



Bermuda Fund

Quarter 3 2020

Objective

To achieve long-term capital growth and income by investing in a diversified portfolio of Bermuda assets.

Investment policy

To invest mainly in the equity securities of companies incorporated in Bermuda or having a substantial presence in Bermuda.

Investment process

A comprehensive analysis of the index companies is undertaken relative to their peers and the benchmark to ensure consistency. This is supplemented with a qualitative analysis of domestic conditions and forecasts.

Key facts as at 30 September 2020

Currency	BMD
Valuation	Weekly
Dealings	Wednesday
Front end fee	None
Units available	Accumulation
Fiscal year end	30 June
Minimum investment	BMD 1,000
Total expense ratio	1.26%
Size of fund (millions)	BMD 12.39
NAV per share	BMD 30.44

Performance chart



Average annual compound returns

	Quarter	1 year	3 years	5 years	10 years
Fund	2.27%	-12.69%	5.42%	10.48%	8.46%

Fund review

The Fund returned 2.27% in Q3 2020. The Fund's Net Assets stood at \$12.39 million and a \$0.15 dividend was declared for shareholders, as of 30 Sept 2020.

The third quarter saw P&C reinsurance stocks return mixed results amidst a cloud of uncertainty in the face of the ongoing global pandemic. Axis Capital Holdings staged a share recovery gaining 8.5% during the quarter. AON and Markel also finished the period positively as firms began to make adjustments to ensure their long term sustainability. Chubb and Everest Re declined slightly during the quarter as renewal season suffered and claims started to build. With the Atlantic Hurricane season fast approaching, the ability to survive the rest of the year is key. Additionally the firms who are able to be creative in their offerings of risk solutions will be able to rise above the crowd in these uncertain times. Comprehensive coverage options cannot be understated when communicating with clients. The global reinsurance market always tends to flourish on the backside of crises and we expect them to again weather the storm and return to producing positive shareholder value over the longer term.

In the domestic space, Ascendant Group Holdings' acquisition by Algonquin Power and Utilities was approved by the Regulatory Authority closing up a \$367 Million deal that will deploy about \$200 Million into the local economy. ONE Communications will look to delist from the BSX later this year as this recommendation from the Board was outlined in a recent letter to shareholders. The ruling PLP government held a snap election on October 1, which saw them increase their majority to 30 seats, leaving the opposition OBA with 6 seats. This election also saw the birthing



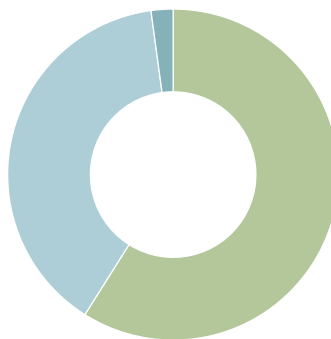
Contact us

**Butterfield
Asset Management
Limited**

Tel: (441) 299 3817

of a new political party - the FDM. The global pandemic basically cancelled Bermuda's tourist season and has definitely impacted the local economy. Bermuda has remained one of the top rated countries for COVID-19 responsiveness and low cases. This bodes well for an upward recovery as all stakeholders look for solutions to stimulate the economy in what is now a new normal.

Asset allocation



Domestic	59%
International	39%
Cash	2%

Top 10 holdings

1	ASCENDANT GROUP LTD	21.7%
2	BANK OF N.T. BUTTERFIELD&SON	10.4%
3	BF&M LTD	9.5%
4	ARGUS GROUP HOLDINGS LTD	8.7%
5	CHUBB LTD	6.6%
6	RENAISSANCERE HOLDINGS LTD	5.5%
7	ARCH CAPITAL GROUP LTD	4.7%
8	GOVT OF BERMUDA 2.375% 08/20/30 SR:144A	4.2%
9	MARKEL CORP	4.0%
10	AXIS CAPITAL HOLDINGS LTD	3.6%

Benchmark composition

Under review.