

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

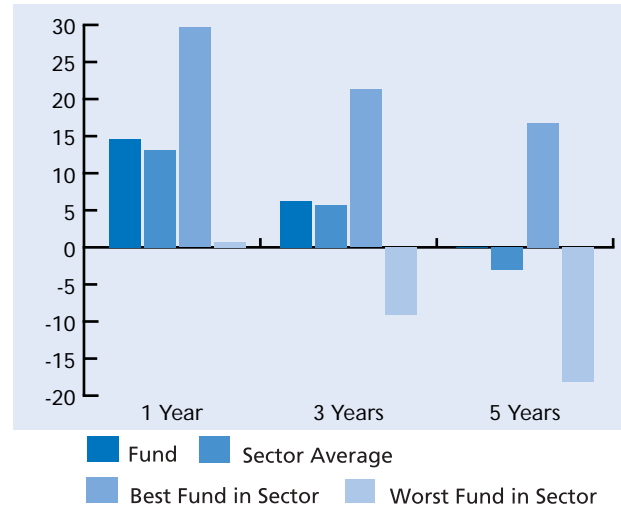
The net asset value (NAV) per share of the Fund increased from \$8.16 to \$9.19 over the quarter, an increase of +12.6% against a benchmark return of +11.6%. During the last three months, the major indices (S&P 500: +9.2%, Bloomberg European 500: +6.0% and the Nikkei 225: +6.2% - all returns expressed in local currency terms) also posted positive returns. For the calendar year just completed, the Fund returned +14.6%.

The decisive re-election of George W. Bush, easing oil prices, bond market stability and continued strong growth in corporate profits all contributed to the rise in equity prices in recent months. Furthermore, despite a more restrictive monetary environment, the Fed is determined to take a gradual approach in increasing short-term interest rates which should support equity markets for a while longer. In recent weeks, some market sentiment indicators have signaled "overbought" conditions in the short term. However, we have evidence that retail demand for equities has languished recently and we believe that a continued rising of stock prices should spur additional interest in equities into the next quarter.

We continue to favor non-US equity markets relative to our benchmark. Asia and emerging markets remain particularly attractive from valuation and growth perspectives. Within the US, we favor large caps relative to small caps and value over growth as we believe defensive sectors with good non-US sales exposure should do better next year.

During the quarter, we liquidated our position in the S&P 500 Depository receipts and initiated a position in the iShares MSCI Pacific Ex-Japan. This exchange-traded fund holds equity positions in Australia, Hong Kong, Singapore and New Zealand.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
14.59%	6.24%	n/a	n/a	n/a

Asset Breakdown

Global

ACM Global Growth Trends
Orbis Global Equity Fund

North America

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

Asia

Fleming FF Japanese
Orbis Japan Equity
Ishares MSCI Pacific ex-Japan

Bermuda

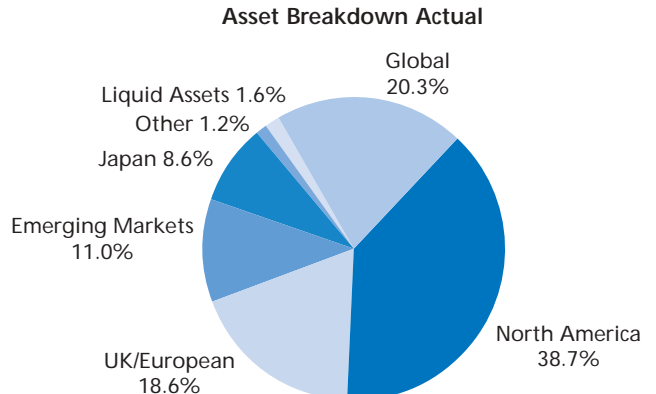
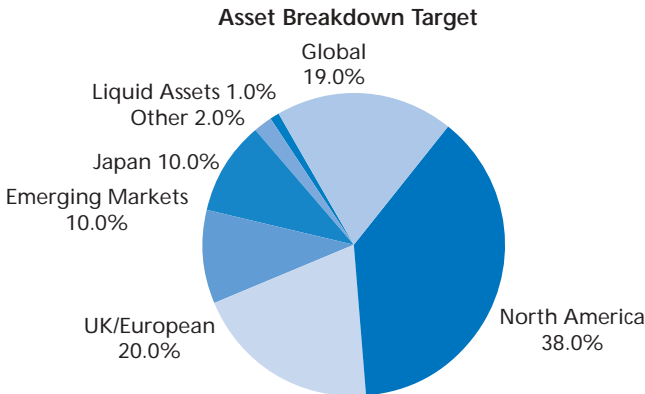
Butterfield Bermuda Fund

Liquid Asset

Butterfield Money Market

Benchmark Composition

60% MSCI USA
40% MSCI ex USA



General Information

Currency: USD

Units Available: Accumulation

Size of Fund (millions): USD 95.9

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Management Fees: 0.875%

NAV per share (31.12.04): USD 9.19

Front End Fee: None