

30 September 2010

Fund Review



Butterfield

SELECT FUND: EQUITY CLASS

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 rose from \$8.49 to \$9.33 over the quarter, an increase of 9.89%; against a benchmark return of 13.78%. Year to date the Fund increased 0.76% vs. a benchmark return of 2.58%. In the final quarter the major indices had USD returns of: S&P 500: 11.30%, Bloomberg European 500: 19.71% and the Nikkei 225, 6.68%.

Global Equities were strong for Q3 of 2010, despite tepid Economic releases and increased concern about the major economic indicators. Markets are now focused on a second quantitative easing measure; as signalled by Ben Bernanke in his speech that took place in Jackson Hole Wyoming in August. While nothing in his speech signalled that the Fed will act, markets apparently saw the speech as positive. With liquidity and trader sentiment firmly in place, the upcoming earnings release season will surely be watched closely.

The underperformance of the Fund is largely due to the cautious stance employed since the beginning of Q1. Equity markets rallied +10% in the final month of the quarter, with the Select Fund lagging behind. While most constituent funds performed in line some continued to lag their benchmarks.

We have issued a full redemption on Spencer House Global Equity and a partial redemption on Davis Value due to performance. As proceeds are returned we will be adding to our existing global equity funds and Geographic ETFs. We have continued to add to the Goldminers ETF (GDX) and expanding emerging markets with the use of ILF, a Latin America ETF.

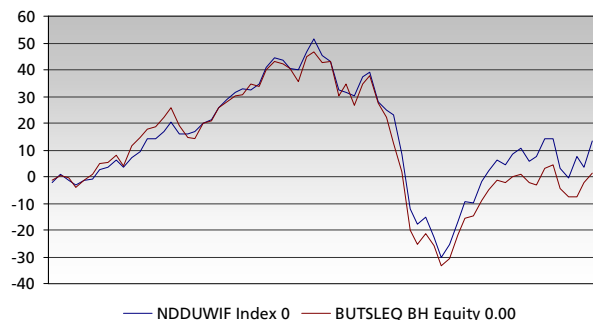
GENERAL INFORMATION

Currency: USD	Fiscal Year End: 30 June
Valuation: Thursday	Min. Investment: USD 10,000
Dealings: Friday	Total Expense Ratio: 1.31%
Front End Fee: None	Size of Fund (millions): USD 111.20
Units Available: Accumulation	NAV per share (30.09.2010): USD 9.33
Identifier: BUTSLEQ BH	

Contact Information

Butterfield Asset Management | Tel (441) 299 3817

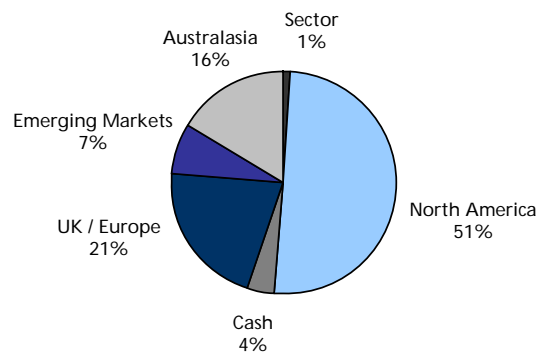
CHART MONTHLY



AVERAGE ANNUAL COMPOUND RETURNS

1 Year	3 Years	5 Years	7 Years	10 Years
+2.87%	-11.16%	-1.26%	3.42%	-0.76%

ASSET ALLOCATION



TOP 10 EQUITY HOLDINGS

Name	% of Fund
1. Orbis Global Equity Fund	12.47
2. Fidelity European Growth Fund	8.51
3. Merrill Lynch - US Flexible Equity Fund	8.21
4. JPMorgan Funds – Europe Strategic Value Fund	6.97
5. Vanguard – Global Stock Index Fund	6.53
6. iShares MSCI Emerging Markets Index Fund	5.84
7. Orbis Japan Equity Fund	5.66
8. iShares CDN S&P TSX Capped Index	5.45
9. UBAM-Neuberger Berman US Equity Value	5.38
10. MC Asia Pacific Ex Japan	5.06

BENCHMARK COMPOSITION

100% MSCI World Index



Morningstar Rating™

www.butterfieldgroup.com