

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 \$10.53 to \$11.23 over the quarter, an increase of 6.6% against a benchmark return of 6.6%. During the last three months, the major indices (S&P 500: 4.2%, Bloomberg European 500: 9.4% and the Nikkei 225: 6.4% - all returns expressed in local currency terms) all posted positive returns.

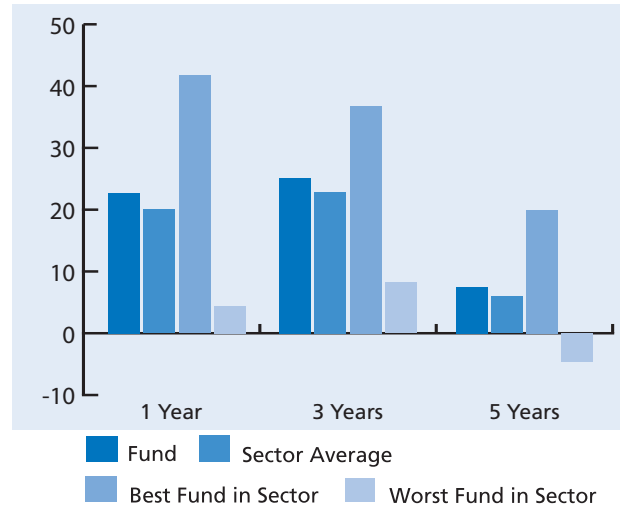
Economic news around the globe continue to be positive over the past three months. The world economy seems to be incredibly stable, with the US growth slowly moderating while Europe and Japan are accelerating. The odds are that the Fed is very close to the end of its tightening cycle while the ECB is expected to continue raising interest rates for some time.

Global equity markets appear well supported in the current environment. Growth is solid, the monetary policy environment is not particularly threatening, corporate profits are being subsidized by cheap borrowing costs, and valuations are compelling in most countries (particularly relative to other asset classes like bonds or real estate).

Within the Fund, we have maintained an underweight position in the US markets for quite some time now. We note that many managed portfolios are reluctant to overweigh US stocks and we view this as a positive sign from a contrarian viewpoint. The expected divergence in monetary policy stance will ease multiple compression in the US while creating pressure to compress P/E ratios in Europe. We will be increasing our allocation to the US as soon as more decisive signs of US economic weakness emerge.

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

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
22.73%	25.14%	7.49%	n/a	n/a

Asset Breakdown

Global

ACM Global Growth Trends
Orbis Global Equity Fund

North America

S&P 500 Deposit Receipt
ishares S&P 500/BARRA Value Index Fund
ishares Russell Midcap 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 Fund

Emerging Markets

Fleming FF Emerging Markets
ishares MSCI Emerging Markets
Index Fund

Asia

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

Bermuda

Butterfield Bermuda Fund

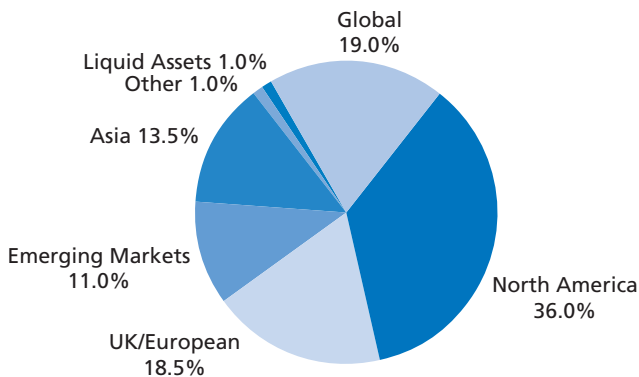
Liquid Assets

Butterfield Money Market Fund

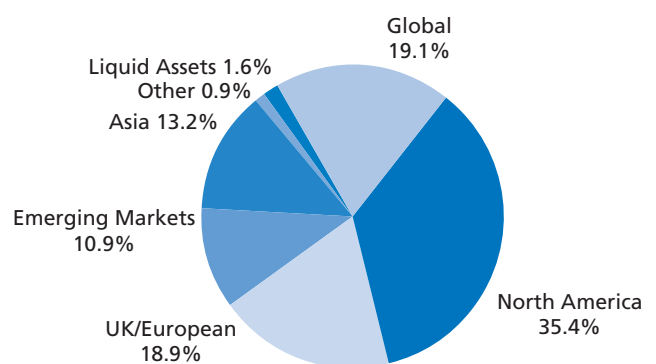
Benchmark Composition

100% MSCI World Index

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD

Units Available: Accumulation

Size of Fund (millions): USD 144.3

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Total Expense Ratio: 1.12%

NAV per share (31.03.2006): USD 11.23

Front End Fee: None

Past performance is not indicative of future performance.

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