

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

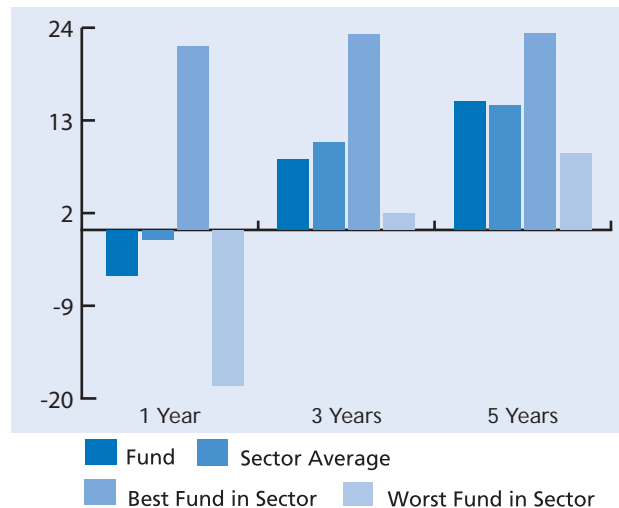
The net asset value (NAV) per share of the Fund decreased from \$13.14 to \$11.63 over the quarter, a decrease of -11.5% against a benchmark return of -9%. In the first quarter the major indices all finished lower with local currency returns of: S&P 500: -9.92% Bloomberg European 500: -15.05% and the Nikkei 225: -17.54%

The first quarter marked the definitive end of a 5 year bull market in equities as investors in virtually all indices were punished, with more speculative areas, such as China, losing close to 30%. Additionally, it proved to be a volatile period with the markets experiencing intra-day swings of as much as 3%.

The markets started the quarter poorly as fears that further fall out from the correction in the US housing market and the ensuing credit crisis would drag the US, and potentially much of the industrialized world, into a recession. Additionally, as more and more financial companies disclosed and wrote off billions of dollars of debt, investors grew concerned that capital constrained banks would be forced to severely tighten their lending standards. This would make it difficult for all borrowers to access credit and slow the economy further. The Federal Reserve acted aggressively to counter this and signalled it would continue to do so as necessary. The climax of the first quarter sell-off happened in March when Bear Stearns, the worlds 5th largest investment bank, faced an unprecedented withdrawal of assets and was purchased by JP Morgan in an acquisition virtually guaranteed by the Federal Reserve. This acquisition seems to have helped to calm the markets which rallied from their lows for quarter end.

During the quarter we completely exited Legg Mason Value Fund and JPM Fleming Japan Fund. We have maintained our overweight position to emerging markets and Asia ex-Japan as these areas should benefit from their strong domestic economies and continued high commodity prices.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
-5.37%	8.32%	15.21%	5.82%	n/a

Asset Breakdown

Global

Orbis Global Equity Fund
SHCM Global Fund

North America

iShares Russell Mid-Cap Growth Index Fund
iUnits S&P/TSX 60 Capped Index Fund
Butterfield Systematic Equity Fund - CD\$ Class
PowerShares Value Line Timeliness Select Portfolio
Davis Value Fund
Fidelity American Growth Fund
JPMorgan Funds - US Dynamic Fund
Merrill Lynch - US Flexible Equity Fund
UBAM - Neuberger Berman US Equity Value
Oil Service Holders Trust

UK/European

Fidelity European Growth Fund
JPMorgan Funds - Europe Strategic Value Fund
Vanguard - European Stock Index Fund
Martin Currie - Pan European Opportunities Fund

Emerging Markets

Ishares MSCI Emerging Markets Index Fund

Asia

Orbis Japan Equity Fund
Ishares MSCI Pacific ex-Japan
Ishares MSCI Japan
Martin Currie Asia Pacific Fund

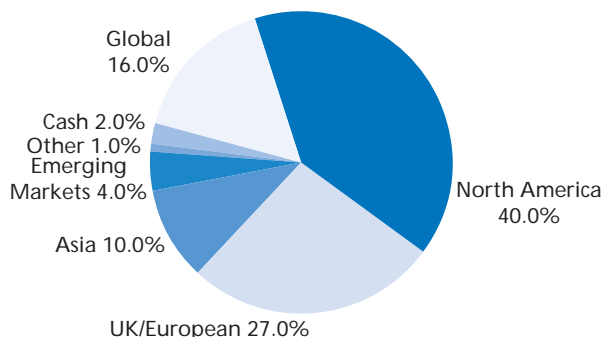
Bermuda

Butterfield Bermuda Fund

Liquid Assets

Butterfield Money Market Fund

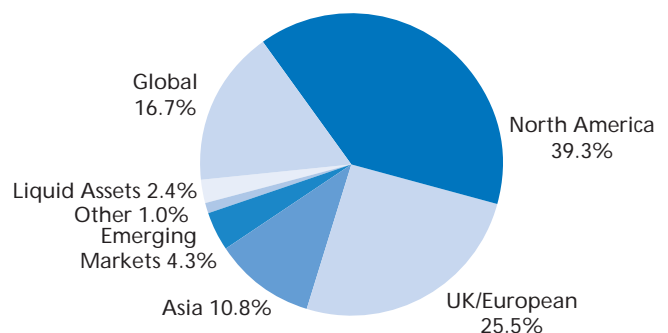
Asset Breakdown Target



Benchmark Composition

100% MSCI World Index

Asset Breakdown Actual



General Information

Currency: USD

Units Available: Accumulation

Size of Fund (millions): USD 172.1

Fiscal Year End: June 30th

Min. Investment: USD 10,000

Valuation: Thursday

Dealings: Friday

Total Expense Ratio: 1.04%

NAV per share (31.03.2008): USD 11.63

Front End Fee: None

Identifier: BUTSLEQ BH

Past performance is not indicative of future performance.

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