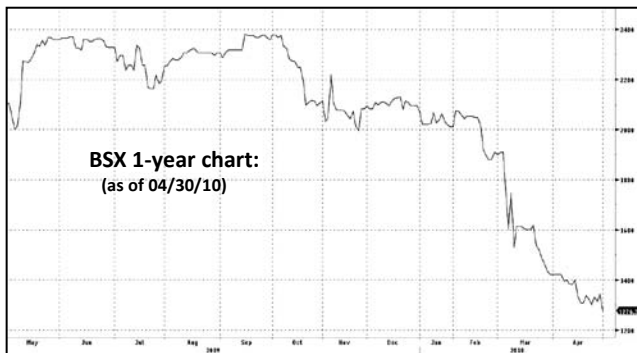


**About the BSX**

Established in 1971, the Bermuda Stock Exchange (BSX) is the world’s largest electronic offshore securities market. Trading on the BSX is executed through the Exchange’s fully-automated trading system (BEST), based on a central limit order book. Once executed, trade information is disseminated electronically to key financial information providers (i.e. Bloomberg, Reuters), creating a transparent, liquid, and global market. Timely clearing and settlement is facilitated through BEST’s tight integration with its electronic clearing, settlement, and depository system, the Bermuda Securities Depository (BSD). The BSX domestic market trades daily, Monday to Friday, from 9:00am to 3:30pm AST. International Markets on the BSX remain open until 6:30pm AST, allowing for extended trading hours to those exchange members residing outside of North America.

**About the Domestic Issuers Index**

Since 1971 the BSX, in association with The Royal Gazette, has published a daily market cap-weighted index. The index is currently comprised of fourteen of Bermuda’s largest domestic companies – corporations who serve predominantly the local markets and who desire the benefits of public listing (i.e. corporate transparency, media coverage, and efficient access to capital.) The BSX further separates the domestic issuers into two classes - “main board” companies (market cap above \$10 million) and “small cap” issuers (market cap between \$500k and \$10 million.) Listed companies are required to make financial releases twice per annum – a six-month financial report in addition to fiscal year-end annual reports.



**Historical Performance of the Index**

Since the dawn of the credit crunch in the fall of 2007, the BSX Domestic Issuers Index began a significant decline. The high relative weighting of Butterfield Bank (ranging from 40-80%), along with the cross-ownership of many Domestic Issuer stocks, have contributed to a prolonged decline in the value of the index over the past two years, while other worldwide equity markets have rallied. Furthermore, the downturn in the insurance industry and the resulting effects on the Bermudian economy has served to reduce demand for many of the Domestic Issuers’ products and services.

Performance Period	Gross Performance		Annualized Performance	
	No Dividend Reinvestment	Dividends Reinvested*	No Dividend Reinvestment	Dividends Reinvested*
Year-to-date:	(38.4%)	(37.8%)	n/a	n/a
1 year:	(39.4%)	(37.1%)	n/a	n/a
5-Year:	(60.8%)	(55.2%)	(17.5%)	(14.8%)
10-Year:	(11.1%)	25.3%	(1.2%)	2.3%
Since Modernization:	16.3%	111.2%	1.0%	5.0%

**Notes:** - Dividends assumed to be reinvested into index as of payment date.  
 - Modernization of the BSX was on 1/1/1995 (15.33 years.)