

Butterfield International Balanced Fund

Financial Statements

for the half year from

July 1, 2009 to December 31, 2009

(Unaudited)

Butterfield International Balanced Fund

Statements of Assets and Liabilities As at December 31, 2009 and December 31, 2008 (Unaudited)

Expressed in United States Dollars

US Dollar Class	2009	2008
Assets		
Investments at Market Value (<i>note 2</i>) (Cost 2009 - \$ 47,038,879; 2008 - \$ 55,843,644)	\$ 50,048,376	\$ 43,283,767
Cash and Cash Equivalents	2,061,200	6,641,624
Dividend Income Receivable	9,782	7,567
Bond Interest Receivable	273,578	238,466
Miscellaneous Receivable	3,650	3,049
	<hr/>	<hr/>
	52,396,586	50,174,473
Liabilities		
Payable for Investments Purchased	-	849,143
Accrued Expenses (<i>note 3</i>)	59,045	21,073
	<hr/>	<hr/>
	59,045	870,216
Net Assets	<hr/>	<hr/>
	52,337,541	49,304,257
Number of Units in Issue (<i>note 4</i>)		
	2,738,384	3,043,668
Net Asset Value per unit	<hr/>	<hr/>
	19.11	16.20

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

Statements of Assets and Liabilities As at December 31, 2009 and December 31, 2008 (Unaudited)

Expressed in Pounds Sterling

Sterling Class	2009	2008
Assets		
Investments at Market Value (<i>note 2</i>) (Cost 2009 £ 4,723,640; 2008 £ 4,582,101)	£ 5,182,460	£ 4,593,978
Cash and Cash Equivalents	174,578	344,082
Dividend Income Receivable	12,625	9,001
Bond Interest Receivable	34,462	28,234
	<hr/>	<hr/>
	5,404,125	4,975,295
Liabilities		
Redemptions Payable	7,000	-
Accrued Expenses (<i>note 3</i>)	18,662	11,612
	<hr/>	<hr/>
	25,662	11,612
Net Assets	<hr/>	<hr/>
	5,378,463	4,963,683
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Number of Units in Issue (<i>note 4</i>)	394,993	409,140
	<hr/>	<hr/>
Net Asset Value per Unit	13.62	12.13

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Butterfield International Balanced Fund

Statements of Operations For the half year from July 1, 2009 to December 31, 2009 (Unaudited)

Expressed in United States Dollars

US Dollar Class	Half Year to Dec 31, 2009	Half Year to Dec 31, 2008
Income		
Bond Interest Income (<i>note 2</i>)	\$ 399,643	\$ 517,008
Net Dividend Income (<i>note 2</i>)	254,536	243,336
Foreign Exchange Gain (<i>note 2</i>)	52,080	-
Bank Interest Income (<i>note 2</i>)	1,472	28,761
	<hr/>	<hr/>
	707,731	789,105
Expenses		
Management Fees (<i>note 3</i>)	168,135	253,786
Administration Fees (<i>note 3</i>)	93,784	30,342
Custodian Fees (<i>note 3</i>)	64,667	71,023
Audit & Legal Fee	23,832	18,966
Transfer Agent Fee (<i>note 3</i>)	15,451	16,238
Government Fees	1,041	3,497
Sundry Expenses	154	1,015
	<hr/>	<hr/>
	367,064	394,867
Net Investment Income	<hr/>	<hr/>
	340,667	394,238
Realised and Unrealised Gain/(Loss) on Investments		
Net Realised Gain/(Loss) on Investments	6,489,284	(3,116,184)
Change in Unrealised (Depreciation) on Investments	(406,282)	(13,626,270)
	<hr/>	<hr/>
Net Gain/(Loss) on Investments	6,083,002	(16,742,454)
Increase/(Decrease) in Net Assets Resulting From Operations	<hr/>	<hr/>
	6,423,669	(16,348,216)

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

Statements of Operations

For the half year from July 1, 2009 to
December 31, 2009 (Unaudited)

Expressed in Pounds Sterling

Sterling Class	Half Year to Dec 31, 2009	Half Year to Dec 31, 2008
Income		
Bond Interest Income (<i>note 2</i>)	£ 42,116	£ 50,039
Foreign Exchange Gain (<i>note 2</i>)	69,034	49,252
Net Dividend Income (<i>note 2</i>)	38,477	34,762
Bank Interest Income (<i>note 2</i>)	29	534
	149,656	134,587
Expenses		
Management Fees (<i>note 3</i>)	19,610	23,300
Administration Fees (<i>note 3</i>)	7,172	3,883
Custodian Fees (<i>note 3</i>)	6,536	6,293
Audit & Legal Fee	6,342	7,840
Transfer Agent Fee (<i>note 3</i>)	292	-
Government Fees	191	-
Sundry Expenses	-	9,011
	40,143	50,327
Net Investment Income	109,513	84,260
Realised and Unrealised Gain/(Loss) on Investments		
Net Realised Gain/(Loss) on Investments	11,390	(326,096)
Change in Unrealised Appreciation/ (Depreciation) on Investments	672,975	(160,536)
Net Gain/(Loss) on Investments	684,365	(486,632)
Increase/(Decrease) in Net Assets Resulting From Operations	793,878	(402,372)

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

Statements of Changes in Net Assets For the half year from July 1, 2009 to December 31, 2009 (Unaudited)

Expressed in United States Dollars

US Dollar Class	Half Year to Dec 31, 2009	Half Year to Dec 31, 2008
Increase/(Decrease) in Net Assets:		
From Operations		
Net Investment Income	\$ 340,667	\$ 394,238
Realised Gain/(Loss) on Investments	6,489,284	(3,116,184)
Change in Unrealised Loss on Investments	(406,282)	(13,626,270)
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	6,423,669	(16,348,216)
From Capital Transactions		
Proceeds on the Issue of Units (<i>note 4</i>)	1,372,001	1,655,211
Payment on the Redemption of Units (<i>note 4</i>)	(2,852,670)	(4,451,985)
	<hr/>	<hr/>
	(1,480,669)	(2,796,774)
Net Increase/(Decrease) in Net Assets	4,943,000	(19,144,990)
Net Assets - beginning of period	47,394,541	68,449,247
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Net Assets - end of period	52,337,541	49,304,257
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Butterfield International Balanced Fund

Statements of Changes in Net Assets For the half year from July 1, 2009 to December 31, 2009 (Unaudited)

Expressed in Pounds Sterling

Sterling Class	Half Year to Dec 31, 2009	Half Year to Dec 31, 2008
Increase/(Decrease) in Net Assets:		
From Operations		
Net Investment Income	£ 109,513	£ 84,260
Realised Gain/(Loss) on Investments	11,390	(326,096)
Change in Unrealised Gain/(Loss) on Investments	672,975	(160,536)
	793,878	(402,372)
From Capital Transactions		
Proceeds on the Issue of Units (<i>note 4</i>)	-	10,000
Payment on the Redemption of Units (<i>note 4</i>)	(132,769)	(157,158)
	(132,769)	(147,158)
Net Increase/(Decrease) in Net Assets	661,109	(549,530)
Net Assets - beginning of period	4,717,354	5,513,213
Net Assets - end of period	5,378,463	4,963,683

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

Schedule of Investments (US Dollar Class) as at December 31, 2009 (Unaudited)

Expressed in United States Dollars

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
Fixed Income Securities – Europe				
Agence Francaise de Développement, 1.75%, 1/18/2011	400,000	\$ 404,960	\$ 403,745	0.81%
BP Capital Markets Plc, 2.375%, 12/14/2011	610,000	611,675	621,331	1.24%
Dexia Municipal Agency, 5.125%, 1/17/2012	275,000	294,266	292,811	0.59%
Dexia Municipal Agency, 5.125%, 5/31/2012	350,000	367,885	374,772	0.75%
Eurohypo SA Luxembourg, 4.625%, 9/30/2010	1,000,000	998,390	1,017,956	2.03%
Eksportfinans AS, 5%, 2/14/2012	250,000	265,565	266,468	0.53%
Kommunalbanken AS, 5.125%, 5/30/2012	645,000	694,665	693,500	1.39%
Kommuninvest, 5.375%, 6/15/2011	2,600,000	2,696,850	2,745,423	5.49%
Landwirtschaft Rentenbank, 0.5%, 6/18/2010	340,000	339,456	340,242	0.68%
SFEF, 3.375%, 5/5/2014	100,000	101,240	102,272	0.20%
Ned Waterschpsbank, 3%, 16/06/2010	1,035,000	1,032,544	1,046,007	2.09%
Total Fixed Income Securities – Europe		7,807,496	7,904,527	15.80%
Fixed Income Securities – New-Zealand				
Westpac Securities, 2.5%, 5/25/2012	770,000	785,354	778,642	1.56%
Total Fixed Income Securities – New Zealand		785,354	778,642	1.56%
Fixed Income Securities – Australia				
Commonwealth Bank Australia, 2.4%, 1/12/2012	640,000	655,418	656,199	1.31%
Total Fixed Income Securities – Australia		655,418	656,199	1.31%
Fixed Income Securities – United States				
Federal Home Loans Bank, 3%, 11/06/2010	350,000	349,985	354,266	0.71%
John Deere Capital, 3mth LIBOR, 8/19/2010	1,035,000	1,034,983	1,037,664	2.07%
Gen Elec Cap Corp, 5.25%, 19/10/2012	30,000	31,055	31,927	0.06%
Bank of America, 4.25%, 10/1/2010	575,000	584,389	589,696	1.18%
Goldman Sachs Group Inc., 5.45%, 01/11/2012	2,365,000	2,402,343	2,542,798	5.08%
Berkshire Hathaway, 4.625%, 10/15/2013	1,000,000	1,004,506	1,066,091	2.13%

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Butterfield International Balanced Fund

Schedule of Investments (US Dollar Class) December 31, 2009 (Unaudited)

Expressed in United States Dollars

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
International Lease Finance Corp, 5.3%, 5/1/2012	1,328,000	\$ 1,326,711	\$ 1,128,026	2.25%
Wells Fargo Company, 5.25%, 23/10/2012	1,358,000	1,373,540	1,449,765	2.90%
Total Fixed Income Securities – United States		8,107,512	8,200,233	16.38%
Fixed Income Securities – Canada				
Royal Bank of Canada, 4.125%, 1/26/2010	2,150,000	2,154,260	2,153,803	4.30%
Province of Ontario, 1.875%, 11/19/2012	500,000	501,485	495,019	0.99%
Total Fixed Income Securities – Canada		2,655,745	2,648,822	5.29%
Total Fixed Income Securities		20,011,525	20,188,423	40.34%
Equities – Asia				
Petrochina Company Limited	4,150	305,170	493,684	0.99%
Shangri-La Asia Limited	1,990	4,927	3,747	0.01%
Total Equities – Asia		310,097	497,431	1.00%
Equities – Europe				
Anheuser-Busch InBev NV	11,270	313,474	587,417	1.17%
BP PLC – Sponsored ADR	13,633	883,460	790,305	1.58%
Diageo PLC	8,320	464,886	577,491	1.15%
Nestle SA	13,900	547,979	674,070	1.35%
Reckitt Benekiser Group PLC	11,030	436,497	598,568	1.20%
Royal Dutch Shell PLC	8,680	583,994	521,755	1.04%
Total SA	8,380	521,939	540,114	1.08%
Vivendi	20,210	671,949	601,874	1.20%
Total Equities – Europe		4,424,178	4,891,594	9.77%

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Butterfield International Balanced Fund

Schedule of Investments (US Dollar Class) December 31, 2009 (Unaudited)

Expressed in United States Dollars

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
Equities – Israel				
TEVA Pharmaceutical Industries Ltd. –SP	14,174	\$ 566,892	\$ 796,295	1.59%
Total Equities – Israel		566,892	796,295	1.59%
Equities - South America				
Petroleo Brasileiro SA	7,600	367,468	362,368	0.72%
Total Equities – South America		367,468	362,368	0.72%
Equities - United States				
Accenture Ltd.	15,470	490,695	642,005	1.28%
Amgen, Inc.	8,085	451,653	457,368	0.91%
Archer-Daniels-Midland Company	18,800	608,856	588,628	1.18%
Biogen Idec Inc.	9,980	472,336	533,930	1.07%
Check Point Software Technologies Ltd.	31,940	798,679	1,082,127	2.16%
Conocophillips Ltd	15,060	1,307,533	769,114	1.54%
Exxon Mobil Corporation	5,197	311,331	354,383	0.71%
Chevron Corporation	9,990	840,062	769,130	1.54%
Cisco Systems, Inc.	36,140	738,348	865,192	1.73%
Kinetic Concepts, Inc.	22,190	669,984	835,454	1.67%
Mylan, Inc.	52,250	593,144	962,968	1.92%
NetApp, Inc.	13,670	338,198	469,701	0.94%
The Proctor & Gamble Company	10,540	564,179	639,040	1.28%
American Oriental Bioengineering	46,250	192,566	215,063	0.43%
Clorox Company	3,130	177,095	190,930	0.38%
International Business Machines (IBM)	6,690	794,300	875,721	1.75%
Seagate Technology	20,990	335,151	381,808	0.76%

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Butterfield International Balanced Fund

Schedule of Investments (US Dollar Class) December 31, 2009 (Unaudited)

Expressed in United States Dollars

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
Wellpoint Inc	3,430	\$ 173,015	\$ 199,935	0.40%
Western Digital Corporation	8,620	329,821	380,573	0.76%
Time Warner Inc.	15,736	426,588	458,547	0.92%
Total Equities – United States		10,613,534	11,671,617	23.33%
Total Equities		16,282,169	18,219,305	36.41%
Exchange Traded Funds – United States				
iShares S&P Global Industrial Index	19,570	897,914	869,104	1.74%
iShares S&P Global Utilities Index	8,360	352,376	401,196	0.80%
iShares S&P Global Materials Index	25,760	1,434,971	1,602,787	3.20%
iShares S&P Global Telecommunications Index	16,400	1,220,238	896,752	1.79%
iShares MSCI Emerging Market Index	62,070	2,320,856	2,575,905	5.15%
iShares MSCI Pacific Index	37,560	1,397,599	1,553,857	3.10%
Market Vectors Gold Miners	10,520	401,156	486,129	0.97%
Oil Service HOLDRs Trust	4,385	617,755	521,289	1.04%
SPDR Trust Series 1	19,360	1,547,249	2,157,478	4.31%
Vanguard Industrials	11,170	555,071	576,151	1.15%
Total Exchange Traded Funds		10,745,185	11,640,648	23.25%
Total Investments		47,038,879	50,048,376	100.00%

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Butterfield International Balanced Fund

Schedule of Investments (Sterling Class) as at December 31, 2009 (Unaudited)

Expressed in Pounds Sterling

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
Fixed Income Securities – Europe				
CIE Financement Foncier, 5.125%, 16/05/2011	100,000	£ 100,915	£ 104,448	2.02%
GE Capital UK Funding, 4.75%, 15/12/2010	300,000	297,150	307,425	5.93%
L-Bank Foerderbank, 4.25%, 15/09/2010	250,000	138,407	158,477	3.06%
Nestle Holding Inc, 4%, 23/06/2011	200,000	101,096	128,905	2.49%
Rabobank-Nederland, 4.75%, 30/09/2009	250,000	265,365	263,723	5.09%
Kingdom of Sweden, 3.875%, 15/06/2010	225,000	123,002	141,350	2.73%
Total Capital, 4.625%, 07/03/2012	100,000	99,415	105,117	2.03%
ASIF II, 5.125%, 1/28/2013	200,000	203,025	184,384	3.56%
ENI Coordination Center, 4.875%, 12/9/2010	300,000	298,839	309,708	5.98%
Nationwide Building Society, 3.75%, 11/21/2011	150,000	155,484	155,390	3.00%
Vodafone Group PLC, 4.625%, 9/8/2014	100,000	103,465	102,592	1.97%
Total Fixed Income Securities		1,886,163	1,961,519	37.86%
Equities – Bermuda				
Accenture Ltd.	1,790	37,683	45,939	0.89%
Total Equities – Bermuda		37,683	45,939	0.89%
Equities – Europe				
3i Group Plc	4,662	21,631	13,193	0.25%
Air Liquide SA	628	33,862	46,246	0.89%
Allianz SE	575	60,561	44,689	0.86%
Aviva PLC	3,250	24,169	12,932	0.25%
BHP Billiton Plc	1,500	19,141	29,925	0.58%
BP Plc	26,500	143,779	159,000	3.07%
Banco Santander SA	2,500	20,830	25,610	0.49%
Barclays PLC	8,000	55,362	22,080	0.43%
BASF SE	1,360	20,270	52,422	1.01%

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Butterfield International Balanced Fund

Schedule of Investments (Sterling Class) as at December 31, 2009 (Unaudited)

Expressed in Pounds Sterling

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
British American Tobacco PLC	2,000	£ 33,075	£ 40,330	0.78%
Diageo PLC	4,790	51,755	51,924	1.00%
Biogen Idec Inc	1,580	42,424	52,275	1.01%
Caterpillar Inc	1,050	26,380	37,006	0.71%
Check Point Software Technologies	2,320	33,938	48,609	0.94%
Essilor International SA	1,770	50,292	65,541	1.26%
GlaxoSmithKline PLC	4,190	66,734	55,287	1.07%
HSBC Holdings PLC	8,815	60,516	62,481	1.21%
Lafarge SA	520	33,348	26,662	0.51%
Nestle SA	3,080	50,646	92,369	1.78%
Novartis AG	2,110	54,528	71,220	1.37%
PPR	485	26,922	36,236	0.70%
Prudential PLC	2,750	18,544	17,600	0.34%
Reckitt Benckiser Group PLC	1,470	29,489	49,333	0.95%
Rio Tinto PLC	1,906	55,699	64,613	1.25%
Rolls-Royce Group PLC	5,500	22,534	26,593	0.51%
Royal Bank of Scotland Group PLC	20,124	67,567	5,876	0.11%
Royal Dutch Shell PLC	7,095	137,284	128,526	2.48%
Siemens AG	800	51,616	45,559	0.88%
Smith & Nephew PLC	8,200	49,747	52,439	1.01%
Smith Group PLC	4,866	22,552	49,341	0.95%
Telefonica S.A.	1,850	20,559	32,028	0.62%
Tesco PLC	14,080	64,316	60,262	1.16%
Total SA	3,025	91,474	120,745	2.33%
Vivendi	1,900	34,865	35,043	0.68%
Vodafone Group Plc	23,045	34,433	33,116	0.64%
WPP Group PLC	6,800	37,317	41,446	0.80%
Carlsberg AS	450	21,074	20,562	0.40%

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Butterfield International Balanced Fund

Schedule of Investments (Sterling Class) as at December 31, 2009 (Unaudited)

Expressed in Pounds Sterling

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
Rolls Royce Goup C	660,000	£ - £	660	0.01%
Unilever PLC	1,000	17,501	19,940	0.38%
Xstrata PLC	4,020	34,646	45,064	0.87%
Total Equities – Europe		1,741,380	1,894,783	36.54%
Equities – Israel				
Teva Pharmaceutical Industries Ltd.	1,985	37,364	68,965	1.33%
Total Equities – Israel		37,364	68,965	1.33%
Equities – United States				
Chevron Corporation	800	41,446	38,090	0.73%
Cisco Systems, Inc.	3,070	35,496	45,451	0.88%
Citrix Systems, Inc.	1,610	21,258	41,429	0.80%
EMC Corporation	3,800	28,828	41,054	0.79%
Exxon Mobil Corporation	2,360	64,703	99,521	1.92%
Fluor Corporation	680	19,278	18,941	0.37%
General Dynamics Corporation	610	11,116	25,716	0.50%
Johnson & Johnson	800	30,206	31,866	0.61%
Microsoft Corporation	2,665	53,960	50,234	0.97%
NetEase.com Inc.	1,460	18,848	33,967	0.66%
PepsiCo, Inc.	1,210	40,631	45,496	0.88%
Pfizer Inc.	3,000	32,864	33,747	0.65%
Total Equities – United States		398,634	505,512	9.76%
Total Equities		2,215,061	2,515,199	48.52%

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Butterfield International Balanced Fund

Schedule of Investments (Sterling Class) as at December 31, 2009 (Unaudited)

Expressed in Pounds Sterling

Investments	Nominal Holding/Shares	Cost	Market Value	Percentage of Portfolio
Exchange Traded Funds - United States				
iShares MSCI Pacific ex-Japan Index Fund	5,235	£ 79,490	£ 133,933	2.58%
iShares MSCI Japan Index Fund	34,500	219,222	207,808	4.01%
iShares Global Consumer Discretionary Sector	2,000	53,269	54,219	1.05%
iShares Global Utilities Index	2,000	59,590	59,356	1.15%
iShares Global Financial Sectors Index	3,200	70,892	89,862	1.73%
iShares Global Telecommunications Sector Index	1,600	53,598	54,104	1.04%
Market Vectors Gold Miners ETF	1,410	34,149	40,294	0.78%
Oil Service HOLDRs Trust	900	52,206	66,166	1.28%
Total Exchange Traded Funds		622,416	705,742	13.62%
Total Investments		4,723,640	5,182,460	100.00%

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Butterfield International Balanced Fund

Notes to the Financial Statements for the half year from July 1, 2009 to December 31, 2009 (Unaudited)

1. ORGANISATION AND OPERATIONS

Butterfield International Balanced Fund (the "Fund") was established as an open-ended multi class Unit Trust under the laws of the Cayman Islands by a Trust Deed dated June 18, 1996 (the "Trust Deed ") executed by Butterfield Bank (Cayman) Limited as trustee (the "Trustee") and Butterfield Fund Services (Cayman) Limited as manager (the "Manager"). On December 15, 2008, the Trustee amended and restated the trust deed for the Fund, in which Butterfield Fulcrum Group (Cayman) Limited ceased being the Fund's Manager, and was immediately reappointed as the Fund's Administrator. Certain powers which had been delegated by the Trustee to the Manager, were re-assumed by the Trustee. The Fund is registered as a Mutual Fund under the Mutual Funds Law of the Cayman Islands.

On January 2, 1998, the Trustee and the Administrator executed a Supplemental Trust Deed creating the Sterling Class Units of the Fund.

The US Dollar Class and Sterling Class of the Fund commenced operations on July 17, 1996 and January 21, 1998, respectively, and are administered by Butterfield Fulcrum Group (Cayman) Limited (formerly Butterfield Fund Services (Cayman) Limited), a Cayman Islands licensed Mutual Fund Administrator.

On January 30, 1998 the Fund listed the US Dollar Class and the Sterling Class of the Fund on the Cayman Islands Stock Exchange. On January 18, 2000, the Fund listed the US Dollar and the Sterling Class on the Bermuda Stock Exchange.

The Fund's objective is to achieve long-term capital growth by investing in a global portfolio of money market instruments, eurobonds, government bonds and equities.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles, 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 the estimates.

The principal accounting policies are as follows:

a) Investments

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

Securities for which there were no sales on that day are valued at the median price between the securities last bid price and asked price on the day of valuation.

The computation of the cost of sale of securities is made on the basis of the average cost. Purchases and sale of securities are accounted for on the transaction date, and the difference between the sale price and the cost is included in realized gain/(loss) on investment in the statement of operations.

Butterfield International Balanced Fund

Notes to the Financial Statements for the half year from July 1, 2009 to December 31, 2009 (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Interest and dividend income

Interest and dividend income are accrued as earned.

c) Foreign currency translation

The functional currency of the US Dollar class is USD. The functional currency of the Sterling Class is GBP.

d) Fair value of financial instruments

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) Recent accounting pronouncements

In February 2008, the Canadian Institute of Chartered Accountants ("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.

f) Comparatives

Certain prior year disclosures have been amended to conform with the current year presentation.

3. RELATED PARTY TRANSACTIONS

The Administrator is entitled to receive a monthly fee which is calculated at the rate of no more than one percent per annum of the net asset value of the entire Fund calculated and accrued weekly. During the year, fees earned by the Administrator were calculated at the following rates:

US Dollar Class - 0.35% per annum of the Net Asset Value

Sterling Class - 0.25% per annum of the Net Asset Value

In addition, Butterfield Bank (Cayman) Limited and Butterfield Bank (Guernsey) Limited (the "Sales Agents") are entitled to receive a sales commission on subscriptions of up to 2% for the US Dollar Class and 4% for the Sterling Class. No sales commission was charged in 2009 and 2008.

As of December 31, 2009, the Fund owed the Administrator \$ 18,676 (2008:\$ 3,817) for the US Dollar Class and £ 1,279 (2008:£ 504) for the Sterling Class.

On January 28, 1998, Butterfield Bank (Cayman) Limited (the "Custodian") appointed Butterfield Bank (Guernsey) Limited as subcustodian and principal banker for the Sterling Class (the "SubCustodian").

The Custodian and Sub-Custodian, both related parties, are entitled to receive a monthly fee, calculated at a rate of 0.25% per annum of the net asset value of each Class of Units, calculated and accrued weekly.

Butterfield International Balanced Fund

Notes to the Financial Statements for the half year from July 1, 2009 to December 31, 2009 (Unaudited)

3. RELATED PARTY TRANSACTIONS (Continued)

As of December 31, 2009, the Fund owed the Custodian \$ 8,296 (2008:\$ 2,726) for the US Dollar Class and £ 2,617 (2008:£ 733) for the Sterling Class.

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

Butterfield Bank (Cayman) Limited (the "Investment Advisor") and Butterfield Bank (Guernsey) Limited (the "Sub-Investment Advisor") are entitled to receive a fee for providing investment advice to the Fund, calculated at a rate 0.65% per annum of net asset value of each class of units, calculated and accrued weekly, for USD class and 0.75% for Sterling class.

As of December 31, 2009 the Fund owed the Investment Advisor and Sub-Investment Advisor \$ 21,570 (2008:\$ 7,088) for the US Dollar Class and £ 7,854 (2008:£ 2,429) for the Sterling Class.

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

4. CAPITAL UNITS

The fund may issue an unlimited number of units of each Class, which are redeemable at the option of the unitholders.

Details of units issued, redeemed and outstanding during the half year are as follows:

US Dollar Class	2009 No. of Units	2009	2008
Balance - beginning of period	2,815,342	\$ 38,122,740	\$ 44,458,744
Issue of units	75,888	1,372,001	1,655,211
Redemption of units	(152,846)	(2,852,670)	(4,451,985)
Balance - end of period	2,738,384	36,642,071	41,661,970

Sterling Class	2009 No. of Units	2009	2008
Balance - beginning of period	404,979	£ 5,291,158	£ 5,513,213
Issue of units	-	-	10,000
Redemption of units	(9,986)	(132,769)	(157,158)
Balance - end of period	394,993	5,158,389	5,366,055

Butterfield International Balanced Fund

Trustee

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

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
Tel: (345) 949-7055 Fax: (345) 949-7004

Sub-Administrator, Transfer Agent

Butterfield Fulcrum Group (Bermuda) Limited
65, Front Street, P.O. Box HM195
Hamilton, HM12, Bermuda
Tel: (441) 295-1111 Fax: (441) 292-4356

Investment Advisor

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

Sub-Investment Advisor

Butterfield Bank (Guernsey) Limited
P.O. Box 25, Regency Court, Glatigny Esplanade
St. Peter Port, Guernsey, Channel Islands, GY1 3AP
Tel: (44) 1481711521 Fax: (44) 1481714533

Custodian and Banker

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

Sub-Custodian and Banker

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Butterfield International Balanced Fund

Sales Agents

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Butterfield Bank (Guernsey) Limited
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St. Peter Port, Guernsey, Channel Islands, GY1 3AP
Tel: (44) 1481 711521 Fax: (44) 1481 714533

Auditors

Deloitte
2nd Floor, One Capital Place
P.O. Box 1787, Grand Cayman KY1-1109, Cayman Islands

Legal Advisors and Listing Agent

Appleby
Clifton House, 75 Fort Street
P.O. Box 190, Grand Cayman KY1-1104, Cayman Islands