Fund Review

Butterfield Bank (Cayman) Limited

Global Blue Chip Fund

Quarter 1 2026

Objective

To achieve long-term capital growth in the value of the assets.

Investment policy

To hold a global portfolio of international blue chip equities. Blue chip is defined as an internationally recognised company, often the leader in its field, with a lengthy history of profit growth and quality management.

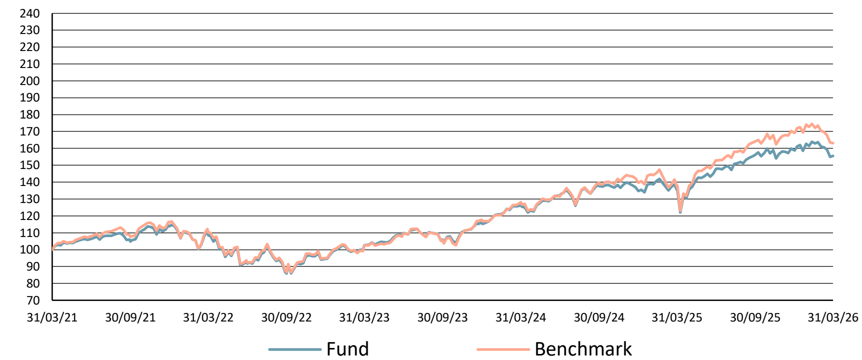
Investment process

The primary consideration for our equity process is to focus on large capitalisation companies with market leadership positions and a history of consistent earnings growth.

Key facts as at 31 March 2026

Currency	USD
Valuation	Weekly
Dealings	Tuesday
Front end fee	None
Units available	Accumulation
Identifier	BUTGBCF KY
Fiscal year end	30 June
Minimum investment	USD 5,000
Total expense ratio	1.58%
Size of fund (millions)	USD 24.2
NAV per share	USD 35.58
Risk rating	High risk/High return

Performance chart



Performance returns

	Quarter	1 year	3 years*	5 years*	10 years*
Fund	-2.06%	14.96%	14.91%	9.23%	10.98%
Benchmark	-3.57%	18.90%	16.77%	10.27%	12.04%

**Annualized*

Fund review

The year began with a focus on improving global growth and the AI revolution. The MSCI World ex USA Index returned 9.8% in US dollar terms in the first two months, but then fell 9.7% in March. The S&P 500 had a slower start, returning 0.6% through the end of February, but held up better during the global rout in March, falling only 5.0%.

The main risks from the Middle East conflict are higher commodity prices and central banks constrained from lowering interest rates due to inflationary pressure. Some companies benefit, but the challenge for the equity market is that the losers outweigh the winners. Energy companies are clear beneficiaries, and this was the best performing sector in the first quarter. Global Energy stocks returned 36.9% in US dollar terms.

In our equity strategies, we have exposure to the Energy sector close to respective benchmarks and that diversification was helpful. The US has been the largest oil producer in the world in each of the last seven years. Therefore, the US economy is more insulated from an energy price shock compared to others, but it is not immune.

The Technology sector had an eventful start, with a widening gap between beneficiaries of AI Infrastructure spending and those deemed at risk from disruption. AI applications like ChatGPT, Gemini and Claude also require vast amounts of computing power. Hardware and Semiconductor firms are key suppliers for this multilayered system. Nvidia is the most famous beneficiary, but this theme has broadened out over time.

Software and Professional Services are seen as at risk from disruption by AI-enabled competition.

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Benchmark composition

100% MSCI World Free Net Total Return USD Index.

All benchmark components are calculated on a total return basis i.e. dividends included and net of appropriate withholding taxes.

Note: As at 1 July 2018 the benchmark changed from the S&P Global 100 to the MSCI World.

Contact us

Butterfield Bank (Cayman) Limited

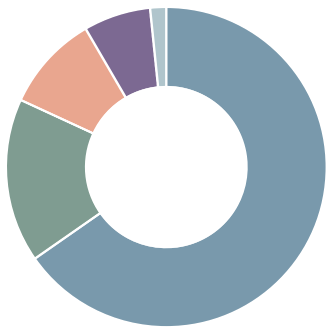
Tel: (345) 949 7055

The industry has enjoyed high valuations due to recurring revenue but AI's ability to write computer code means the cost of producing software has plummeted, raising concerns about growth and margins. Utilities have also been a key beneficiary of increasing energy demand, where we have more sector exposure than our benchmarks.

In the wider Industrials sector, defence stocks outperformed in the first quarter, falling in March, but having performed well in the run-up to hostilities. President Trump is pushing for more money for defence spending, but Congress is likely to be cautious.

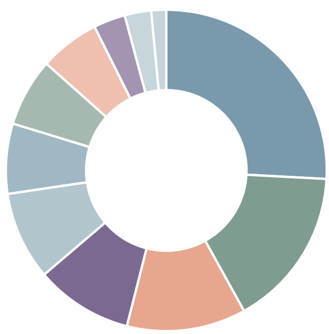
Overall, a commodity shock is a net negative for equities. When the war broke out, we moved our House View to Modestly Underweight. There is a lot of pressure in the U.S. to negotiate an end to the war and re-open key shipping routes. Volatility is a part of investing and geopolitical shocks have proven good buying opportunities. We remain focused on sector and geographical diversification to build resilience within the fund.

Geographic allocation



North America	65.3%
UK / European	16.6%
Other	9.7%
Japan	6.8%
Emerging Markets	1.6%

Equity sector allocation



Information Technology	25.8%
Financials	16.1%
Health Care	12.0%
Industrials	9.8%
Communication Services	8.9%
Energy	7.0%
Consumer Discretionary	6.9%
Consumer Staples	6.1%
Materials	3.2%
Utilities	2.7%
Real Estate	1.5%

Note: Regional index tracking products have been excluded.

Top 10 holdings

1	NVIDIA CORP	Information Technology	6.63%
2	APPLE COMPUTER INC	Information Technology	4.65%
3	ALPHABET INC CLASS C	Communication Services	4.37%
4	MICROSOFT CORP	Information Technology	3.30%
5	NOVARTIS A G	Health Care	2.86%
6	AMAZON COM INC	Consumer Discretionary	2.65%
7	E.ON SE NPV	Utilities	2.42%
8	APPLIED MATLS INC	Information Technology	2.39%
9	WALMART INC	Consumer Staples	2.24%
10	NEXTERA ENERGY INC	Energy	2.05%

Note: Index tracking products have been excluded.

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