

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.

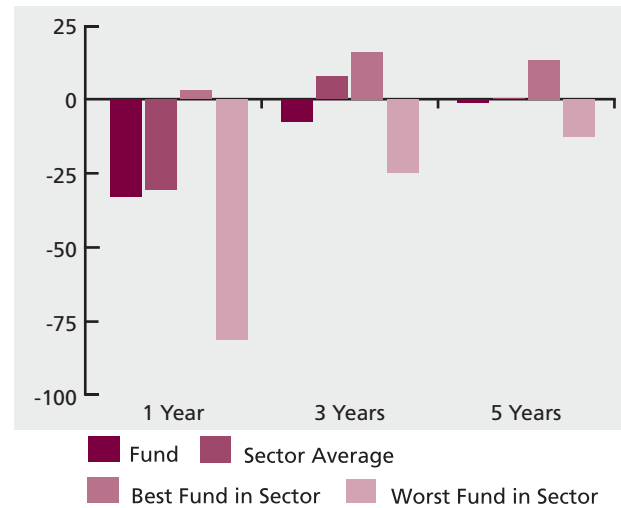
Fund Review

The net asset value (NAV) per share of the Fund jumped from \$6.39 to \$7.86 over the quarter, an increase of +23.0% against a benchmark return of +20.8%. In the second quarter the major indices were all higher with local currency returns of: S&P 500: +15.9%, Bloomberg European 500: +18.4% and the Nikkei 225 +22.9%.

Investors showed increased appetite for risk during the second quarter as fears of a financial meltdown subsided and compelling valuations attracted buyers. Whilst economic releases continued to be poor throughout the period, market participants took comfort from an apparent slowing in the rate of deterioration and perhaps the first signs of economic recovery. Specifically, initial jobless claims appear to have peaked – although the unemployment rate will probably continue to increase – while the housing data indicate that the US housing market has also seen the worst of its declines. The market also took comfort from the ending of two uncertainties: the Bank Stress test – where all test Banks were able to easily raise sufficient capital to pass and the GM bankruptcy – which is being handled in a controlled manner.

The Fund participated in the rally and particularly benefited from its exposure to emerging markets (iShares Emerging Markets Index Fund up +30.9%) and Asia (Martin Currie Asia Pacific Fund gaining +27.3%). The Fund continues to maintain exposure to defensive regions such as the US and Japan but has a lower than benchmark weighting in Europe. The manager remains concerned that the ECB is not intervening forcefully enough and that continental Europe will probably take longer to emerge from the recession than elsewhere. The Fund will continue to hold exposure to emerging markets and may look to increase exposure as more certainty is realized towards a global economic recovery.

Comparative Performance



Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years	10 Years
-32.99%	-10.22%	-1.13%	1.65%	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
- SPDR Trust Series

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

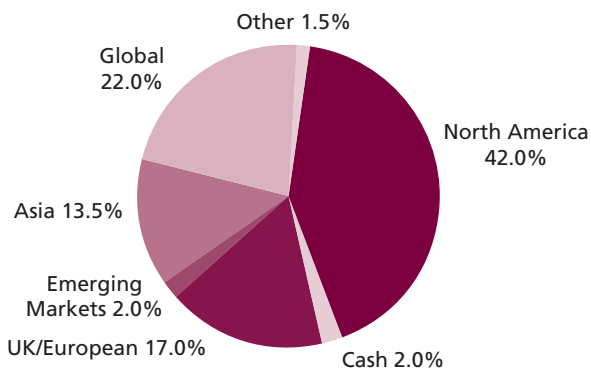
Liquid Assets

- Butterfield Money Market Fund

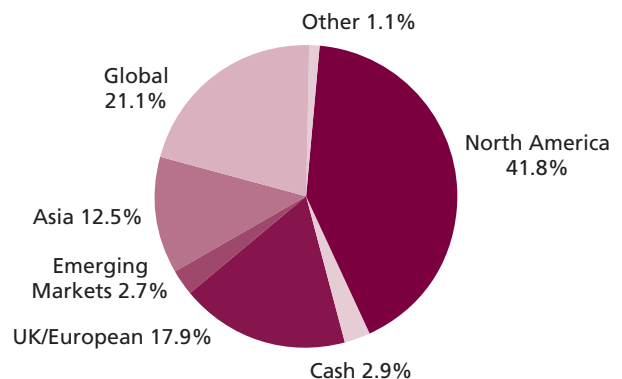
Benchmark Composition

100% MSCI World Index

Asset Breakdown Target



Asset Breakdown Actual



General Information

Currency: USD
Units Available: Accumulation
Size of Fund (millions): USD 97.2

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

Dealings: Friday
Total Expense Ratio: 1.04%
NAV per share (30.06.2009): USD 7.86

Front End Fee: None
Identifier: BUTSLEQ BH