BUTTERFIELD

Fund Review

Butterfield Bank (Cayman) Limited

Global Blue Chip Fund

Quarter 3 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.

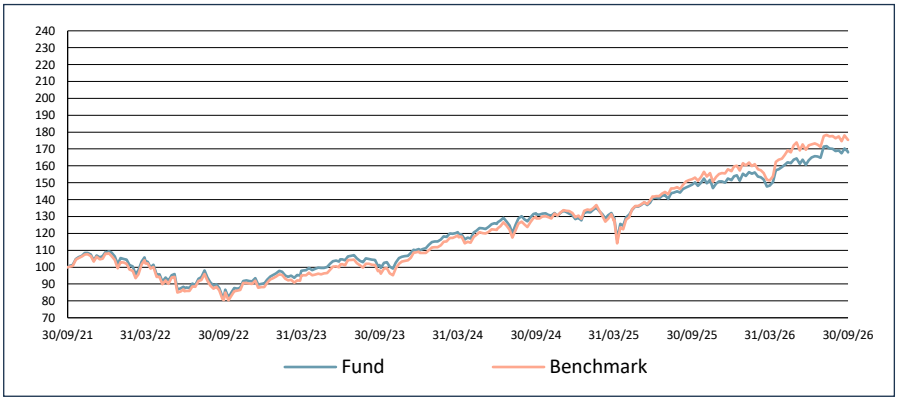
Key facts as at 30 September 2026

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 26.2
NAV per share	USD 40.30
Risk rating	High risk/High return

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★★★★

Performance chart



Performance returns

	Quarter	1 year	3 years*	5 years*	10 years*
Fund	2.94%	12.85%	18.43%	10.93%	11.62%
Benchmark	1.88%	15.65%	21.40%	11.89%	13.07%

**Annualised*

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

Fund review

Global equity markets gained in Q3, as the MSCI World Index returned 1.9% in US dollar terms and 1.8% in GBP. While these returns align with historical three-month averages, surface-level stability masked significant underlying volatility and sector dispersion.

Driven by rising oil prices, Energy led Q3 sector performance with a 15.2% return. Technology followed at 6.2%, though a stark valuation gap emerged: US tech gained 7.7%, while global tech outside the US fell 6.0%. This divergence proved pivotal given that Technology comprises nearly one-third of major global equity indices.

While the AI buildout boosted semiconductor demand, spanning cutting-edge chips to everyday components, it threatened software. AI's code-generation capabilities lower software development costs, threatening high-multiple incumbents and challenging their profitable, low-marginal-cost, and contractually recurring revenue models.

Software stocks rebounded in Q3 as AI disruption fears dissipated. After a period of underperformance that compressed the MSCI World Software & Services Index P/E ratio from 34x to 26x, it surged 27.0% in Q3, reversing a 23.8% Q1 decline. Investors now view deeply embedded enterprise "system of record" incumbents as resilient against AI entrants, while light institutional positioning provided a tailwind on positive news.

AI data centres are reshaping power demand, forcing facilities to rely on both grid electricity and on-

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

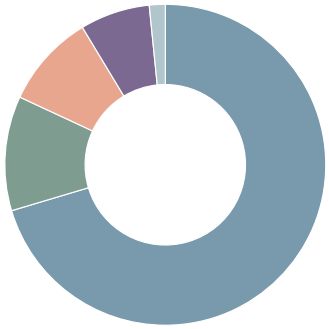
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site generation. While a July sell-off temporarily weakened data centre-linked Industrials, surging power demand remains a structural tailwind. Utilities, as a debt-heavy, capital-intensive sector, face headwinds from rising bond yields and borrowing costs. Consequently, we reduced our long-standing overweight position in Utilities to a benchmark weight in Q3, pivoting the proceeds into Industrials to better capture the AI buildout.

Japanese equities led Q3 global performance with a 6.0% USD return, driven by Energy and Financials, as banks are poised to benefit from rising interest rates. Meanwhile, South Korea's tech-heavy MSCI Index fell 6.7% in Q3 after a sharp 30% intra-month correction in July, though YTD returns remain strong due to a 102.4% first-half rally.

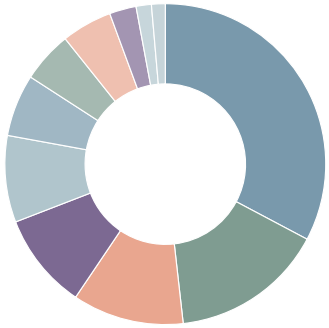
Global equities are supported by compressed valuation multiples and strong earnings, but risks include high oil prices, elevated interest rates, and a potentially disappointing AI rollout. We remain neutral on global equity exposure, aligned with benchmarks.

Geographic allocation



North America	70%
UK / European	12%
Other	9%
Japan	7%
Emerging Markets	2%

Equity sector allocation



Information Technology	33%
Financials	15%
Industrials	11%
Health Care	10%
Communication Services	9%
Consumer Discretionary	6%
Consumer Staples	5%
Energy	5%
Materials	3%
Real Estate	2%
Utilities	1%

Note: Regional index tracking products have been excluded.

Top 10 holdings

1	NVIDIA CORP	Information Technology	7.02%
2	APPLE COMPUTER INC	Information Technology	5.37%
3	MICROSOFT CORP	Information Technology	4.86%
4	ALPHABET INC CLASS C	Communication Services	4.57%
5	BROADCOM INC	Information Technology	2.91%
6	AMAZON COM INC	Consumer Discretionary	2.79%
7	META PLATFORMS INC-CLASS A	Communication Services	2.29%
8	PALO ALTO NETWORKS INC	Information Technology	1.90%
9	SIEMENS AG	Industrials	1.83%
10	BANK OF AMERICA CORPORATION	Financials	1.79%

Note: Index tracking products have been excluded.

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