

## Golden Select Fund: Equity

### Objective

To offer a convenient vehicle for investing in an international portfolio of equity mutual funds, which are anticipated to provide the best opportunities for capital growth.

### Investment Policy

To invest in a diverse range of top performing offshore equity mutual funds as well as a number of indexed products in order to control overall costs.

### Investment Process

A quantitative analysis of fund performance is undertaken relative to peer groups to ensure the consistency of performance. This is followed with a qualitative analysis to understand the manager's philosophy.

### Fund Review

The net asset value (NAV) per share of the Fund increased from \$5.80 to \$6.10, over the quarter, an increase of 5.17% against a benchmark return of 7.7%. The major indices (S&P500 8.4%, Nasdaq 14.1%, Bloomberg 500 4.7% and the Nikkei -8.5%) showed mixed results over the period, following three quarters of poor performance.

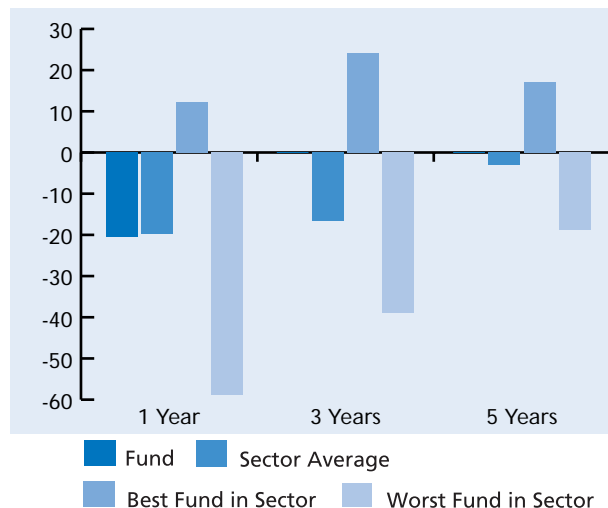
Geo-political risks remain the main concerns. The threat of a military conflict with Iraq, combined with recent tension with North Korea and a war against terrorism for which the end of it is nowhere in sight have continued to weigh heavily on the markets and have kept investors on edge. Over the last three months, the major economies in general have not been showing signs of further deterioration but have not been improving strongly either. The debate is still alive between the "double-dippers" and the proponents of stronger economies in 2003.

Central banks continued to lower rates this past quarter, thereby reducing borrowing costs for companies and encouraging consumption through zero-interest-rate car loans, construction spending and indirectly through mortgage refinancings. The Federal Reserve cut rates by half a percentage point to 1.25% on Nov 6th while the European Central Bank followed 1 month later, trimming its benchmark rate by 50 bps to 2.75%. Interestingly, the Euro has rallied almost 5% since Dec 5th.

Following the retest of the July lows in early October, the Fund quickly deployed most of the cash build up (about 7% at the time) to its existing underlying funds and is now close to being fully invested.

The GAM Japan Fund was liquidated over the quarter. Its new manager has simply failed to generate good relative return over the last year. That created the opportunity to add the Orbis Japan Equity Fund, which has both an excellent track record and strong management team. Amongst our US fund managers, we also increased our exposure to Fidelity FDS American Growth and reduced our exposure to SPDR's. Over the last couple of years, we have been impressed by the ability of the Fidelity fund to adjust rapidly to changing market conditions and decided to increase our exposure to the maximum allowed by the Fund's prospectus (15%).

### Comparative Performance



### Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
-20.40%	n/a	n/a	n/a	n/a

### Asset Breakdown

#### Global

ACM Global Growth Trends  
Orbis Global Equity Fund

#### North America

SPDR - S&P 500  
Dresdner RCM North American  
Fidelity FDS American Growth  
MFS - US Emerging Growth Fund  
Ishares Russell 2000 Value

#### UK/European

INVESCO GT Pan European Fund  
Vanguard - European Stock Index

#### Emerging Markets

Fleming FF Emerging Markets

#### Japan

Fleming FF Japanese  
Orbis Japan Equity Fund

#### Bermuda

Butterfield Bermuda Fund

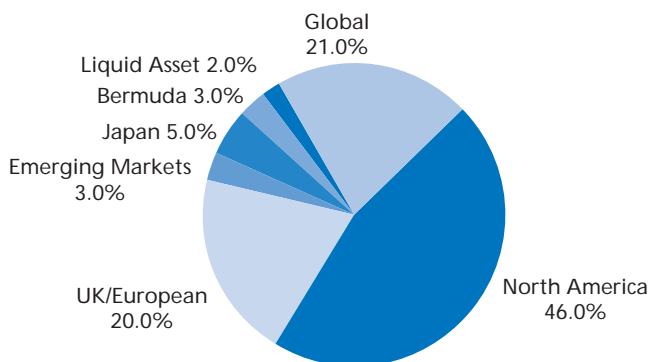
#### Liquid Asset

Butterfield Money Market

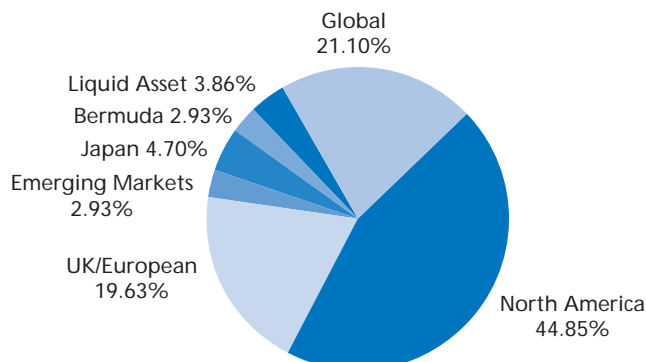
### Benchmark Composition

60% MSCI USA  
40% MSCI ex USA

### Asset Breakdown Target



### Asset Breakdown Actual



### General Information

Currency: USD

Units Available: Accumulation

Size of Fund (millions): USD 39

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Management Fees: 0.875%

NAV per share (31.12.02): USD 6.10

Front End Fee: None

Past performance is not indicative of future performance.

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