

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

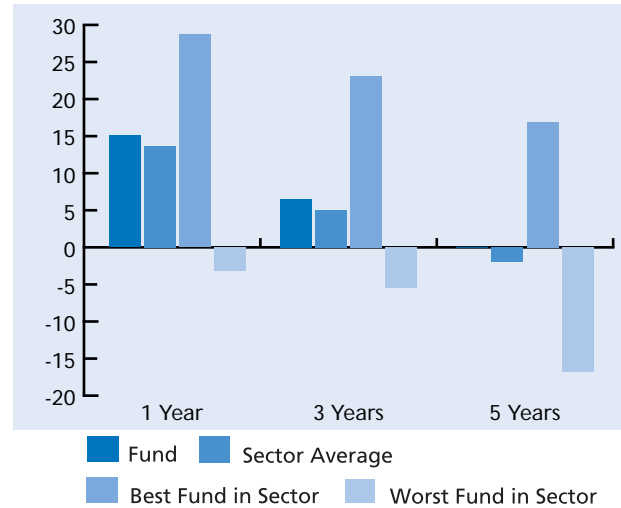
The net asset value (NAV) per share of the Fund declined from \$8.32 to \$8.16 over the quarter, a decrease of -1.92% against a benchmark return of -1.1%. During the last three months, the major indices (S&P 500: -1.9%, Bloomberg European 500: -0.7% and the Nikkei 225: -8.4% - all returns expressed in local currency terms) also posted losses.

Investors stayed on the sidelines this summer as oil prices and slowing global economic activity raised concerns about the long-term sustainability of the recovery. The earnings picture remains upbeat but the cyclical equity advance is in its late stages as earnings growth is decelerating and the Fed continues to hike rates.

We continue to favor emerging markets over developed markets (Europe, US, Japan). Almost all emerging market countries have experienced improved fundamentals in recent years. They have been driven by the bull market in commodities, the emergence of China as a low-cost producer (and its impact on the rest of the Asian countries) and the growth of the middle class population in countries like India and Brazil. Valuations for emerging market stocks are also very supportive and the risk of a major "currency crisis" seems limited as the US dollar should continue to depreciate relative to most currencies.

During the quarter, we added another US large cap value fund to the Fund. The Davis Value Fund runs a relatively concentrated portfolio, has a low turnover ratio and has consistently outperformed both the S&P 500 and the S&P/Barra Value Index. To make room for the fund, we liquidated our small positions in MFS-US Emerging Growth Fund and Dresdner RCM North American Fund.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
15.09%	6.53%	n/a	n/a	n/a

Asset Breakdown

Global

ACM Global Growth Trends
Orbis Global Equity Fund

North America

SPDR - S&P 500
Ishares S&P 500/BARRA
Davis Value Fund
Fidelity FDS American Growth
Legg Mason US Select Value Portfolio
Legg Mason Value Fund

UK/European

Fidelity European Growth Fund
Vanguard - European Stock Index

Emerging Markets

Fleming FF Emerging Markets
Ishares MSCI Emerging Markets

Japan

Fleming FF Japanese
Orbis Japan Equity

Bermuda

Butterfield Bermuda Fund

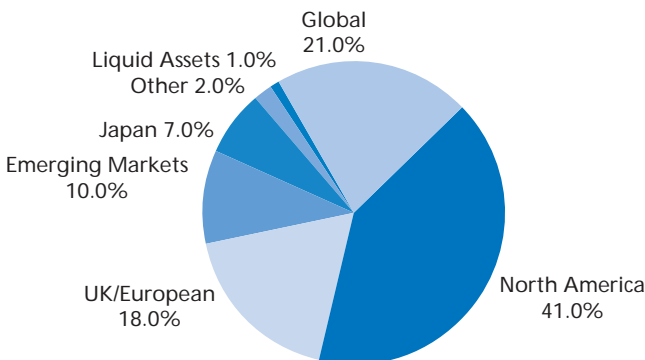
Liquid Asset

Butterfield Money Market

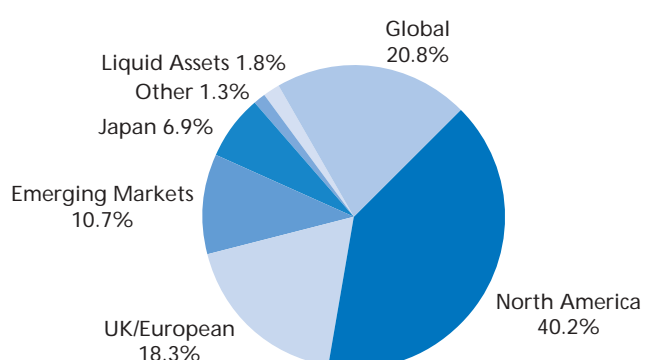
Benchmark Composition

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 83.9

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Management Fees: 0.875%

NAV per share (30.09.04): USD 8.16

Front End Fee: None