

Select Fund: Fixed Income Class

Objective

To offer a convenient vehicle for investing in an international portfolio of fixed income mutual funds, which are anticipated to provide the best opportunities for income and capital growth.

Investment Policy

To invest in a diverse range of top performing offshore fixed income mutual funds as well as a number of top quality individual securities 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 \$15.38 to \$15.66 over the quarter, an increase of 1.82% against a benchmark return of 1.37%.

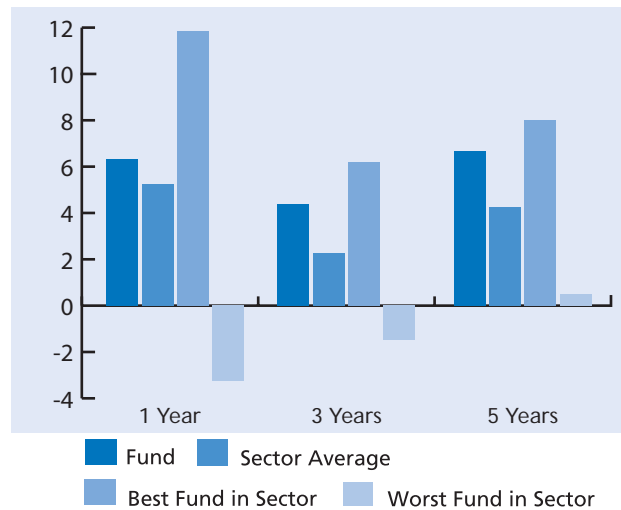
During the quarter, Treasury bonds rallied as fears of continued pressure on the US housing market, strains in the sub-prime mortgage markets and a flight to safety, after the dramatic equity market sell off, combined to send yields lower. Economic data confirmed that the US economy is entering a slower growth period but continued strong employment and a rebound in housing data in February indicated that the US economy is probably experiencing a temporary slow down rather than entering into an extended period of depressed growth.

At mid-March, when the FOMC rate decision was due, traders were expecting that the Fed would cut rates by up to half of a percent this year. Federal Reserve Chairman, Ben Bernanke, kept rates steady at 5.25% but did indicate a willingness to cut rates if necessary. By quarter end, expectations of future rate cuts were more muted as economic data indicated that both consumer income and spending continue to increase and the inflation rate remains above the Fed's comfort zone. Elsewhere, central banks are still tightening with rate hikes in the UK, Europe and Japan.

During the quarter the Fund added to current holdings keeping investments inline with existing weightings.

The Fund is well diversified geographically and strategically with a continued emphasis on absolute return/cash strategies. "Duration products" offer less attractive risk-reward ratios and their exposure has been kept to a minimum.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
6.31%	4.36%	6.65%	6.48%	n/a

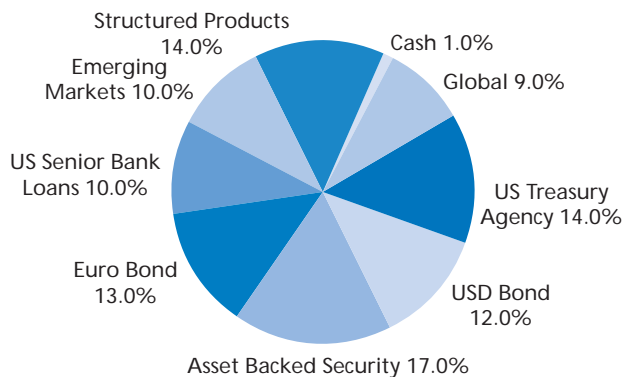
Asset Breakdown

- Global**
Schroder Global Corporate Bond
- US Treasury/Agency**
10yr Treasury
Fannie Mae
Freddie Mac
- US Dollar Bond**
Butterfield Capital Appreciation Bond Fund
Butterfield USD Bond Fund
- Asset Backed Security**
CMBS - GE Capital
CMBS - Wachovia
CMBS - JPMorgan Chase
CMBS - UBS
HEL - Equity One
HEL - Residential Asset Mortgage
- Euro Bond**
Vanguard Euro Investment Grade Bond Index
- US Senior Bank Loans**
CypreeTree Leveraged Alternative Income Fund
- Emerging Markets**
Ashmore Emerging Market Liquid Investment Portfolio
Ashmore Asian Recovery Fund
- Structured Products**
Argent Classic Convertible - Class C
- Liquid Assets**
Butterfield Money Market Fund

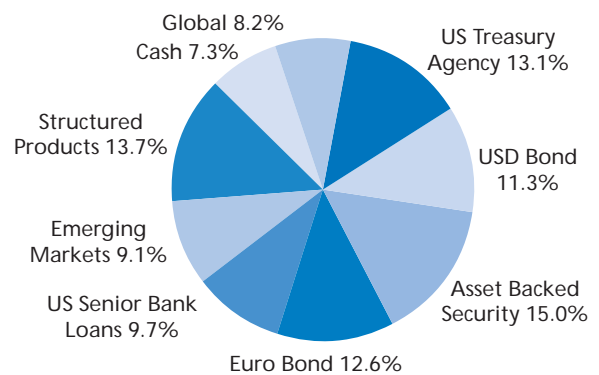
Benchmark Composition

- 80% JP Morgan Govt Bd - Local Currency US
- 20% JP Morgan Hedged USA Dollar GBI Ex USA

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD	Fiscal Year End: June 30 th	Dealings: Friday	Front End Fee: None
Units Available: Accumulation	Min. Investment: USD 10,000	Total Expense Ratio: 1.13%	Identifier: BUTSLFX BH
Size of Fund (millions): USD107.8	Valuation: Thursday	NAV per share (30.03.2007): USD 15.66	

Past performance is not indicative of future performance.
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