

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, process and style.

Fund Review

The net asset value (NAV) per share of the Fund increased from \$11.95 to \$12.29 over the quarter, an increase of 2.85% against a benchmark return of 2.5%. During the last three months, the major indices (S&P 500: 0.64% Bloomberg European 500: 3.02% and the Nikkei 225: 0.85% - all returns expressed in local currency terms) all posted positive performance.

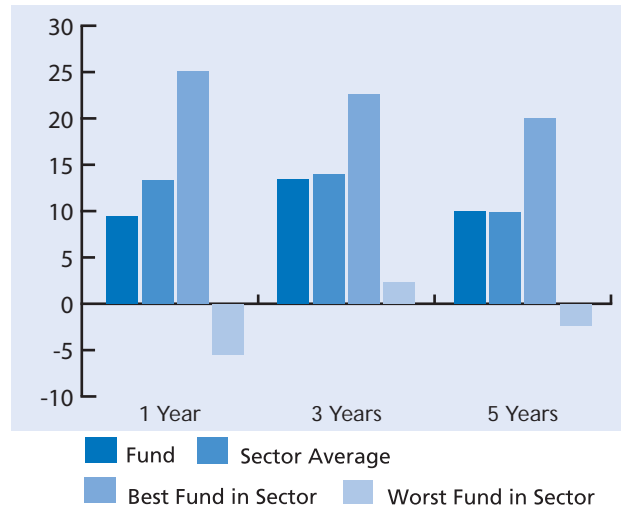
The first 7 weeks of the quarter were positive for global equity markets with lower oil prices and M&A activity helping to keep investor's appetite for risk high. However, over the last week of February and first week of March the markets sold off dramatically with the S&P 500 losing 6%, the Nikkei 225 losing 9% and the MSCI China Index falling 14% from their February highs.

Rumours that Chinese Government officials would impose a tax on capital gains combined with concerns about economic growth, difficulties in the sub-prime mortgage market and bearish commentary from Alan Greenspan led to the dramatic sell-off. However, confidence returned as bond yields declined reassuring investors that economic growth would continue.

During the quarter we took advantage of the volatility in the markets to re-establish our position in emerging markets where the economic fundamentals continue to look positive. We will look for further opportunities to add further to our emerging markets holdings. We also reduced our position in the Legg Mason Value Fund, where performance has been disappointing, to add to our holdings in Europe where equity valuations are benefiting from the recently strong M&A environment.

Over the quarter the Fund particularly benefited from our overweight position in Pacific equities and the excellent performance of our holding in Orbis Global Equity Fund.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
9.44%	13.39%	10.00%	2.56%	n/a

Asset Breakdown

Global

ACM Global Growth Trends
Orbis Global Equity Fund

North America

Ishares Russell Midcap Value Index Fund
Iunits S&P/TSX 60 Capped Index Fund
PowerShares Value Line Timeliness
Select Portfolio
Davis Value Fund
Fidelity American Growth Fund
JPMorgan Funds - US Dynamic Fund
Legg Mason Value Fund
Merrill Lynch - US Flexible Equity Fund
UBAM - Neuberger Berman
US Equity Value
Oil Service HOLDRs Trust

UK/European

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

Emerging Markets

Ishares MSCI Emerging Markets Index Fund

Asia

JPMorgan Funds - Japan Equity Fund
Orbis Japan Equity Fund
Ishares MSCI Pacific ex-Japan
Ishares MSCI Japan

Bermuda

Butterfield Bermuda Fund

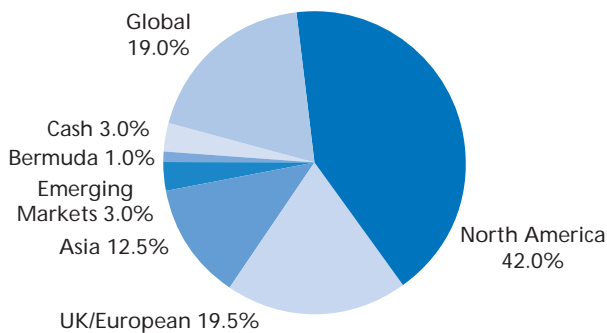
Liquid Assets

Butterfield Money Market Fund

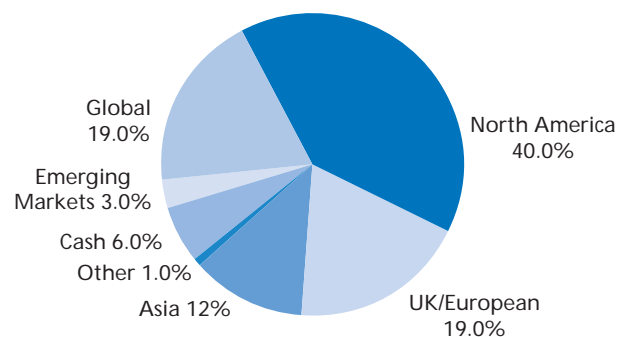
Benchmark Composition

100% MSCI World Index

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD

Units Available: Accumulation

Size of Fund (millions): USD 181

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Total Expense Ratio: 1.08%

NAV per share (30.03.2007): USD 12.29

Front End Fee: None

Identifier: BUTSLEQ BH

Past performance is not indicative of future performance.

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