BUTTERFIELD

Fund Review

Butterfield Asset Management Limited

Bermuda Fund

Quarter 3 2026

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.

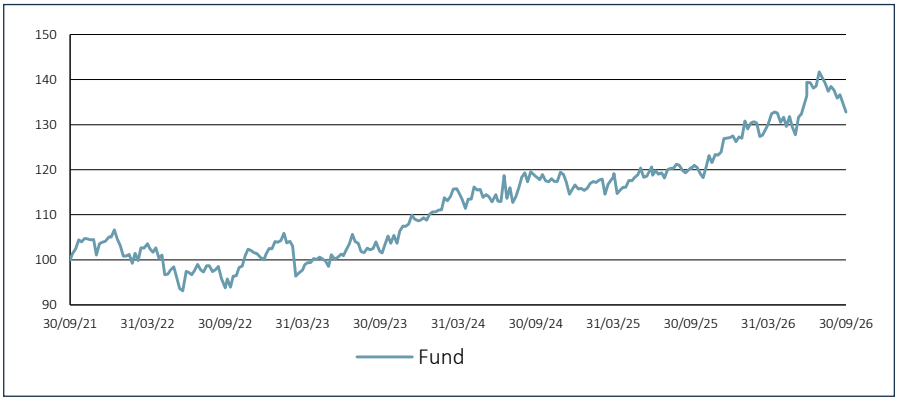
Investment process

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 30 September 2026

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	1.19%
Size of fund (millions)	BMD 27.04
NAV per share	BMD 52.88
Risk rating	High risk/High return

Performance chart



Performance returns

	Quarter	1 year	3 years*	5 years*	10 years*
Fund	-2.36%	11.53%	10.56%	7.27%	10.33%

**Annualised*

Past performance is not indicative of future returns. Please see full risk disclosure below (footer).

Fund review

The Bermuda Fund had a total return of -2.36% in the third quarter for a year to date return of 5.05%. The fund maintained $0.15 per share dividend. Asset allocation is approximately 21% Fixed Income, 75% Equities, 4% Cash.

Financial markets mostly digested the Iran-US news cycle in the third quarter with price action determined more by a shifting narrative toward the Federal Reserve's mandate of price stability and full employment. Since 2022, the economy has experienced inflation over and above the Federal Reserve's 2% target. Chairman of the Federal Reserve Board of Governors' Kevin Warsh emphasized that the central bank would prioritize delivering price stability (at-target inflation measures) for American consumers. This statment was followed by an interest-rake hike of 25 basis points (0.25%) of the Fed Funds rate at the Federal Open Market Committee. At present, the Federal Reserve uses Core PCE as it's main measure of inflation as it is a consumption weighted index thereby reflecting the movement of prices of goods and services for which consumers have relatively the most demand. The increase in the Federal Funds rate was viewed as a positive signal by bond market investors as the move signals a willingness of the central bank to act independent of political influence. Following the increase of the federal funds rate, investors' renewed reassurance in the Fed's commitment to it's mandate saw investor appetite for risk increased as upward pressure on bond yields abated and equity markets posted gains. Holders of bonds have considerable influence over the Federal Funds rate through their buying and selling decisions which dictate yields. Bond yields have also been at the centre of market conversation in the third quarter, particularly 10 and 30 year bond yields which have been aggressively

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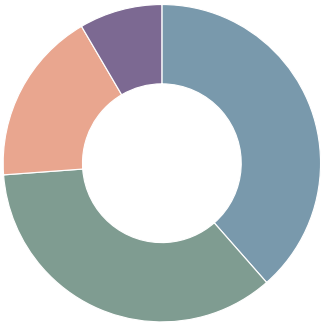
Tel: (441) 299 3817

repricing to levels not seen in almost 20 years.

The Financials sector at headline level was flat (-0.12%) but the dispersion from a subsector perspective is telling. The Insurance (-2.78) and Banks (-2.20) subsectors declined most heavily whereas the Financial Services (+1.42%) subsector had positive performance. Using subsector returns as a broad measure of investor appetite to hold risk assets in their portfolio allocations. From an insurance industry group perspective, Life Insurance rose +3.28%, while the Property & Casualty Insurance industry group declined -3.57%. Thus, quarterly fund performance is in line with expectations as the portfolio is tilted toward property and casualty insurance companies. Overall, the insurance sector continues to represent an attractive opportunity for capital allocation in times that increasingly include geoeconomic, technological, and regulatory developments.

Insurance rates declined across all regions globally with the heaviest declines occurring in Latin America, the Pacific, and the Middle Eastern regions. The UK, Canada, and Europe also experienced substantial rate decreases. Casualty rates remained positive but rate growth is only marginally positive. Property rate decreases were largest followed by Cyber then Financial Professional lines. Investment yields reaccelerated to 4.0% in the first half of 2026 as a boon to earnings supported by still increasing catastrophe bond and sidecar capacity.

Asset allocation



International Equity	41.73%
Domestic Equity	35.64%
Fixed Income Securities	21.29%
Cash	1.34%

Top 10 holdings

1	ALLSHORES LIMITED (FORMERLY BF&M LTD)	14.59%
2	BANK OF NT BUTTERFIELD & SON	11.05%
3	CHUBB LTD	8.12%
4	ARCH CAPITAL GROUP LTD	6.41%
5	RENAISSANCE RE HLG	4.76%
6	AXIS CAPITAL HOLDINGS LTD	4.14%
7	MARKEL GROUP INC	3.72%
8	ASSURED GUARANTY LTD.	3.53%
9	GOVT OF BERMUDA 2.375 20/08/2030	3.34%
10	EVEREST GROUP LTD	2.75%

Benchmark composition

Under review.

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