



### 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 decreased from \$6.10 to \$5.73 over the quarter, a decrease of 6.1% against a benchmark return of -4.9%. The major indices (S&P500 -3.2%, Bloomberg 500 -11.1% and the Nikkei225 -6.5%) finished the quarter slightly down.

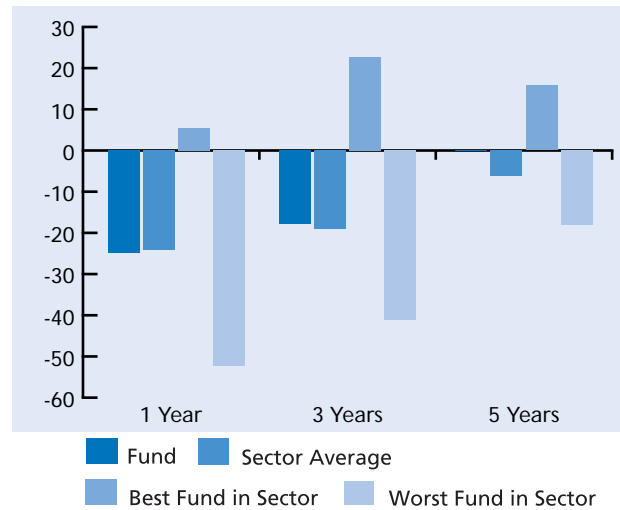
Geopolitical risks have again dominated the headline news this past three months. During the first two months, investors had been selling stocks whenever military action without United Nations' backing seemed likely. However, when President Bush officially declared the start of the war in early March, investors started remembering the sharp rally that followed the start of the war in '91 and pushed stocks higher.

We continue to believe that the first half of the year will be a very volatile, uncertain and difficult investing environment. Investors remain concerned about the structural problems of the economy and economic forecasts continue to be "overshadowed" by the impact of the war in Iraq.

On a positive note, monetary and fiscal policies continue to focus on avoiding another recession. While the Federal Reserve left rates unchanged this past quarter, the European Central Bank lowered rates by 25 bps to 2.50%. In the meantime, the Bush administration continues to work on a tax cut package that could exceed \$500B and provide substantial stimulus to the US economy.

During the quarter, we liquidated our position in Invesco Pan European Fund. We had been monitoring the fund for a few quarters due to its inability to protect the outperformance of the late '90s. We immediately replaced the fund with the Fidelity European Growth Fund. Despite its name, the fund focuses on value (not growth) and has significantly outperformed its peers over 1, 3, 5 and 10 years.

### Comparative Performance



### Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
-24.90%	-17.70	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

Fidelity European Growth Fund  
Vanguard - European Stock Index

#### Emerging Markets

Fleming FF Emerging Markets

#### Japan

Fleming FF Japanese  
Orbis Japan Equity Fund

#### Bermuda

Butterfield Bermuda Fund

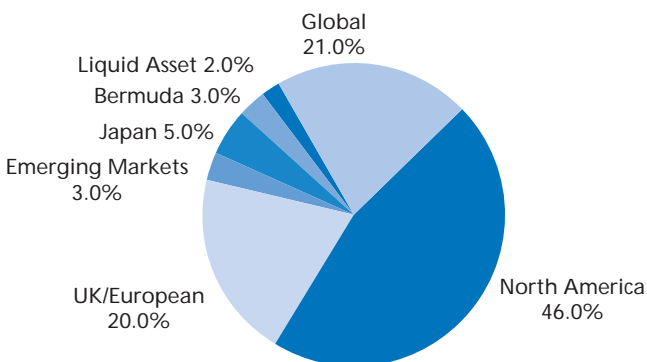
#### Liquid Asset

Butterfield Money Market

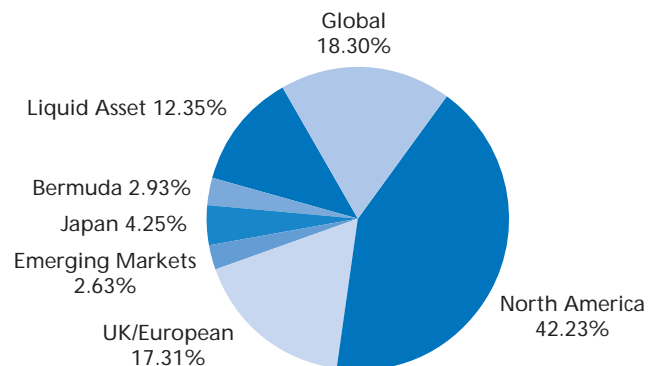
### Benchmark Composition

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 40

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Management Fees: 0.875%

NAV per share (31.03.03): USD 5.73

Front End Fee: None

Past performance is not indicative of future performance.

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