

Bermuda Fund

Quarter 4 2025

Objective

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

Investment policy

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

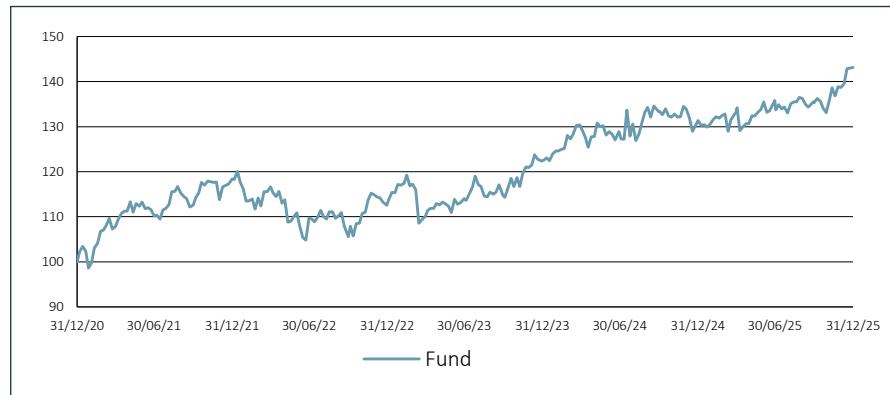
Investment process

A comprehensive analysis, inclusive of qualitative and quantitative factors, is used to evaluate companies that fall into the scope of the Investment policy.

Key facts as at 31 December 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	1.21%
Size of fund (millions)	BMD 25.52
NAV per share	BMD 50.63
Risk rating	High risk/High return

Performance chart



Average annual compound returns

	Quarter	1 year	3 years	5 years	10 years
Fund	5.87%	10.35%	9.80%	8.96%	10.98%

Fund review

In the fourth quarter of 2025, the Bermuda Fund had a price return of 5.87% for a total return in 2025 of 10.35%. The fund maintained a dividend of .15 per share. The portfolio is constructed as follows; 22% fixed income securities, 77% equity securities, 1% cash.

Overall portfolio return continues to be driven by returns from equity securities. Portfolio holdings jumped in the fourth quarter after flat performance in the third quarter. Insurance drove gains with Allshores, Chubb, Markel, Axis, and RenaissanceRe contributing most to quarterly performance. Butterfield also contributed significantly to the portfolio's performance in the fourth quarter. Fixed Income securities continued to move directionally in line with equities posting marginal gains across our holdings in the asset class.

The largest sector allocation remains to securities in the financial sector. The portfolio's largest positions are in Allshores, Butterfield, and Chubb. The financials sector was among the best performing sectors in major indices and contributed the most to the portfolio in the fourth quarter. Banks in particular benefitted from signalling that legislation aimed at loosening underwriting standards with respect to lending would be introduced, banking capital requirements would decrease for the largest US banks, and easing financial conditions creating a bullish environment for banks and other lending institutions. Insurance companies with global operations were the biggest beneficiaries of positive performance in Q4. At headline level, earnings results are expected to be stable to strong as the volume of catastrophe losses have developed more favorably than expected leaving margin estimates intact, however declining prices in the broader commercial lines environment are impacting short-term margin estimates feeding into moderating valuations and forecasts into 2026.

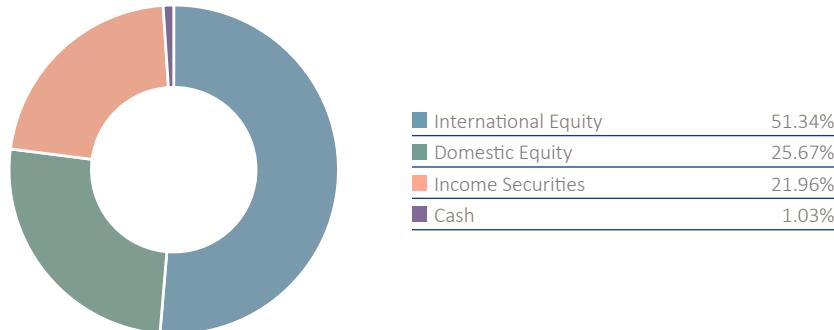
Contact us

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A notable development worth mention is the SEC's updated views on digital assets, in particular, the expected delivery of legislation (i.e. Digital Asset Market Clarity Act of 2025 a.k.a the CLARITY Act of 2025) supporting the establishment of a framework for digital assets while also defining a market structure for the industry. 2025 is being touted as a watershed moment for the cryptocurrency industry as the passage of the GENIUS Act (a.k.a Guiding and Establishing National Innovation for U.S. Stablecoins Act) in July 2025 marked the first framework allowing for payment using stablecoins. The developments present further opportunities for financial sector securities across subsectors.

Asset allocation



Top 10 holdings

1	Allshores Ltd	11.50%
2	Bank of NT Butterfield & Son L	9.88%
3	Chubb Ltd	8.13%
4	Arch Capital Group Ltd	7.14%
5	RenaissanceRe Holdings Ltd	4.52%
6	Axis Capital Holdings Ltd	4.41%
7	Markel Group Inc	4.38%
8	Assured Guaranty Ltd	4.23%
9	GOVT OF BERMUDA	3.55%
10	Aon PLC	2.83%

Benchmark composition

Under review.

www.butterfieldgroup.com