Offering Period for the Fund will close on September 30th 2004. Following the close of the Initial Offering Period Units in the Fund may be subscribed for in accordance with the Fund’s usual subscription procedures at the Net Asset Value per Unit. There are currently no subscription or redemption fees charged in respect of the Fund. A switching fee of US\$25 is charged on each transaction. This fee is subject to revision at the discretion of the Trustee.

NET ASSET VALUES

Net Asset Values for the Fund and the individual Units issued in respect of the Fund will be determined in accordance with the procedures set out in the Offering Memorandum for The Cayman National Master Series dated June 2004.

FEES AND EXPENSES

Trustees Fees

The Trustee’s Fees in respect of the Fund are US\$2,500 p.a. and will be payable solely out of the assets of the Fund in arrears on a quarterly basis.

Management Fees

Under the terms of the Management Agreement, the Company will pay to the Manager a fixed management fee (the “Management Fee”) in respect of the Fund. The Management Fee will be payable solely out of the assets of the Fund quarterly, in arrears, at an annual rate equal to 0.5% of the Fund’s Net Asset Value, on the last Banking Day of each quarter or shortly thereafter. The Management Fee may be varied by agreement between the Manager and the Trustee.

Incentive Fees

At present the Trustee does not pay incentive fees to the Manager in respect of the Fund. The Trustee may at a future date agree to pay incentive fees to the Manager in respect of the Fund.

Fees and Expenses of the Administrator

The Administrator will be paid a fee for its services as administrator, accountant and registrar and transfer agent. The fee payable to the Administrator in respect of such services shall be US\$15,000 or 0.5% p.a. of N.A.V. calculated in arrears on each valuation day [whichever is the greater] and shall be payable out of the assets of the Fund in arrears on a quarterly basis. The fees paid to the Administrator may be varied by agreement between the Trustee and the Administrator.

The Trustee will also reimburse the Administrator for all out-of-pocket expenses properly incurred by the Administrator in performing its duties under the Administration Agreement.

Fees and Expenses of the Custodian

The Custodian will be paid a fee for its services as Custodian in respect of the Fund. The fee payable to the Custodian in respect of such services shall be US\$2,500 p.a. and shall be payable out of the assets of the Fund in arrears on an annual basis. The fees paid to the Custodian may be varied by agreement between the Trustee and the Custodian.

Other Fees and Expenses

Save as provided above, each service provider to the Fund will be responsible for the payment of all its expenses associated with rendering its services, including the services of its employees, all general overhead expenses and other expenses incidental to the rendering of its services. All other expenses will be borne by the Fund, including the expenses incurred in connection with the organisation of the Fund, legal, accounting and audit expenses, annual Cayman governmental fees, licence fees, investment brokerage and portfolio expenses and all other expenses related to the purchase, sale, transmittal or custody of the Fund’s assets.

There are currently no subscription or redemption charged in respect of the Fund.

All fees and operating expenses attributable to the Trust which are not attributable to a particular Fund will be equitably allocated between the Funds comprising The Cayman National Family of Funds based on their respective Net Asset Values.

DISTRIBUTIONS

As the overall investment objective of the Fund is to achieve capital appreciation by tracking, as closely as possible, the performance of the Dow Jones Industrial Average, the Trustee does not anticipate that any distributions shall be paid to Unitholders in the Fund. However, the Trustee reserves the right to make distributions to Unitholders in the Fund from time to time in accordance with the terms of the Trust Deed.