

Butterfield Bank
Guernsey

Investment Management Services



Butterfield Bank

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INTRODUCTION

At Butterfield Bank Guernsey we offer a very special combination of advantages for investment management.

We are situated in a unique location which has become one of the most respected offshore centres in the world.

We are part of the Butterfield Bank Group with, in addition to Guernsey, offices in The Bahamas, Barbados, Bermuda, Canada, Cayman Islands, Hong Kong, Malta, Switzerland and the United Kingdom, offering the full range of wealth management services.

We ensure that:

- we treat each client as an individual with unique requirements;
- we keep a low client to manager ratio, allowing us the time to understand these requirements;
- we provide direct access to our expertise and experience;
- we maintain high levels of communication so that we correctly understand the parameters within which individual investment decisions are made.





EXPERT ADVICE

OUR INVESTMENT PHILOSOPHY

Everything we do for our clients begins from the basis that each is an individual, with unique requirements, and that they will need bespoke, flexible, and dynamic solutions.

Really understanding a client's needs takes experience, and it takes time. To ensure that our investment professionals have this time each works with a very small number of clients. This enables them to proactively identify when and how a client's circumstances might be changing. The resulting smooth transitions of investment positioning over time can offer huge potential benefits over a more reactive approach.

It is clear how this approach would be critical when setting long-term risk and return expectations. However, it is also fundamental to all other aspects of the long-term partnership which we build with our clients. For example, the way in which we report, the frequency with which we discuss portfolio positioning, how often we meet, the asset classes we will use, and specific exclusions, are all areas where we see flexibility as imperative.

Understanding exactly what a client needs is only of any use if you have the experience and knowledge to turn that into an appropriate investment strategy. This is the other critical reason why our clients have direct access to their Investment Manager. The same person, who understands the nuances of their situation, will have played a key role in all aspects of the Bank's investment strategy. Thus, when altering portfolio positioning to meet a client's needs, they are uniquely placed to understand the implications and ensure that appropriate balancing action is taken.

This approach has become rare, with 'client relationship managers' often increasingly removed from investment decision-making. In our opinion, there is no replacement for a combination of knowledge and relationship, with any other approach being a poor compromise.



Help on hand to make the best decisions.



HARMONIOUS COMMUNICATION

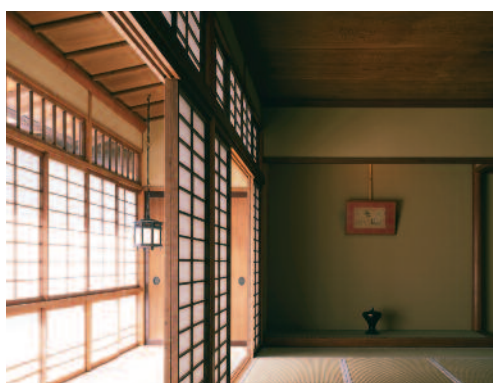
HOW WE WORK WITH YOU

The process begins with us gaining an understanding of your core investment considerations, such as the need for current or future income, expectations for long-term capital appreciation, and potential long-term residency and currency requirements. We will also aim to achieve a general understanding of each client's position on tax and estate planning.

Possibly the most critical area for discussion revolves around risk, as neither too much nor too little will produce appropriate outcomes. This discussion is complicated, because everyone has a slightly different definition of 'risk' and this is rarely a concept that can simply be captured by the statistical measures of historic price fluctuation upon which so many investment managers rely. Each client's perspective of risk will be moulded by factors such as overall financial and personal situation, the absolute minimum requirements from the portfolio, past experience and personal values. We strive to understand these complex issues, so that we can construct a portfolio which will always remain appropriate to an individual client's needs.

Generally, our clients ask that we provide them with a full reporting package on a quarterly basis. This will include a detailed explanation of our investment market outlook, accompanied by a review of how this relates to the positioning of their unique portfolio. Investment performance will also be reviewed, with a full explanation of how this relates to agreed long-term objectives.

We aim to discuss portfolio positioning with each client following the provision of this quarterly report, and would target at least an annual face-to-face meeting, where this is appropriate. Furthermore, we encourage our clients to discuss any investment related questions they may have as and when they arise, whether these are directly related to their portfolio or more generic in nature.



Collaborative guidance to achieve your objectives.



WORKING TOGETHER

OUR INVESTMENT PROCESS

Butterfield Bank's investment process aims to fully utilise the diverse investment expertise and experience which is available within our Guernsey, Cayman, Switzerland, London and Bermuda investment teams. This is balanced with the need to maintain sufficient flexibility for Investment Managers to construct portfolios that meet the unique requirements of each client.

To decide how to get to your destination, you must first know where you are, so our process begins by clearly defining the prevailing global economic environment. Each Group location plays an integral role in creating this fundamental base. Many inputs are considered, including consensus data, key economic releases, numerous independent third-party research sources, as well as proprietary analytical solutions.

The Group's work on the economic environment creates clear guidance for Investment Managers when making tactical asset allocation decisions within specific client mandates. This work is also combined with analysis of long-term investment themes to create a bias towards appropriate economic sectors within all portfolios.

The equity proportion of a portfolio may be constructed using direct positions, a range of third-party fund vehicles, or a combination of the two, depending upon the specific requirements of the client. Whichever approach is adopted, the Group has a process in place designed to ensure that each Investment Manager plays a crucial role in creating the building blocks which will be used in the final portfolio construction.



High achievement through reliable partnership.

TRUST AND EXPERIENCE



COMPANY PROFILE

Guernsey is an independent, well regulated and internationally accepted jurisdiction with a framework of legislation and practices that ensure its position in the first division of offshore financial service centres. The finance industry in Guernsey has successfully evolved over the last four decades and Butterfield Bank Guernsey has been part of this development, with a presence on the Island for over thirty years.

A key feature of Butterfield Bank Guernsey's investment approach is that its client-facing investment personnel form an integral part of the investment decision-making process within the structure and methodology adopted by the Group as a whole. This enables clients to have direct communication with one of the Investment Managers who have driven the underlying investment allocation within their individual portfolio. We believe this to be crucial in order to ensure that the Group's disciplined investment approach is also adaptable to meet the ever-changing investment objectives of our international client base. To this end, our investment team includes a broad spectrum of personnel with an extremely high level of international investment experience and expertise.



Achieve new heights by working together.



STRENGTH AND BALANCE

BUTTERFIELD BANK GROUP

In 1758, Nathaniel T Butterfield founded a merchant-trading firm which, in 1858, became The Bank of N. T. Butterfield & Son, Bermuda's first bank. By the late 1800s, the Bank was supporting a budding tourism industry by lending money to innkeepers, retailers and companies building the Island's infrastructure. In 1904, with the equivalent of about US\$120,000 in assets, the Bank was incorporated by an Act of Parliament.

Since that time it has grown and evolved, not only to become a leading domestic bank on Bermuda, but also to be well regarded as a specialist offshore financial services group with offices in The Bahamas, Barbados, Canada, Cayman Islands, Guernsey, Hong Kong, Malta, Switzerland and the United Kingdom.

Serving both private and corporate clients, the Group offers a full range of wealth management services encompassing investment management, banking, global custody, trust and corporate services.

Butterfield Group's common stock trades on The Bermuda Stock Exchange under the ticker 'NTB'.



Gaining the edge.

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