

Butterfield Global Blue Chip Fund

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

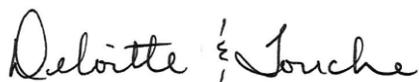
JUNE 30, 2010 AND 2009

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Butterfield Global Blue Chip Fund as at June 30, 2010 and 2009, and the statements of operations and changes in net assets for the years then ended (all expressed in United States Dollars). These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2010 and 2009, and the results of its operations and the changes in its net assets for the years then ended, in accordance with Canadian generally accepted accounting principles.

The image shows a handwritten signature in cursive script that reads "Deloitte & Touche". The signature is written in dark ink and is positioned to the left of the date.

November 30, 2010

Butterfield Global Blue Chip Fund

Administrator, Registrar and Transfer Agent

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 609, Grand Cayman KY1-1107, Cayman Islands
Phone: (345) 949-7600 Fax: (345) 949-7690

Sub-Administrator

Butterfield Fulcrum Group (Bermuda) Limited
65 Front Street, P.O. Box HM195
Hamilton HM 12, Bermuda
Phone: (441) 299-3882 Fax: (441) 295-6759

Investment Advisor

Butterfield Bank (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, Grand Cayman KY1-1107, Cayman Islands
Phone: (345) 949-7055 Fax: (345) 949-7004

Custodian and Banker

Butterfield Bank (Cayman) Limited
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Phone: (345) 949-7055 Fax: (345) 949-7004

Sales Agent

Butterfield Bank (Cayman) Limited
Butterfield House, 68 Fort Street
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Phone: (345) 949-7055 Fax: (345) 949-7004

Auditors

Deloitte & Touche
2nd Floor, One Capital Place
P.O. Box 1787, Grand Cayman KY1-1109, Cayman Islands
Phone: (345) 949-7500 Fax: (345) 949-8238

Legal Advisors and Listing Agent

Appleby
Clifton House, 75 Fort Street
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Phone: (345) 949-4900 Fax: (345) 949-4901

Butterfield Global Blue Chip Fund

STATEMENTS OF ASSETS AND LIABILITIES

As at June 30, 2010 and 2009

(Expressed in United States Dollars)

	Note	2010	2009
ASSETS			
Investments, at market value (Cost 2010 - \$9,408,307; 2009 - \$11,300,636)	2,3,4	\$ 9,027,262	\$ 9,712,621
Cash and cash equivalents		449,269	808,524
Dividend income receivable		7,861	4,553
Prepaid fees		3,668	3,293
Receivable for capital shares issued		-	820
		9,488,060	10,529,811
LIABILITIES			
Accrued expenses	6	53,941	28,611
Redemptions payable		24,117	-
		78,058	28,611
FUND NET ASSETS		\$ 9,410,002	\$ 10,501,200
Number of common shares in issue	5	1,142,936	1,377,601
NET ASSET VALUE PER COMMON SHARE		\$ 8.23	\$ 7.62

On behalf of the Board



Michael McWatt
DIRECTOR



Erwin Dikau
DIRECTOR

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

STATEMENTS OF OPERATIONS

For the years ended June 30, 2010 and 2009

(Expressed in United States Dollars)

	Note	2010	2009
INCOME			
Net dividend income	\$	184,341	\$ 240,992
Foreign exchange gain/(loss)		3,615	(417,536)
Bank interest		530	2,714
		188,486	(173,830)
EXPENSES			
Administration fees	6	168,107	188,418
Audit & legal fees		39,313	28,451
Custodian fees	6	27,476	31,403
Transfer agent fee	6	21,972	40,343
Miscellaneous		11,627	10,773
		268,495	299,388
NET INVESTMENT LOSS		(80,009)	(473,218)
REALISED AND UNREALISED GAIN/(LOSS) ON INVESTMENTS			
Net realised loss on investments		(139,779)	(5,739,646)
Net change in unrealised appreciation/ (depreciation) on investments		1,206,970	(2,009,121)
NET GAIN/(LOSS) ON INVESTMENTS		1,067,191	(7,748,767)
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$	987,182	\$ (8,221,985)

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

STATEMENTS OF CHANGES IN NET ASSETS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

	2010		2009
NET INCREASE/(DECREASE) IN NET ASSETS:			
From Operations			
Net investment loss	\$ (80,009)	\$	(473,218)
Net realised loss on investments	(139,779)		(5,739,646)
Net change in unrealised appreciation/ (depreciation) on investments	1,206,970		(2,009,121)
	987,182		(8,221,985)
From Capital Transactions			
Proceeds on issue of shares	817,379		1,014,294
Payment on the redemption of shares	(2,895,759)		(3,501,787)
	(2,078,380)		(2,487,493)
NET DECREASE IN NET ASSETS	(1,091,198)		(10,709,478)
NET ASSETS – BEGINNING OF YEAR	10,501,200		21,210,678
NET ASSETS – END OF YEAR	\$ 9,410,002	\$	10,501,200

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

SCHEDULE OF INVESTMENTS

As at June 30, 2010

(Expressed in United States Dollars)

Investments	Shares	Cost \$	Market Value \$	% of Portfolio %
Equity – Europe				
Anheuser-Busch InBev NV	4,030	115,769	195,978	2.17%
Nestle SA	4,710	196,894	228,199	2.53%
Total SA	2,798	175,941	126,565	1.40%
Vivendi SA	7,510	273,801	154,530	1.71%
		762,405	705,272	7.81%
Equity – United Kingdom				
Reckitt Benckiser Group LLC	3,880	147,928	181,614	2.01%
		147,928	181,614	2.01%
Equity – United States				
Accenture PLC	5,130	164,358	198,274	2.20%
American Oriental Bioengineering Inc	16,290	67,825	41,051	0.45%
Amerisource Bergen Corp	2,140	61,014	67,945	0.75%
Amgen Inc	1,386	78,028	72,904	0.81%
Archer-Daniels-Midland Co	7,260	249,648	187,453	2.08%
Biogen Idec Inc.	1,790	85,288	84,936	0.94%
BP PLC ADR	4,302	281,515	124,242	1.38%
Check Point Software Technologies Limited	8,330	208,505	245,568	2.72%
Chevron Corp	3,330	278,569	225,974	2.50%
Cisco Systems Inc	10,990	233,034	234,197	2.59%
Clorox Co	1,090	61,634	67,754	0.75%
Conoco Phillips	4,720	403,016	231,705	2.57%
Diageo PLC ADR	3,080	176,425	193,239	2.14%
Exxon Mobil Corporation	1,851	107,238	105,637	1.17%
International Business Machines Corp	2,230	264,854	275,360	3.05%
Kinetic Concepts Inc	5,370	167,596	196,059	2.17%
Mylan Inc/PA	15,170	169,626	258,497	2.86%
Net App Inc	4,330	107,022	161,552	1.79%
Petro China Company Limited ADR	1,400	102,949	153,622	1.70%
Petroleo Brasileiro SA ADR	2,620	126,680	89,918	1.00%
Procter & Gamble Co	3,820	207,193	229,124	2.54%
Royal Dutch Shell PLC ADR	2,780	186,169	139,612	1.55%
Seagate Technology	5,600	89,366	73,024	0.81%
Teva Pharmaceutical Industries Limited ADR	4,440	167,227	230,836	2.56%
Time Warner Inc	5,686	172,764	164,382	1.82%
Well Point Inc	1,730	93,045	84,649	0.94%
Western Digital Corp	2,780	106,356	83,845	0.93%
		4,416,944	4,221,359	46.77%

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

SCHEDULE OF INVESTMENTS (CONT'D)

As at June 30, 2010

(Expressed in United States Dollars)

Investments	Shares	Cost \$	Market Value \$	% of Portfolio %
Exchange Traded Funds/ Exchange Traded Product – United States				
iShares MSCI Emerging Markets Index Fund	21,921	891,207	818,092	9.06%
iShares MSCI Pacific ex-Japan Index Fund	13,310	494,168	475,699	5.27%
iShares S&P Global Industrials Sector Index Fund	8,030	370,350	336,698	3.73%
iShares S&P Global Materials Sector Index Fund	9,640	538,679	504,943	5.59%
iShares S&P Global Telecommunications Sector Index Fund	3,740	283,283	178,847	1.98%
iShares S&P Global Utilities Sector Index Fund	2,850	120,128	113,459	1.26%
Market Vectors - Gold Miners ETF	4,400	172,457	228,624	2.53%
Oil Services Holders Trust	1,280	200,370	121,139	1.34%
SPDR S&P 500 ETF Trust	9,620	865,284	992,976	11.00%
Vanguard Industrials ETF	2,620	145,104	148,540	1.65%
		4,081,030	3,919,017	43.41%
Total Investments:		9,408,307	9,027,262	100.00%

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

SCHEDULE OF INVESTMENTS
As at June 30, 2009
(Expressed in United States Dollars)

Investments	Shares	Cost \$	Market Value \$	% of Portfolio %
Equity – Bermuda:				
Accenture Ltd.	6,890	217,235	230,539	2.37%
		217,235	230,539	2.37%
Equity – Brazil:				
Vale Do Rio Doce	3,370	63,553	59,413	0.61%
		63,553	59,413	0.61%
Equity – Europe:				
Anheuser-Busch InBev NV	5,050	145,070	182,409	1.88%
Diageo PLC	3,110	177,651	178,048	1.83%
Nestle SA	5,570	232,845	209,865	2.16%
Reckitt Benckiser Group PLC	3,870	144,582	176,173	1.81%
Total SA – B	3,658	230,006	197,527	2.03%
Vivendi	5,920	223,706	141,518	1.46%
Xstrata PLC	120	1,360	1,298	0.01%
		1,155,220	1,086,838	11.18%
Equity – Israel:				
Teva Pharmaceutical Industries Limited.	6,700	247,220	330,578	3.40%
		247,220	330,578	3.40%

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

SCHEDULE OF INVESTMENTS (CONT'D) As at June 30, 2009 (Expressed in United States Dollars)

Investments	Shares	Cost \$	Market Value \$	% of Portfolio %
Equity – United States:				
Adobe Systems Incorporated	5,180	206,085	146,594	1.51%
Amgen Inc.	3,786	215,934	200,431	2.06%
Archer-Daniels – Midland Company	6,490	227,759	173,737	1.79%
Biogen Idec Inc.	3,850	187,767	173,828	1.79%
BP PLC Adr	6,112	399,959	291,420	3.00%
Bucyrus International Inc.	3,290	125,871	93,962	0.97%
Caterpillar Inc.	2,550	160,303	84,252	0.87%
Check Point Software Technologies Limited	9,290	224,923	218,036	2.24%
Chevron Corp.	4,300	359,714	284,875	2.93%
Cisco Systems Inc.	11,600	245,184	216,340	2.23%
Clorox Corp.	1,130	63,847	63,088	0.65%
ConocoPhillips	6,960	594,278	292,738	3.01%
Exxon Mobil Corp.	4,141	239,910	289,497	2.98%
Fluor Corp.	1,740	104,400	89,245	0.92%
Foster Wheeler Limited	2,410	124,773	57,238	0.59%
General Dynamics Corp.	1,030	67,963	57,052	0.59%
iShares Emerging Markets	26,401	1,073,344	850,904	8.76%
iShares Global Telecommunications Sector	5,180	417,175	246,360	2.54%
iShares MSCI Japan	27,781	322,901	261,975	2.70%
iShares MSCI Pacific	8,310	265,995	263,178	2.71%
iShares S&P Global Telecommunications Sector	3,330	140,361	141,026	1.45%
Joy Global Inc.	2,470	143,787	88,228	0.91%
KBR, Inc.	3,200	73,718	59,008	0.61%
Kinetic Concepts, Inc.	9,010	263,408	245,522	2.53%
Market Vectors Gold Mining	5,440	207,442	205,714	2.12%
Mylan, Inc.	30,720	341,121	400,896	4.13%
Netapp, Inc.	11,640	287,673	229,541	2.36%
Netease.com Inc.	6,120	157,748	215,302	2.22%
Nokia Corp	15,040	362,837	219,283	2.26%
Oil Service HOLDRs Trust	1,920	302,577	187,546	1.93%
Petrochina Company Limited.	1,800	132,363	198,864	2.05%
Proctor & Gamble Co.	4,010	217,108	204,911	2.11%
Rio Tinto PLC Adr	495	144,089	81,116	0.84%
Royal Dutch Shell PLC	3,840	257,155	192,729	1.98%
SPDR Trust, Series 1	6,540	493,094	601,353	6.19%
The Shaw Group Inc.	2,070	106,370	56,739	0.58%
Time Warner Inc.	4,266	145,104	107,460	1.11%
Wellpoint Inc.	4,230	213,368	215,265	2.22%
		9,617,408	8,005,253	82.44%
Total Investments		11,300,636	9,712,621	100.00%

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

1. ORGANISATION AND OPERATIONS

Butterfield Global Blue Chip Fund (the "Fund") was incorporated as an open-ended multi-class exempted Mutual Fund Company under the laws of the Cayman Islands on November 5, 1998 and was registered under the Mutual Funds Law of the Cayman Islands on November 5, 1998.

The Fund has received an undertaking from the Cayman Islands government exempting it from all local income, profits, and capital gains taxes until November 24, 2018. No such taxes are levied in the Cayman Islands at the present time.

The Fund commenced operations on December 3, 1998 and is administered by Butterfield Fulcrum Group (Cayman) Limited (formerly Butterfield Fund Services (Cayman) Limited), a Cayman Islands licensed Mutual Fund Administrator.

On December 3, 1998, the Fund listed on the Cayman Islands Stock Exchange.

The Fund's investment objective is to achieve long-term capital growth by investing in a global portfolio of international "blue chip" equities.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Actual results could differ from these estimates.

The significant accounting policies are as follows:

a) Valuation of Investments

Securities listed on a recognised exchange are valued at the last reported bid price on the day of valuation.

The computation of the cost of sales of securities is made on the basis of average cost. Purchases and sales of securities are accounted for on the transaction trade date, and the difference between the sale price and the cost of security is included in net realised gain/loss on investments in the statement of operations. The difference between the fair value and the cost of the securities is recorded as unrealised appreciation/(depreciation) on investments.

The requirements of the CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement ("CICA 3855"), became effective for fiscal years beginning on or after October 1, 2006. CICA 3855 prescribes specific guidance for establishing fair values under GAAP, including the use of bid prices for long positions and ask prices for short positions for investments quoted in active markets. Where active markets do not exist, fair values are established using a fair valuation technique. Prior to the adoption of CICA 3855, fair values were based on last traded or closing prices or based on management's best estimate where market quotations were not reliable or available.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Valuation of Investments (cont'd)

The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed for these investments. The valuation of such securities can be based on various valuation techniques that could include mathematical models, comparable valuation models, fundamental valuation models, or other techniques that would reflect the specific business situation or market the security operates within. The models would use observable market data as inputs where possible. However, in some instances, certain investments are fair valued based on assumptions that may not be supported by observable inputs. Securities without observable market value inputs in their valuation require judgment in establishing their fair value.

Changes in any of these assumptions could affect the reported fair value of financial assets or financial liabilities.

b) Investment Transactions and Income Recognition

Interest and dividend income are accrued as earned and dividend income is recognised at ex-dividend date.

c) Foreign currency translation

The functional currency of the Fund is US Dollars.

Foreign currency transactions are translated to United States dollars at the rates of exchange in effect on the transaction dates. Foreign currency denominated assets and liabilities of the Fund have been translated to US Dollars at the rates of exchange prevailing on each year end date. The resultant gain or loss on exchange is recorded in the statements of operations.

d) Financial Assets and Liabilities

The fair value of securities is considered to be the market value, which is based principally on quoted market prices. The carrying value of other financial instruments approximates their fair value principally because of the short-term maturities of these instruments.

e) Adoption of New Accounting Standards

The CICA issued CICA Handbook Section 3862 ("CICA 3862"), Financial Instruments — Disclosures and Section 3863 ("CICA 3863"), Financial Instruments — Presentation, effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. These standards provide comprehensive disclosure and presentation requirements for financial instruments, and introduce new requirements for specific qualitative and quantitative disclosure about risks. The main objective of these standards is to enable investors to evaluate the significance of financial instruments, the nature and extent of risks involved, and how these risks are managed.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Adoption of New Accounting Standards (cont'd)

During 2009, the Accounting Standards Board issued amendments to CICA 3862 that are effective for annual financial statements relating to fiscal years ending after September 30, 2009. These amendments are designed to enhance the existing disclosure around fair value and liquidity risk. This is accomplished by classifying the Fund's financial assets and financial liabilities into levels based on the input used to value the Fund's investments:

Level 1 — for unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 — for inputs that are based on unobservable market data.

As part of the disclosure requirements, significant transfers between level 1 and level 2 and a reconciliation of level 3 investments are disclosed. The adoption of these amendments did not have an impact on net assets, increase (decrease) in net assets from operations, or increase (decrease) in net assets from operations per share of the Fund.

Please refer to the Fair Value of Financial Assets (Note 4) for further details on the fair value of financial instruments.

CICA Emerging Issues Committee Abstract 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

Effective January 20, 2009, the Fund adopted retrospectively without restatement the CICA Emerging Issues Committee Abstract 173 ("EIC-173"), Credit Risk and the Fair Value of Financial Assets and Liabilities. EIC-173 requires the Fund's own credit risk and the credit risk of its counterparties to be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. The adoption of EIC-173 did not have a material impact on the financial position or results of operations of the Fund.

International Financial Reporting Standards

In February 2008, the CICA announced that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP in 2011 for profit-oriented publicly accountable enterprises. The change will be applicable for fiscal years commencing on or after January 1, 2011. The Fund is currently developing its changeover plan. The Fund has determined that there will be no impact to net asset value per unit from the changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional note disclosures in the financial statements of the Fund.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

3. FINANCIAL RISK MANAGEMENT

The Fund maintains positions in a variety of non-derivative financial instruments as dictated by its investment management strategy. The Fund's investment portfolio is comprised of quoted equity instruments.

Asset allocation is determined by the Investment Advisor with reference to the target asset allocation set out in the Fund's prospectus. The Investment Advisor manages the distribution of the assets to achieve its investment objective. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Advisor. In instances where the portfolio has diverged from target asset allocations, the Investment Advisor will rebalance the portfolio to fall in line with the target asset allocations.

The nature and extent of the financial instruments outstanding at the statements of assets and liabilities date and the risk management policies employed by the Fund are discussed below:

a) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Market risk is the risk that changes in interest rates, foreign exchange rates or equity and commodity prices will affect the positions held by the Fund, making them less valuable or more onerous. The Fund is exposed to market risk on financial instruments that are valued at market prices.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund's market risk is managed on a daily basis by the Investment Advisor in accordance with the policies and procedures in place. The Fund's Directors review performance of the Investment Advisor on a continuous basis.

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of the portion of the Fund's assets or liabilities denominated in currencies other than US Dollars. The Fund's policy is not to enter into any currency hedging transactions. The Investment Advisor manages currency risk by monitoring exposure to different geographical regions.

At June 30, 2010, if the exchange rates of US Dollars against relevant foreign currencies had been 10% higher or lower with all overall variables held constant, the net assets would have decreased/increased by \$237,674 (2009: \$440,230). 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in exchange rates.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Market risk (cont'd)

As at June 30, 2010, the Fund has the following currency exposure in US Dollar equivalents:

	2010 USD	2010 % of Net Assets	2009 USD	2009 % of Net Assets
AUD	-	-	177,382	1.7%
BRL	89,918	1.0%	122,379	1.2%
CAD	-	-	209,865	2.0%
CHF	228,009	2.4%	-	-
DKK	-	-	995,991	9.5%
EUR	888,447	9.4%	1,004,586	9.6%
GBP	499,291	5.3%	-	-
HKD	194,673	2.1%	183,645	1.7%
ILS	476,404	5.1%	548,614	5.2%
KRW	-	-	514,828	4.9%
SEK	-	-	344,326	3.3%
TWD	-	-	106,023	1.0%
YEN	-	-	89,770	0.9%
ZAR	-	-	104,892	1.0%
Total	2,376,742	25.3%	4,402,301	42.0%

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Fund's investments are highly liquid securities which are actively traded on various stock exchanges. As a result, the Fund is not subject to fair value interest rate risk due to reasonably possible fluctuations in the prevailing levels of market interest rates.

The Fund's exposure to cash flow interest rate risk is limited to its cash and cash equivalents of \$449,269 (4.77% of the Fund's Net Assets at June 30, 2010 (2009: 7.70%)). The Fund does not have any other significant interest-bearing assets and liabilities and therefore believes its sensitivity to changes in market interest rates is insignificant.

OTHER PRICE RISK

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to a particular instrument, its issuer or all factors affecting all instruments traded in the market. The Fund is exposed to equity price risk on its investments. As all of the Fund's financial instruments are carried at fair value with fair value changes recognised in the statement of operations, all changes in market conditions will directly affect the profit attributable to shareholders.

Other price risk is managed by the Investment Advisor by constructing a diversified portfolio of investments traded on various markets. All of the Fund's investments at June 30, 2010 and 2009 are listed on stock exchanges.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Market risk (cont'd)

As at June 30, 2010, the fair value of the Fund's investments in securities that are exposed to changes in equity prices amounted to \$9,027,262 (2009: \$9,712,621). As at June 30, 2010, if equity prices had been 4% higher or lower with all variables held constant, the net assets would have been \$361,090 (2009: \$388,505) higher or lower. 4% is the sensitivity rate used when reporting other price risk internally to key management personnel and represents management's assessment of the reasonably possible change in market prices.

b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

Financial instruments that potentially expose the Fund to credit and counterparty risk consist primarily of investments and cash and cash equivalents.

Credit risk arising on transactions with brokers includes transactions awaiting settlement. Risk related to unsettled transactions, including dividends and interest accrued, is considered to be low due to the short settlement period involved and the high credit quality of the brokers used. The Fund's maximum exposure to credit risk is limited to the value of its financial assets as reported in the statement of assets and liabilities. The Fund monitors the credit rating of its broker to mitigate this risk.

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund's financial liabilities at June 30, 2010 represent 0.83% of net assets (2009: 0.27%) that fall due not later than one month. The Fund's constitution provides for weekly subscription and redemption of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions. The Fund does not anticipate any significant liquidity concerns in funding redemption requests and other liabilities. The Fund's constitution provides for the weekly subscription and redemption of shares and it is therefore exposed to the liquidity risk of meeting shareholders' redemptions. However, all of the Fund's investments at June 30, 2010 and 2009 are listed securities actively traded on major stock exchanges. As such, they are considered to be highly realisable, mitigating the liquidity risk of the Fund as at June 30, 2010 and 2009.

The Fund's liquidity risk is managed on a daily basis by the Investment Advisor in accordance with the policies and procedures in place.

CAPITAL RISK MANAGEMENT

The Fund's capital consists of the issued share capital.

The Investment Advisor manages the capital of the Fund in accordance with the Fund's investment objectives, policies and restrictions, as outlined in the Prospectus, while maintaining sufficient liquidity to meet shareholder redemptions. The Fund's overall strategy for managing capital remains unchanged from 2009. The Fund does not have any externally imposed capital requirements.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

4. FAIR VALUE OF FINANCIAL ASSETS

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Fund's investments fall as of June 30, 2010:

Classification	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity	\$ 4,946,232	\$ -	\$ -	\$ 4,946,232
Exchange Traded Funds / Exchange Traded Products	4,081,030	-	-	4,081,030
Total Financial Assets	\$ 9,027,262	\$ -	\$ -	\$ 9,027,262

Transfers of assets between level 1 and level 2

Financial assets and liabilities transferred from level 1 to level 2 are the result of the securities no longer being traded in an active market. There were no transfers of financial assets and liabilities from level 1 to level 2 in the current year. Financial assets and liabilities transferred from level 2 to level 1 might arise primarily as a result of the securities now being traded in an active market. There were no transfers of financial assets and liabilities from level 2 to level 1 in the current year.

Reconciliation of financial asset and liability movement — level 3

The Fund did not hold any level 3 investments at the beginning, during, or at the end of the year.

5. SHARE CAPITAL

The Fund may issue up to 5,000,000 Non-Voting Redeemable Shares, which are redeemable at the option of the shareholders. The authorized share capital of the Fund shall consist of \$50,100 divided into 100 Ordinary Shares having a nominal value of \$1.00 each and 5,000,000 Non-Voting Redeemable Shares having a nominal value of \$0.01.

The Investment Advisor is the holder of the Ordinary Shares and shall be entitled to receive notice of and attend and vote at any general meeting of the Fund.

Details of Redeemable Shares issued, redeemed and outstanding during the year are as follows:

	2010	2009
	No. of Shares	No. of Shares
Balance - beginning of year	1,377,601	1,678,381
Issue of redeemable shares	92,313	111,738
Redemption of redeemable shares	(326,978)	(412,518)
Balance - end of year	1,142,936	1,377,601

Currently only the US Dollar class of shares, and no others, have been designated and issued.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS **For the years ended June 30, 2010 and 2009** **(Expressed in United States Dollars)**

6. RELATED PARTY TRANSACTIONS

The Administrator is compensated for performing certain financial, accounting, administration and other services in accordance with the Administration Services Agreement dated September 23, 2008. The Administrator is entitled to receive a fee which is calculated at the rate of 0.5% per annum of the net asset value of the entire Fund calculated and accrued weekly.

As of June 30, 2010, the Fund owed the Administrator \$12,028 (2009: \$1,007).

Butterfield Bank (Cayman) Limited (the "Sales Agent") is entitled to receive a sales commission of up to 4% of the subscription price for shares. No sales commission was charged in 2010 and 2009.

Butterfield Bank (Cayman) Limited (the "Custodian") acts as custodian for the Fund and is entitled to receive a fee, calculated at a rate of 0.25% per annum of the net asset value of the Fund, calculated and accrued weekly.

As of June 30, 2010, the Fund owed the Custodian \$2,418 (2009: \$504).

Butterfield Fulcrum Group (Bermuda) Limited (the "Sub-Administrator") is entitled to receive a fee for providing shareholder services including maintaining a Branch register in Bermuda. The fee is based on time spent and is invoiced monthly by the Sub-Manager to the Fund.

Butterfield Bank (Cayman) Limited (the "Investment Advisor") is entitled to receive a fee for providing investment advice to the Fund, calculated at a rate of 1.00% per annum of the net asset value of each Class of shares, calculated and accrued weekly.

As of June 30, 2010, the Fund owed the Investment Advisor \$9,670 (2009:\$2,015).

Employees of the Investment Advisor, its parent company and other affiliated companies, and their immediate family members hold shares in the Fund. These shareholdings are not significant.

7. DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Fund during the year were:

Conor O'Dea
Erwin Dikau
Sheree Ebanks
Michael McWatt (appointed on October 14, 2009)

The Directors are not entitled to any remuneration for their services as directors.

At June 30, 2010, the Directors held between 0 and 5,000 shares each in the Fund and were each affiliated with the Custodian and Investment Advisor.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2010 and 2009 (Expressed in United States Dollars)

8. FINANCIAL HIGHLIGHTS

Per share operating performance
(for a share outstanding throughout the year)

Per Share Information	2010	2009	2008	2007	2006
Net asset value - beginning of year	\$ 7.62	\$ 12.64	\$ 13.08	\$ 11.10	\$ 9.52
Income from investment operations					
Net investment income/(loss)	(0.06)	(0.31)	0.29	0.08	(0.03)
Net realized and unrealized gain (loss) on investments	0.67	(4.71)	(0.73)	1.90	1.61
Total from investment operations	0.61	(5.02)	(0.44)	1.98	1.58
Net asset value – end of year	\$ 8.23	\$ 7.62	\$ 12.64	\$ 13.08	\$ 11.10
Total Return	8.01%	(39.72%)	(3.36%)	17.84%	16.60%
Ratios / Supplemental Data					
Total net assets - end of year (in thousands)	\$ 9,410	\$ 10,501	\$ 21,211	\$ 23,542	\$ 24,884
Ratio of expenses to weighted average net assets	2.46%	2.33%	2.13%	2.10%	2.00%
Ratio of net investment income (loss) to weighted average net assets	(0.72%)	(61.75%)	(1.11%)	18.39%	16.79%
Portfolio turnover rate*	32.25%	45.97%	78.94%	52.65%	58.75%

* Portfolio turnover rate is calculated using the lesser of purchases or sales of investments for the year divided by the weighted average value of investments, calculated using the last valuation date of each month.

An individual investor's return and ratios may vary from the above returns and ratios based on the timing of capital transactions.