

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

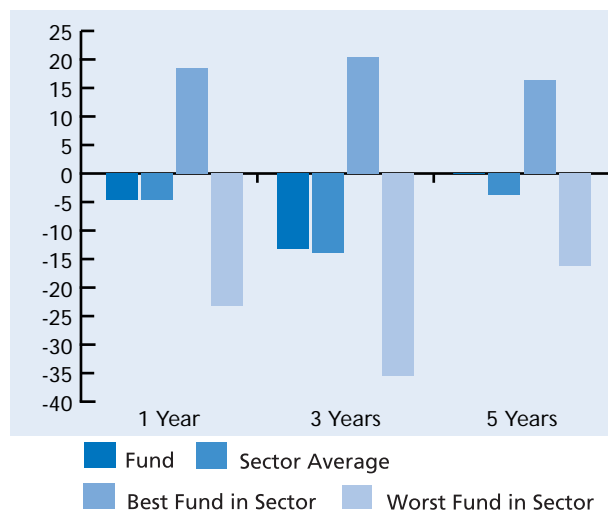
The net asset value (NAV) per share of the Fund increased from \$5.73 to \$6.69 over the quarter, an increase of 16.75% against a benchmark return of 16.9%. The major indices (S&P500 15.4%, Bloomberg 500 16.6% and the Nikkei225 14.0%) also posted solid returns for the quarter.

Driven by liquidity and improved sentiment, investors returned to equity markets in the second quarter of 2003. Geopolitical risks (North Korea, Iran, Al Qaeda, etc), which had dominated the headline news in previous quarters, were rarely mentioned as a major risk for the economy. Instead, investors cheered the swift and successful operations in Iraq and were encouraged by continuous stimulative monetary (G7 short rates continue to hit all-time lows) and fiscal policies (the latest US tax cuts will provide \$187B in traditional demand stimulus over the next 16 months).

Equity markets (especially in the US) remain fairly valued and this will probably continue to be a concern for investors in the years ahead. However, leading up to the US election in 2004, we will likely experience better economic growth that should translate into positive equity returns.

During the quarter, we reduced our cash exposure significantly to take advantage of the rally. In order to get quick exposure to the market, we increased our exposure to the S&P500 index (SPY) and initiated a small position in the Midcap 400 index (MDY). Over the next few months, we will likely reallocate that money into our best performing funds.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
-4.56%	-13.24	n/a	n/a	n/a

Asset Breakdown

Global

ACM Global Growth Trends
Orbis Global Equity Fund

North America

SPDR - S&P 500
SPDR - Midcap 400
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

Bermuda

Butterfield Bermuda Fund

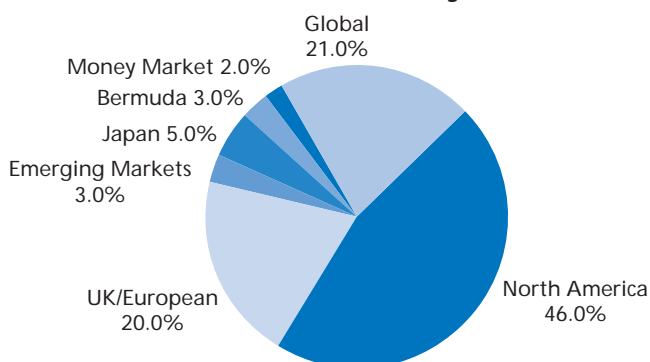
Liquid Asset

Butterfield Money Market

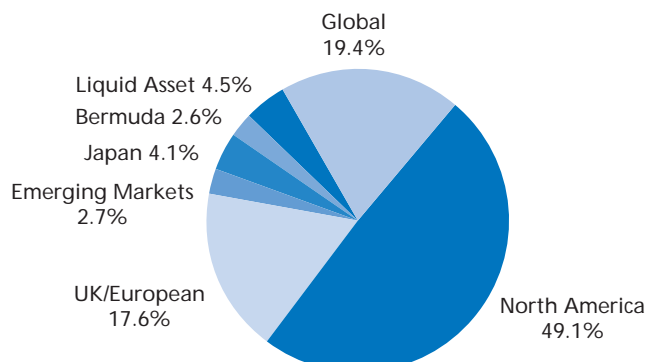
Benchmark Composition

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 49

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Management Fees: 0.875%

NAV per share (30.06.03): USD 6.69

Front End Fee: None

Past performance is not indicative of future performance.

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