

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

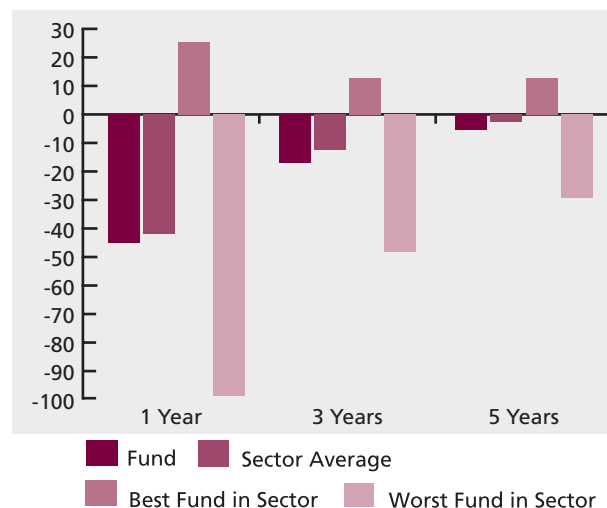
The net asset value (NAV) per share of the Fund dropped from \$7.21 to \$6.39 over the quarter, a decrease of 11.4% against a benchmark return of -11.9%. In the first quarter the major indices were all lower with local currency returns of S&P 500 -10.98%, Bloomberg European 500 -11.43% and the Nikkei 225 -7.55%.

Hopes for a strong start to 2009 after the massive declines of 2008 were quickly dashed as investors continued to sell shares in the face of awful economic data and fear of a complete collapse of financial stocks. Not surprisingly, financial stocks were the most affected with KBW Bank Index dropping over 35% during the quarter. Fear and despondency reached its apex at the beginning of March with the MSCI World Index down 25% before the markets enjoyed a substantial rally of over 20%.

We continue to maintain a defensive position with increased exposure to both Japan and the United States and reduced exposure to European equities, as compared to recent levels. The Fund also retains exposure to Emerging Markets and was rewarded for this with the Emerging Markets index fund outperforming the benchmark by over 11% during the review period. More disappointing was the performance of the Japanese fund where the manager has a high exposure to domestically-orientated companies, which did not benefit from the sell off in Japanese Yen as compared to export-driven organisations. However, the manager has an impressive track record and continues to see extraordinary value in the Japanese markets.

Looking forward, we expect to see continued volatility in the equity markets. The timing of a recovery from the current recession is, at best, uncertain. Also not clear is the extent to which financial institutions will be able to heal their balance sheets without further, and perhaps dramatic, Government Assistance – although recent plans such as TALF (Term Asset-back Securities Loan Facility) give hope that we are closer to a resolution. Until there is more clarity to these issues, it is difficult to envision a sustainable rally in the equity markets.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
-45.06%	-17.13%	-5.39%	-2.51%	n/a

Asset Breakdown

Global

Orbis Global Equity Fund
SHCM Global Fund
Vanguard - Global Stock Index Fund

North America

iShares Russell 2000 Value 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
Merrill Lynch - US Flexible Equity Fund
Martin Currie North America Fund
UBAM - Neuberger Berman US Equity Value
Oil Service HOLDRs Trust

UK/European

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

Emerging Markets

iShares MSCI Emerging Markets Index Fund

Asia

Orbis Japan Equity Fund
Martin Currie Asia Pacific Fund
iShares MSCI Japan

Bermuda

Butterfield Bermuda Fund

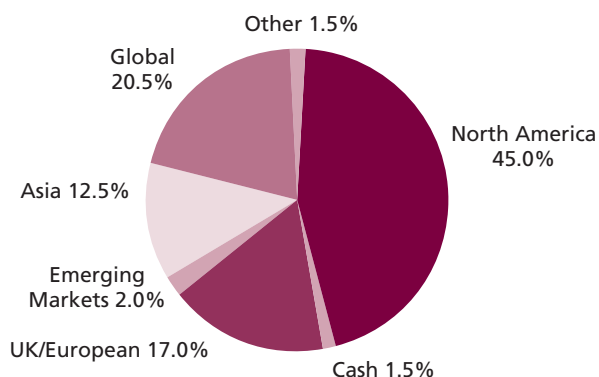
Liquid Assets

Butterfield Money Market Fund

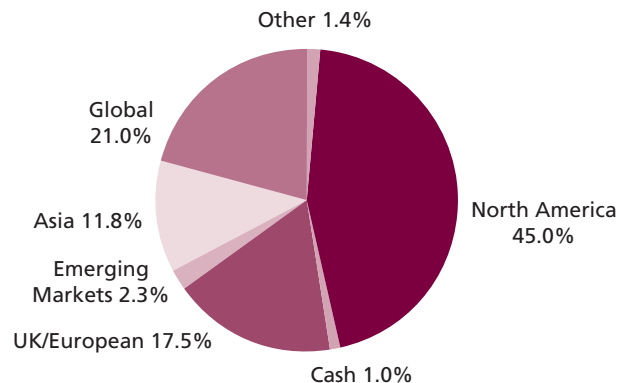
Benchmark Composition

100% MSCI World Index

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 77.0

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

Dealings: Friday
Total Expense Ratio: 1.04%
NAV per share (31.03.2009): USD 6.39

Front End Fee: None
Identifier: BUTSLEQ BH