

Bermuda Fund

Quarter 3 2025

Objective

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

Investment policy

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

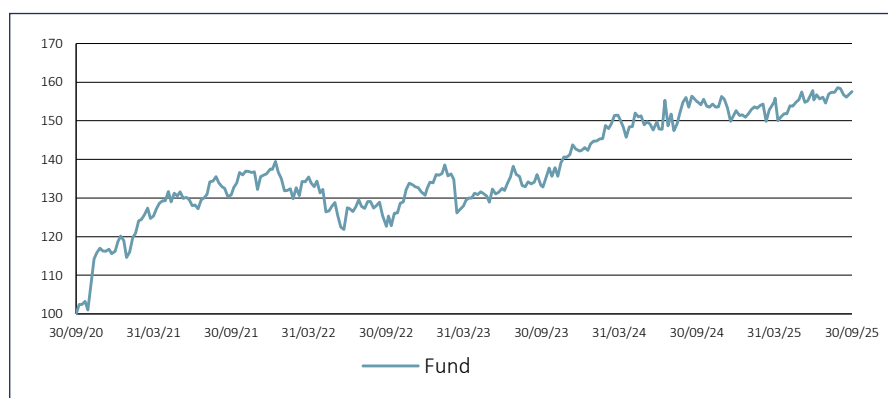
Investment process

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

Key facts as at 30 September 2025

Currency	BMD
Valuation	Weekly
Dealings	Thursday
Front end fee	None
Units available	Accumulation
Fiscal year end	30 June
Minimum investment	BMD 1,000
Total expense ratio	1.18%
Size of fund (millions)	BMD 25.17
NAV per share	BMD 47.96
Risk rating	High risk/High return

Performance chart



Average annual compound returns

	Quarter	1 year	3 years	5 years	10 years
Fund	0.14%	2.99%	10.17%	11.09%	10.78%

Fund review

The Bermuda Fund delivered a modest 0.14% in Quarter 3 2025. This performance brings the Year to Date return of the Fund to 4.23% with a corresponding NAV per share of 47.96. The Fund maintained the dividend of \$0.15 per share. The Portfolio is distributed accordingly; 50% International Equity securities, 25% Domestic Equity securities, 22% Fixed Income securities, and 3% cash.

Across equity markets broadly, investor appetite has continued to signal risk on activity as the majority share of ETF fund flows demonstrate investors demanding Communications, Financials (in particular banks and to some extent financial services markets which are currently subject to strict regulation and would benefit from relaxed regulatory standards and policies), industrials, technology, and broad market indices. Thematics associated with the technological revolution in which investors found higher risk/reward characteristics than that of the insurance industry include Defense Technology, China Internet, Robotics, Smart Grid Infrastructure, and Artificial Intelligence & Big Data.

Traditionally, companies in the insurance industry have been viewed as “defensive” investments in the context of equity instruments because of the sector’s relatively stable performance across different financial market conditions. In the third quarter of 2025, broad market performance showed gold, automobile manufacturers, electronic components, technology hardware, storage & peripherals, and semiconductor equipment as the best performers driven by the AI theme which can explain the majority of the recent appreciation in equity markets.

Contact us

Butterfield Asset Management Limited

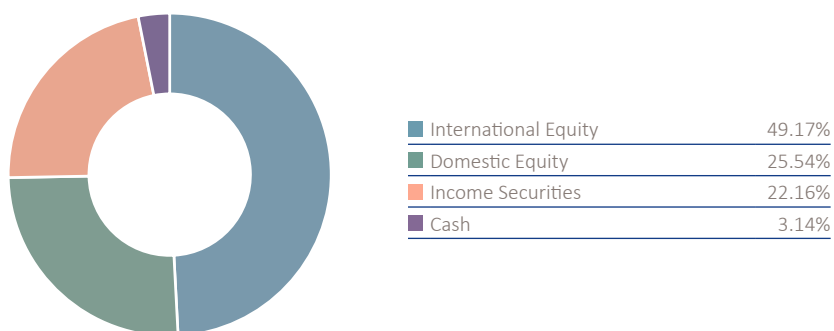
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Insurance companies drive the performance of the portfolio given that they are the dominant constituents in the largest component of the Fund. US and European insurance companies lagged the broader market in Q3, as premium pricing began to soften (ie increases in prices charged for insurance policies moderated) as new insurer capacity came online bringing more flexible terms and conditions, slowing Return on Equity levels, as well as investor concerns around elevated claims activity from loss events occurring earlier in the year creeping into performance. The largest equity holdings in the portfolio are Chubb, Bank of Butterfield, and Arch Capital Group, each detracting from the portfolio's performance in the third quarter. Willis Towers Watson, RenaissanceRe, and SwissRe were the largest contributors to portfolio performance from the Financials sector. Bermuda Aviation Services, an Industrials holding also contributed modest positive performance, whereas Utilities and Communication Services holdings negatively impacted performance throughout the quarter.

The portfolio's defensive attributes are a positive in a market environment with pervasive uncertainty with respect to macro-economic activity. Given the risk on backdrop of the market, we expect to see insurers behave as a defensive security but investors should find comfort that the portfolio preserves investor capital during periods of turbulence.

Broadly, Fixed Income securities returned positive low single digit returns, providing an anchor to overall portfolio performance to counter the general drawdown seen from equities. Corporate Bonds spreads tightened throughout the quarter after widening in Q1 and Q2 however tariffs, inflation, and central bank policy pressures all impacted performance.

Asset allocation



Top 10 holdings

1	Allshores Ltd	11.96%
2	Bank of NT Butterfield & Son L	9.48%
3	Arch Capital Group Ltd	6.81%
4	RenaissanceRe Holdings Ltd	4.11%
5	Assured Guaranty Ltd	4.01%
6	Axis Capital Holdings Ltd	3.98%
7	Markel Group Inc	3.93%
8	GOVT OF BERMUDA	3.60%
9	Everest Group Ltd	2.91%
10	Aon Plc	2.89%

Benchmark composition

Under review.

www.butterfieldgroup.com

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