

Objective

To offer a convenient vehicle for investing in a diversified portfolio of alternative strategy investment managers, which are anticipated to provide the best opportunities for capital growth.

Investment Policy

To invest in a diverse range of top performing offshore alternative investment managers that target consistent and stable returns while controlling risk.

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. IAM, a professional hedge fund manager, act as the sub-advisor to this class of the Fund.

Fund Review

The net asset value (NAV) per share of the Fund increased from \$13.13 to \$13.24 over the quarter, an increase of 0.84%.

Although returns were muted in the 1st quarter, performance was strong relative to other asset classes. Perhaps more importantly, many funds were able to lift their gates and payout redemptions. Additionally, although redemption requests continued to be placed, many funds saw a return of subscriptions leading managers to hope the industry has seen the worst, at least from an operational management perspective.

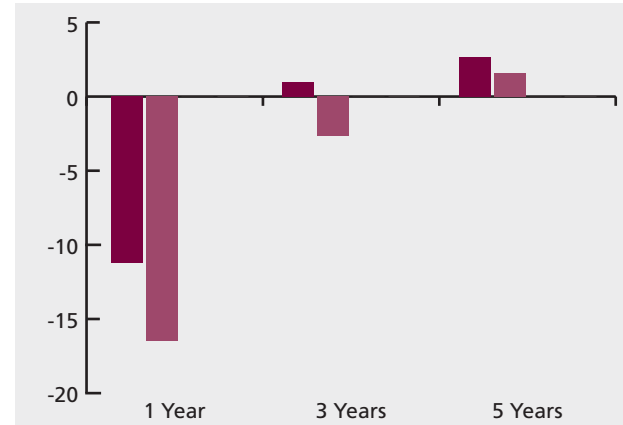
Long/Short Equity managers continue to be extremely defensively positioned with low gross and net exposure to the markets. This enabled most funds to either post small gains or realise only small losses despite continued volatility in the equity markets. The best performance from the Fund's holdings in this category was from SCP Ocean Fund which has started the year with a 5.9% return. Long/Short managers with a long bias understandably struggled in this environment, though they were able to limit their losses through February and saw recovery in March.

The Fund had strong performance (6.5%) from its Multi-Strategy manager, OZ Overseas Fund. The manager continues to hoard his cash and is strongly positioned to capitalise on future opportunities. Macro fund Brevan Howard continued from the strong performance of 2008 to start the year with a 9.7% gain.

The Fund continues to attempt to decrease its correlation to both equity and fixed income markets. To this end, it added to its CTA/Trend Follower positions with the addition of the IAM Trading Fund. This fund has exposure to several strategies with both shorter and longer term investment horizons and we expect its addition will help increase our risk-adjusted returns.

The manager continues to rationalise position sizes to mitigate the risk of excessive exposure to any one fund and also to ensure that the Fund remains well diversified with exposure to many different alternative investment strategies.

Comparative Performance*



*Returns as at March 31, 2009

■ Fund ■ Sector Average
■ Best Fund in Sector ■ Worst Fund in Sector

Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years
-11.20%	-0.96%	2.68%	3.43%

Asset Breakdown

Long/Short Equity
Alphagen Capella Fund
Egerton European Fund
Karsch Capital Ltd
Lansdowne UK Equity Fund
SCP Overseas Fund
SEG Partners
SR Global Fund

Event Driven
Amber Fund
York European Opportunities

Convertible Arbitrage
Plexus Fund

FI Relative Value
Platinum Grove Contingent Capital
Offshore Fund
JCAM Global Fund

Capital Structure Arbitrage
Claren Road Credit Fund
Prologue Feeder Fund

Multi Strategy
OZ Overseas Fund

Global Macro
Brevan Howard Fund
Drake Global Opportunities Fund

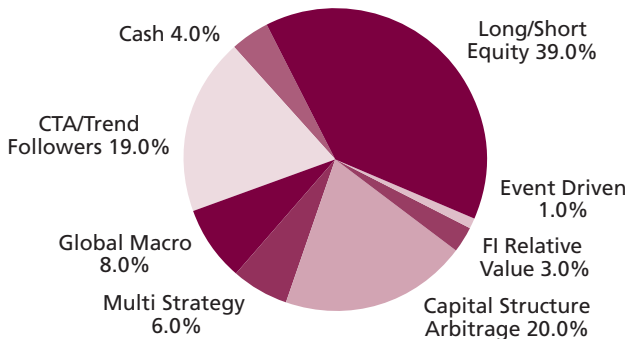
CTA / Trend followers
Winton Futures Fund Ltd
IAM Trading Fund

Liquid Assets
Butterfield Money Market Fund

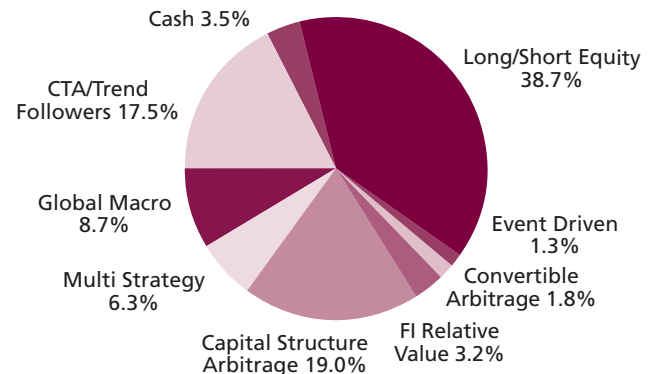
Benchmark Composition

100% HFRI Fund of Funds Diversified Index

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 99.8

Fiscal Year End: June 30th
Min. Investment: USD 10,000
Valuation: Thursday

Dealings: Friday
Total Expense Ratio: 1.67%
NAV per share (31.03.2009): USD 13.24

Front End Fee: None
Identifier: BUTSLAI BH