

Butterfield Global Blue Chip Fund

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2012

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Butterfield Global Blue Chip Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Butterfield Global Blue Chip Fund (the "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as at June 30, 2012, and the statements of operations and changes in net assets for the year then ended (all expressed in United States dollars), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Canada, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

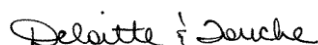
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2012, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Canada.



September 26, 2012

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) 745-7600 Fax: (345) 745-7690

Sub-Administrator

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Investment Advisor

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Auditors

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Legal Advisors and Listing Agent

Appleby
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Butterfield Global Blue Chip Fund

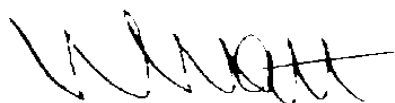
STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2012

(Expressed in United States Dollars)

	Note	2012	2011
ASSETS			
Investments, at market value (Cost : 2012 - \$8,304,434; 2011 - \$8,521,318)	2,3,4	\$ 8,771,421	\$ 9,749,506
Cash and cash equivalents		36,872	538,229
Dividend income receivable		3,298	1,826
Prepaid fees		4,759	4,368
Broker receivable		118,747	-
		8,935,097	10,293,929
LIABILITIES			
Accrued expenses	6	68,184	73,662
Redemptions payable		157,942	1,020
		226,126	74,682
FUND NET ASSETS		\$ 8,708,971	\$ 10,219,247
Number of common shares in issue	5	880,238	971,896
NET ASSET VALUE PER COMMON SHARE		\$ 9.89	\$ 10.51

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

STATEMENT OF OPERATIONS
For the year ended June 30, 2012
(Expressed in United States Dollars)

	Note	2012	2011
INCOME			
Net dividend income		\$ 163,283	\$ 179,494
Foreign exchange (loss)/gain		(2,599)	57,727
Bank interest		-	1,615
		160,684	238,836
EXPENSES			
Management fees	6	90,903	101,859
Administration fees	6	32,739	70,160
Audit and legal fees		28,001	28,402
Custodian fees	6	22,726	25,465
Transfer agent fee	6	2,191	13,838
Miscellaneous		10,462	12,900
		187,022	252,624
NET INVESTMENT LOSS		(26,338)	(13,788)
REALISED AND UNREALISED			
GAIN ON INVESTMENTS			
Net realised gain on investments		188,301	861,393
Net change in unrealised gain		(761,201)	1,609,233
NET (LOSS)/GAIN ON INVESTMENTS		(572,900)	2,470,626
NET (DECREASE)/INCREASE IN NET ASSETS			
RESULTING FROM OPERATIONS		\$ (599,238)	\$ 2,456,838

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2012

(Expressed in United States Dollars)

	2012	2011
NET (DECREASE)/INCREASE IN NET ASSETS:		
From Operations		
Net investment loss	\$ (26,338)	\$ (13,788)
Net realised gain on investments	188,301	861,393
Net change in unrealised gain on investments	(761,201)	1,609,233
	<hr/> (599,238)	<hr/> 2,456,838
From Capital Transactions		
Issuance of shares	251,646	506,996
Redemption of shares	(1,162,684)	(2,154,589)
	<hr/> (911,038)	<hr/> (1,647,593)
NET (DECREASE)/INCREASE IN NET ASSETS	(1,510,276)	809,245
NET ASSETS – BEGINNING OF YEAR	10,219,247	9,410,002
NET ASSETS – END OF YEAR	\$ 8,708,971	\$ 10,219,247

The accompanying notes form an integral part of these financial statements

Butterfield Global Blue Chip Fund

SCHEDULE OF INVESTMENTS

As at June 30, 2012

(Expressed in United States Dollars)

Investments	Shares	Cost \$	Market Value \$	% of Portfolio %
Equity – Europe				
Adidas AG	2,200	138,457	158,051	1.80%
Essilor International	2,170	150,993	201,467	2.30%
Nestle SA	2,950	138,752	175,899	2.01%
Novartis AG	3,020	174,752	168,450	1.92%
Swatch Group AG	600	231,876	236,293	2.69%
Total SA	3,748	220,783	168,526	1.92%
Vivendi SA	6,634	224,898	122,930	1.40%
		1,280,511	1,231,616	14.04%
Equity – United Kingdom				
BG Group Plc	6,830	130,310	139,462	1.59%
Reckitt Benckiser Group Plc	3,420	143,106	180,761	2.06%
Smith & Nephew Plc	16,460	156,338	164,818	1.88%
		429,754	485,041	5.53%
Equity – United States				
Accenture Plc	2,880	92,271	173,059	1.97%
Archer Daniels Midland Co	2,950	94,629	87,084	0.99%
Automatic Data Processing	2,120	113,353	117,999	1.35%
BHP Billiton Ltd ADR	2,080	134,963	135,824	1.55%
Biogen Idec Inc	1,380	69,366	199,244	2.27%
Caterpillar Inc	1,680	161,216	142,649	1.63%
Check Point Software Technologies Limited	3,150	81,706	156,208	1.78%
Chevron Corporation	2,090	177,483	220,495	2.51%
Cisco Systems Inc	9,650	191,316	165,691	1.89%
ConocoPhillips	2,590	164,540	144,729	1.65%
Diageo Plc ADR	1,980	121,858	204,079	2.33%
Eli Lilly & Co	2,250	92,005	96,548	1.10%
EMC Corp	7,350	158,766	188,381	2.15%
Exxon Mobil Corporation	2,691	162,327	230,269	2.63%
Fedex Corp	2,090	182,156	191,465	2.18%
Intel Corp	6,090	167,370	162,299	1.85%
Intercontinental Hotels ADR	5,860	137,825	141,226	1.61%
International Business Machines Corporation	740	148,370	144,729	1.65%
Johnson & Johnson	2,590	160,386	174,980	1.99%
Microsoft Corporation	6,920	171,746	211,683	2.41%
Pepsico Inc	3,950	260,627	279,107	3.18%
Petroleo Brasileiro SA ADR	4,500	141,360	84,465	0.96%
Philip Morris International	2,240	131,275	195,462	2.23%
Phillips 66	1,295	51,301	43,046	0.49%
Procter & Gamble Co	3,920	221,797	240,100	2.74%
Royal Dutch Shell Plc ADR	2,540	170,404	171,272	1.95%
Teva Pharmaceutical Industries Limited ADR	4,030	162,893	158,943	1.81%
Wal-Mart Stores Inc	1,470	85,642	102,488	1.17%
Zimmer Holdings Inc	3,170	166,450	204,021	2.33%
		4,175,401	4,767,545	54.35%

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, 2012

(Expressed in United States Dollars)

Investments (cont'd)	Shares	Cost \$	Market Value \$	% of Portfolio %
Exchange Traded Funds/Exchange Traded Product – United States				
iShares MSCI Emerging Markets Index Fund	5,931	241,841	232,110	2.65%
iShares MSCI Pacific ex-Japan Index Fund	5,590	208,736	227,792	2.60%
iShares S&P Global Industrials Sector Index Fund	1,440	68,522	71,928	0.82%
iShares S&P Global Financials Sector Index Fund	16,740	757,810	646,834	7.37%
iShares S&P Global Materials Sector Index Fund	4,550	254,252	254,391	2.90%
iShares S&P Global Telecommunications Sector Index Fund	4,500	302,833	259,110	2.95%
iShares S&P Global Utilities Sector Index Fund	4,730	200,552	198,849	2.27%
Market Vectors – Gold Miners ETF	2,110	86,760	94,465	1.08%
Market Vectors – Oil Services ETF	2,940	142,692	104,782	1.19%
Vanguard Industrials ETF	2,960	154,770	196,958	2.25%
		2,418,768	2,287,219	26.08%
Total Investments		8,304,434	8,771,421	100.00%

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Butterfield Global Blue Chip Fund

SCHEDULE OF INVESTMENTS

As at June 30, 2011

(Expressed in United States Dollars)

Investments	Shares	Cost \$	Market Value \$	% of Portfolio %
Equity – Europe				
Adidas AG	2,110	132,775	167,470	1.72%
Carlsberg AS-B	1,250	130,370	135,975	1.39%
Essilor International	2,030	141,688	164,653	1.69%
Nestle SA	4,440	193,432	276,014	2.83%
Novartis AG	2,830	164,098	173,403	1.78%
Total SA	3,248	197,835	187,845	1.93%
Vivendi SA	5,850	212,616	162,674	1.67%
		1,172,814	1,268,034	13.01%
Equity – United Kingdom				
BG Group Plc	6,430	121,769	145,953	1.50%
Reckitt Benckiser Group Plc	2,550	99,533	140,817	1.44%
Smith & Nephew Plc	15,130	144,114	161,516	1.66%
		365,416	448,286	4.60%
Equity – United States				
Accenture Plc	3,260	104,446	196,969	2.02%
Archer Daniels Midland Co	4,530	151,677	136,580	1.40%
Biogen Idec Inc	1,620	81,430	173,210	1.78%
Check Point Software Technologies Limited	3,330	83,352	189,311	1.94%
Chevron Corporation	2,070	173,312	212,879	2.18%
Cisco Systems Inc	12,360	245,042	192,940	1.98%
Citrix Systems Inc	2,310	161,597	184,800	1.90%
ConocoPhillips	2,370	201,028	178,200	1.83%
Diageo Plc ADR	1,680	96,232	137,542	1.41%
EMC Corp	6,710	145,047	184,861	1.90%
Exxon Mobil Corporation	2,601	155,063	211,669	2.17%
Johnson & Johnson	2,600	160,584	172,952	1.77%
Microsoft Corporation	7,740	191,897	201,240	2.06%
Netease.com Inc ADR	4,080	164,368	183,967	1.89%
Pepsico Inc	3,010	199,945	211,994	2.17%
Petroleo Brasileiro SA ADR	5,140	203,968	174,040	1.79%
Pfizer Inc	8,450	147,739	174,070	1.79%
Philip Morris International	2,040	113,683	136,211	1.40%
Procter & Gamble Co	3,240	176,276	205,967	2.11%
Royal Dutch Shell Plc ADR	2,480	165,885	176,402	1.81%
Teva Pharmaceutical Industries Limited ADR	3,630	147,569	175,039	1.80%
Time Warner Inc	4,606	140,235	167,520	1.72%
Zimmer Holdings Inc	2,570	137,181	162,424	1.65%
		3,547,556	4,140,787	42.47%

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, 2011

(Expressed in United States Dollars)

Investments (cont'd)	Shares	Cost \$	Market Value \$	% of Portfolio %
Exchange Traded Funds/Exchange Traded Product – United States				
iShares MSCI Emerging Markets Index Fund	10,781	439,604	513,176	5.26%
iShares MSCI Pacific ex-Japan Index Fund	10,710	399,921	509,903	5.23%
iShares S&P Global Industrials Sector Index Fund	9,300	442,535	529,170	5.43%
iShares S&P Global Financials Sector Index Fund	18,090	819,353	830,512	8.52%
iShares S&P Global Materials Sector Index Fund	6,650	371,599	488,044	5.01%
iShares S&P Global Telecommunications Sector Index Fund	5,860	398,039	355,057	3.64%
iShares S&P Global Utilities Sector Index Fund	2,930	125,638	134,575	1.38%
Market Vectors - Gold Miners ETF	2,900	117,345	158,311	1.62%
Oil Services Holders Trust	970	151,043	147,440	1.51%
Vanguard Industrials ETF	3,260	170,455	226,211	2.32%
		3,435,532	3,892,399	39.92%
Total Investments		8,521,318	9,749,506	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 year ended June 30, 2012

(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 12, 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, 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

The fair value of investments traded in active markets are based on quoted market prices at the close of trading on the period end date. The quoted market price used for investments held by the Fund is the last sales price reported by the principal securities exchange on which the issue is traded, or lacking any sales, at the closing bid price. An investment is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The net change during the year between these amounts and cost is shown as net change in unrealized appreciation and depreciation on investments in the statement of operations.

b) Investment Transactions and Income Recognition

Investment transactions are accounted for on the trade date. Gains or losses arising from the sale of investments are determined using the average cost basis. Interest income is accrued as earned and dividend income is recognised at ex-dividend date. Transaction costs incurred on portfolio transactions are recognised immediately in net income and presented as a separate expense item on the Statement of Operations.

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.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2012

(Expressed in United States Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

In January 2011, the Accounting Standards Board ("AcSB") amended the Introduction to Part I of the CICA Handbook-Accounting to allow investment companies, which include investment funds, to adopt International Financial Reporting Standards ("IFRS") for the first time no later than interim and annual financial statements relating to annual periods beginning on or after January 1, 2014. Investment companies electing to defer the first time adoption may continue to apply existing Canadian GAAP until the changeover to IFRS.

The Fund will defer the first time adoption and adopt IFRS beginning July 1, 2014. The Fund is currently evaluating the impact of this changeover.

3. RISK MANAGEMENT

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 year-end date and the risk management policies employed by the Fund are discussed below:

a) Market 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. 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 securities not denominated in US Dollars, or in American Depository Receipts (ADRs). These securities may expose the Fund to currency risks inherent in the underlying investment based on the country of listing of the underlying security. 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.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2012

(Expressed in United States Dollars)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Market risk (cont'd)

CURRENCY RISK (cont'd)

At June 30, 2012, if the exchange rates of the relevant foreign currencies against US Dollars had been 10% higher or lower with all overall variables held constant, the net assets would have decreased/increased by \$171,666 (2011: \$294,924). 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.

As at June 30, 2012, the Fund has the following currency exposure in US Dollar equivalents:

	2012 USD	2012 % of Net Assets	2011 USD	2011 % of Net Assets
BRL	-	-	174,040	1.70%
CHF	580,642	6.67%	449,310	4.40%
CNY	-	-	183,967	1.80%
DKK	-	-	135,975	1.33%
EUR	650,974	7.47%	1,055,882	10.33%
GBP	485,041	5.57%	585,712	5.73%
ILS	-	-	364,349	3.57%
Total	1,716,657	19.71%	2,949,235	28.86%

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 \$36,872 (2011: \$538,229). Cash and cash equivalents represent 0.42% of the Fund's net assets at June 30, 2012 (2011: 5.27%). 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.

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 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.

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, 2012 and 2011 are listed on stock exchanges.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2012

(Expressed in United States Dollars)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Market risk (cont'd)

PRICE RISK (CONT'D)

As at June 30, 2012, the fair value of the Fund's investments in securities that are exposed to movement in equity prices amounted to \$8,771,421 (2011: \$9,749,506). The Fund estimates that a reasonably possible movement in its equity portfolio is calculated using the average performance of the Fund's benchmark over the past eight years of 6% (2011: 7%) adjusted to correlate to the actual investment portfolio held. As at June 30, 2012, if the benchmark equity market prices had been 6% (2011: 7%) higher or lower with all other variables held constant, the Fund's net assets would have been \$490,645 (2011: \$601,961) higher or lower. The adjusted rate is the rate used when reporting price risk internally to key management personnel.

b) Credit Risk

Financial instruments that potentially expose the Fund to credit risk consist primarily of investments and cash and cash equivalents and investment balances held at brokers.

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 brokers 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, 2012 represent 2.60% of net assets (2011: 0.73%) that fall due not later than one month. The Fund's Prospectus 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. However, all of the Fund's investments at June 30, 2012 and 2011 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, 2012 and 2011.

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 2011. The Fund does not have any externally imposed capital requirements.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2012

(Expressed in United States Dollars)

4. FAIR VALUE OF FINANCIAL ASSETS

The following information provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data, including the Company's own assumptions in determining the fair value of investments

All of the Fund's investments are classified within Level 1 of the fair value hierarchy as the value of these investments are based on unadjusted quoted prices in active markets for identical assets as at June 30, 2012 and 2011.

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 years ended June 30, 2012 and 2011.

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 authorised 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:

	2012	2011
	No. of Shares	No. of Shares
Balance - beginning of year	971,896	1,142,936
Issue of redeemable shares	26,096	50,470
Redemption of redeemable shares	(117,754)	(221,510)
Balance - end of year	880,238	971,896

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 year ended June 30, 2012

(Expressed in United States Dollars)

6. RELATED PARTY TRANSACTIONS

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 2012 (2011: nil).

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, 2012, the Fund owed the Custodian \$5,506 (2011: \$6,443).

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, 2012, the Fund owed the Investment Advisor \$22,023 (2011:\$25,770).

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 to the fund.

7. DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Fund during the year were:

Conor O'Dea

Erwin Dikau

Sheree Ebanks

Michael McWatt

Peter Walker (Appointed December 8, 2011)

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

At June 30, 2012, the Directors held between 0 and 5,000 shares each in the Fund. Each Director is affiliated with the Custodian and Investment Advisor.

Butterfield Global Blue Chip Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2012

(Expressed in United States Dollars)

8. FINANCIAL HIGHLIGHTS

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

Per Share Information	2012	2011
Net asset value - beginning of year	\$ 10.51	\$ 8.23
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Income from investment operations		
Net investment loss	(0.02)	(0.01)
Net realised and unrealized (loss)/gain on investments	(0.60)	2.29
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Total from investment operations	(0.62)	2.28
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Net asset value – end of year	\$ 9.89	\$ 10.51
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Total Return	(5.90)%	27.70%

Ratios / Supplemental Data

Total net assets - end of year (in thousands)	\$ 8,709	\$ 10,219
Ratio of expenses to weighted average net assets	2.06%	2.48%
Ratio of net investment loss to weighted average net assets	(0.29)%	(0.14)%
Portfolio turnover rate*	26.91%	48.07%

* 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.