

31 March 2013

Fund Review



Butterfield

GLOBAL BLUE CHIP FUND

OBJECTIVE

To achieve long-term capital growth in the value of the assets.

INVESTMENT POLICY

To hold a global portfolio of international blue chip equities. Blue Chip is defined as an internationally recognised company, often the leader in its field, with a lengthy history of profit growth and quality management.

INVESTMENT PROCESS

The primary consideration for our equity process is to focus on large capitalisation companies with market leadership positions and a history of consistent earnings growth.

FUND REVIEW

U.S. equity markets were off to a phenomenal start this year! Both the Dow Jones Industrial Average & the S&P 500 reached new all time highs in March as we began the 5th year of the bull market rally! In contrast to the volatility experienced in 2012, year to date markets have been resilient – surprisingly so in the face of the unprecedented wind down of two of the largest banks in Cyprus and the imminent sequester in the US.

As global investors continued the great rotation from fixed income and cash, equity markets felt the impact. All sectors posted positive absolute returns during the quarter with the exception of Materials. Some of the traditionally defensive areas – Healthcare and Consumer Staples – were the best performers posting double-digit gains of 13.36% and 12.01% respectively. Consumer Discretionary and Industrials also had good absolute performance, outperforming the broad market with quarterly returns of 9.46% and 7.87% respectively. The remaining sectors came in below the market average of 7.73% with Materials ranking as the worst performing sector, at a 3.95% loss. At a regional level, the fund benefited from an overweight position in North America which experienced a 9.67% increase in the quarter. Japan and North America were the top performing regions with Pacific ex-Japan, Europe and Emerging markets all notable underperformers.

The sanguine mood by investors during the quarter was strongly supported by economic fundamentals. Housing data in the US including home prices, sales and housing starts were fairly optimistic, with unemployment continuing on its downward trajectory. Corporate earnings expanded for the third year whilst the Federal Reserve reiterated their commitment to keep interest rates low until unemployment falls to a more acceptable level. As such we continue to favour the US where the improving housing market and positive consumer sentiment should lend support for both the Consumer Discretionary and Financial sectors.

Given the growing headwinds facing our global economy a pull back in equity markets in the second quarter would not be much of a surprise. With the full effect of sequestration yet to be felt, growing downward guidance in corporate earnings and a persisting crisis in Europe investors are hard pressed to find a catalyst for some much needed growth in the world's economy. Despite such headwinds, the risk-reward trade-off is skewed in favour of equities as we believe equities provide a better value than fixed income in the current environment of continued monetary easing.

BENCHMARK COMPOSITION

100% S&P Global 100

All benchmark components are calculated on a total return basis i.e. dividends included and net of appropriate withholding taxes.

Note: As at 1 April 2006 the benchmark changed from the MSCI World to the S&P Global 100. The new benchmark has been applied retroactively as we believe it to be a better representation of the investment strategy of the Fund.

TOP 10 EQUITY HOLDINGS

Name	Sector	Fund(%)
1. Johnson & Johnson	Health Care	3.8%
2. Novartis AG	Health Care	3.4%
3. Accenture Plc - CL A	Technology	3.3%
4. Microsoft Corporation	Technology	3.3%
5. Zimmer Holdings Inc	Health Care	3.3%
6. International Business Machines	Technology	3.1%
7. Chevron Corporation	Energy	3.0%
8. Exxon Mobil Corporation	Energy	3.0%
9. EMC Corp Mass	Technology	2.9%
10. Cisco Systems Inc	Technology	2.9%

Note: Index tracking products have been excluded.

TOP 5 EQUITY SECTORS

Sector	Equity(%)	S&P 100(%)
1. Health Care	20.3%	15.2%
2. Technology	18.0%	12.3%
3. Energy	17.2%	13.9%
4. Consumer Staples	16.0%	16.5%
5. Industrial	8.0%	8.3%

Note: Index tracking products are excluded for the purposes of comparison to the benchmark.

Contact Information:

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★★★
Morningstar Rating™

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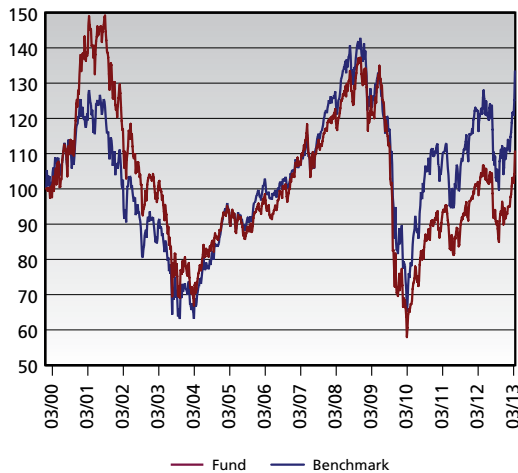
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GLOBAL BLUE CHIP FUND (CONTINUED)

FUND VERSUS BENCHMARK

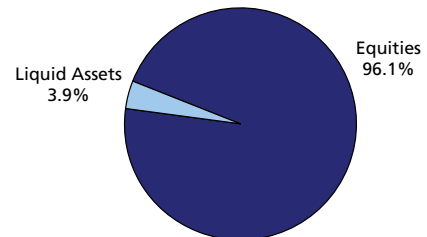


Note: This graph has been rebased such that 31 December 1998 = 100 as that was the date the new benchmark came into existence.

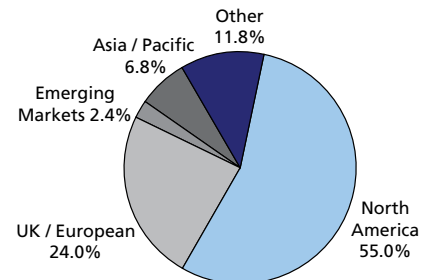
AVERAGE ANNUAL COMPOUND RETURNS

	1 Year	3 Years	5 Years	10 Years	Inception
GBC	8.30%	5.78%	-1.62%	4.60%	0.71%
Benchmark	9.45%	6.47%	1.25%	7.20%	2.04%

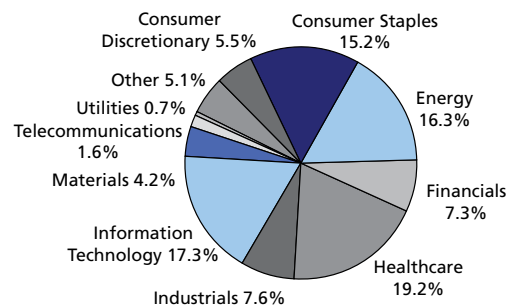
ASSET ALLOCATION



GEOGRAPHIC ALLOCATION



EQUITY SECTOR ALLOCATION



GENERAL INFORMATION

Currency: USD

Valuation: Tuesday
Dealings: Wednesday

Front End Fee: None
Units Available: Accumulation
Identifier: BUTGBCF KY

Fiscal Year End: June 30th
Min. Investment: USD 5,000
Total Expense Ratio: 2.06%

Size of Fund (millions): USD 8.15
NAV per share (31.03.2013): \$11.21

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