

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 \$9.26 to \$10.14 over the quarter, an increase of +9.5% against a benchmark return of +7.0%. During the last three months, the major indices (S&P 500: +3.6%, Bloomberg European 500: +8.1% and the Nikkei 225: +17.6% - all returns expressed in local currency terms) all posted positive returns.

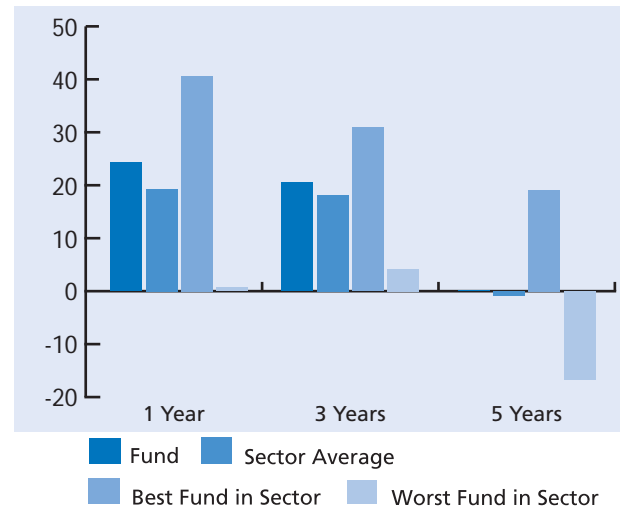
Japan clearly attracted most of investors' attention this past quarter. The recent election confirmed that Prime Minister Koizumi LDP party and its allies (the new Komeito Party) now have a two-thirds majority in the lower house. This makes it highly likely that the postal reform bill will be passed and gives the prime minister a broad mandate to make progress on other reforms. Corporate profits are on the rise, deflationary pressures have been easing and there are signs that the Japanese consumer spending outlook is improving. With a reform-minded government newly returned to power, sentiment has turned positive and foreign investors have been buying equities aggressively in recent months. The Fund has a slight underweight position in the country but is looking to increase its exposure in coming weeks.

Elsewhere, the Fund remains underweight in Europe and US as we continue to believe that the major risks to global economic growth lie with the Anglo-Saxon economies where the excesses of leverage-induced spending create the risk of sub-par growth going forward.

The Fund has overweight positions in developing economies that are savings-rich and becoming more domestically driven. Commodities heavy markets like Australia and Canada are also favoured by the Fund.

There were only minor adjustments made to our positions during the quarter.

Comparative Performance



Average Annual Compound Returns

| 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|--------|---------|---------|---------|----------|
| 24.26% | 20.47% | 0.14% | n/a | n/a |

Asset Breakdown

Global

ACM Global Growth Trends
Orbis Global Equity Fund

North America

Ishares S&P 500/BARRA Value Index Fund
Ishares Russell Midcap Value Index Fund
Ishares Russell Midcap Growth Index Fund
Ishares Russell 2000 Value Index Fund
iUnits S&P/TSX 60 Capped Index Fund
Davis Value Fund
Fidelity FDS American Growth
Legg Mason US Select Value Portfolio
Legg Mason Value Fund

UK/European

Fidelity European Growth Fund
JPMorgan Fleming Funds - Europe
Strategic Value Fund
Vanguard - European Stock Index

Emerging Markets

Ishares MSCI Emerging Markets
Index Fund
Fleming FF Emerging Markets

Asia

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

Bermuda

Butterfield Bermuda Fund

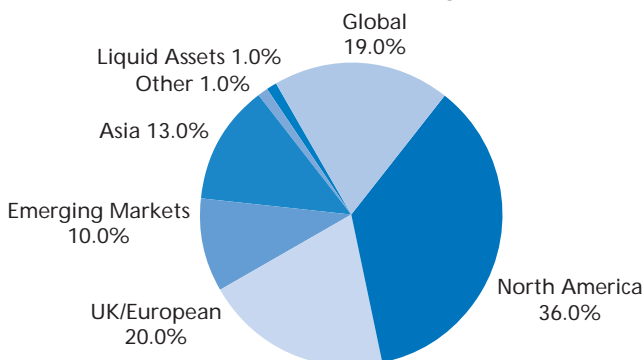
Liquid Asset

Butterfield Money Market Fund

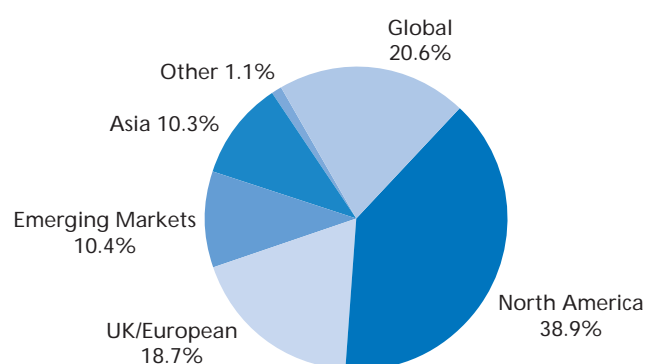
Benchmark Composition

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 115.3

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Management Fees: 0.875%

NAV per share (30.09.05): USD 10.14

Front End Fee: None

Past performance is not indicative of future performance.

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