

30 November 2012

Fund Review



Butterfield

INTERNATIONAL BALANCED FUND: USD CLASS

OBJECTIVE

To achieve long-term capital growth whilst exposing the investor to a moderate level of risk.

INVESTMENT POLICY

To hold a global portfolio of money market instruments, Euro-bonds, domestic government bonds and international equities. This combination of investment and geographical spread provides the Fund with the necessary diversification to reduce risk and maximise returns for the US Dollar based investor.

INVESTMENT PROCESS

Benchmarked against a portfolio of 60% International Equities and 40% US Dollar fixed income. The primary consideration for our fixed income strategy is liquidity and safety of principal. The duration will move to facilitate this capital preservation objective. The equity process is to focus on large capitalisation companies with market leadership positions and a history of consistent earnings growth.

FUND REVIEW

The month started with a resolution to one of the most significant challenges facing the U.S.; Would President Barack Obama remain in the highest political office or would there be a Republic upset with a Romney win! In the end, the Electoral College handed President Obama a landslide victory filling the seat of the Presidency for yet another four years. While this political challenge was put to rest, the debates surrounding the 'fiscal cliff' are still looming as we draw closer to year end.

Notwithstanding the myriad non-economic news flow, global equity markets fared well. The best performing sectors over the month were Consumer Discretionary, Consumer Staples, Industrials and Information Technology with a 3.7%, 2.39%, 2.18% and 1.66% return respectively. The worst performers were Utilities, Energy, Telecommunications and Materials with a -3.19%, -1.83%, -0.28% and 0.33% return respectively. On a geographical basis all regions experienced positive return over the month. Europe, Japan and Pacific ex-Japan were the best performing regions with a 2.6%, 2.37%, and 1.68% return respectively. The bottom performing areas were Emerging Markets and North America with a 1.27% and 0.47% return respectively.

In fixed income markets, longer duration government was the best performing sector over the period. Both the Treasury Current 10 Year Index and Treasury Current 5 Year Index performed well at 1.17% and 0.60% return respectively. The Merrill Lynch 1-5 Year Government and Corporate Index performed relatively well with a 0.20% return. Along the entire Treasury Curve credit lagged government and quasi government sectors as reflected in the performance of US Corporate, A-AAA index, which returned 0.13% for the month.

Contact Information:

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As we get closer to the expiration of the Bush Era tax cuts, we assume a wide range of market volatility. Still, we remain cautiously optimistic in our market expectations as we approach year end.

BENCHMARK COMPOSITION

40% Merrill Lynch US Corporates and Governments, 1 to 5 years, A Rated and above.
60% S&P Global 100

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

Note: As at 1 April 2006 the benchmark changed from: 40% Merrill Lynch US Corporates and Governments, 1 - 5 years, A Rated and above, 60% MSCI World, to: 40% Merrill Lynch US Corporates and Governments, 1 - 5 years, A Rated and above, 60% 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. Exxon Mobil Corporation	Energy	3.1%
2. Chevron Corporation	Energy	2.9%
3. Reckitt Benckiser Group Plc	Consumer Stpl	2.8%
4. Essilor International SA	Health Care	2.8%
5. Zimmer Holdings Inc	Health Care	2.7%
6. Biogen Idec Inc	Health Care	2.7%
7. Accenture Plc - CL A	Technology	2.6%
8. Nestle SA	Consumer Stpl	2.6%
9. Adidas AG - New	Consumer Discr	2.5%
10. Total SA	Energy	2.5%

Note: Index tracking products have been excluded.

TOP 5 EQUITY SECTORS

Sector	Equity(%)	S&P 100(%)
1. Health Care	20.0%	14.6%
2. Energy	17.9%	14.8%
3. Technology	17.1%	12.1%
4. Consumer Staples	16.7%	16.6%
5. Industrial	8.2%	8.3%

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



Morningstar Rating[™]

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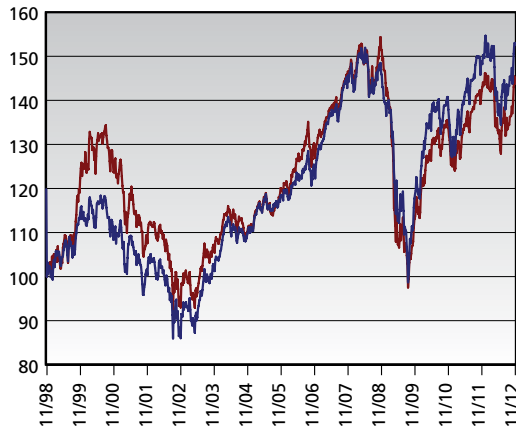
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INTERNATIONAL BALANCED FUND: USD CLASS (CONTINUED)

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
BIBF	8.80%	3.02%	-0.61%	3.62%	4.64%
Benchmark	9.51%	3.30%	0.78%	5.02%	N/A

AVERAGE DURATION AND CREDIT RATING

Duration	2.76 Years
Credit Rating	S&P AA
Yield to Maturity	0.77%

GENERAL INFORMATION

Currency: USD

Valuation: Tuesday
Dealings: Wednesday

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

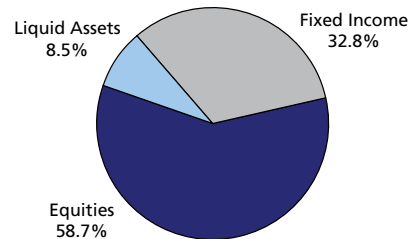
Fiscal Year End: June 30th
Min. Investment: USD 5,000
Total Expense Ratio: 1.26%

Size of Fund (millions): USD 34.45
NAV per share (30.11.2012): \$20.91

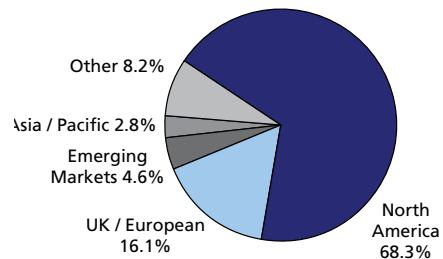
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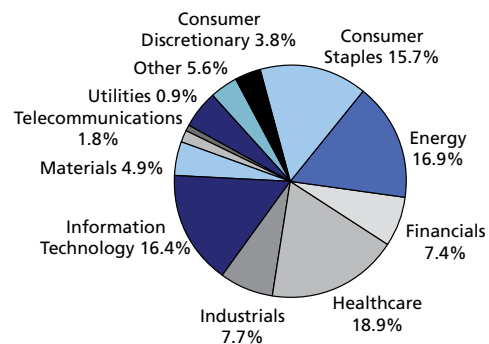
ASSET ALLOCATION



GEOGRAPHIC ALLOCATION



EQUITY SECTOR ALLOCATION



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