

Butterfield Select Invest Fund  
Limited

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2019

# Butterfield Select Invest Fund Limited

---

## INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2019

### Introduction

We are pleased to present the Annual Report of the Fund for the twelve months ended June 30, 2019. The Butterfield Select Invest Fund is divided into five share classes according to shareholders' risk appetite from Cautious to Dynamic and with the exception of the Dynamic Class, which is not open to shareholder subscriptions, allocated 100% of its investments to three classes of the Butterfield Select Fund Ltd, the Global Fixed Income Class, the Equity Class, and the Alternative Class.

### Equity Class

The net asset value (NAV) per share increased from \$15.79 to \$16.76 over the fiscal year to 30 June, 2019, representing a 6.14% return for the year, net of all fees and expenses. The benchmark for the Class, the MSCI World Free Net Total Return Index returned 6.33%.

Global equities were volatile over the course of the year, with a combination of higher US interest rates and a broad based global growth slowdown leading to a particularly weak fourth quarter of 2018. Markets recovered strongly in the first half of 2019, driven by easier monetary policy and a resilient US economy.

US equity markets outperformed the rest of the world, returning 9.60% (MSCI USA Net Total Return Index), whilst Asia Pacific excluding Japan also outperformed, returning 8.06% (MSCI Asia Pacific ex Japan Net Total Return), versus 6.33% for the broad global equity index. All other regions lagged, with Japan the weakest market, followed by the UK and Emerging Markets.

Four out of five of our core global equity funds outperformed their respective benchmarks. Three of the five, American Century Global Growth, BNY Mellon Long Term Global Equity and MFS Global Equity, all outperformed by more than 4.00%. Performance was driven by a combination of stock selection and style exposure. The growth investment style notably outperformed the value style over the period and this was a favorable tailwind for a number of the managers.

The value oriented investment style was a headwind for the Artisan Value fund. Alphabet and Facebook were key underperformers in the portfolio. Both stocks have seen valuations fall over recent years such that they can now be considered value stocks relative to the broad based technology sub-sector. The fund is sticking to a well-defined process so we remain comfortable with the holding, which is scaled smaller than our core positions.

### Global Fixed Income Class

The net asset value (NAV) per share increased from \$19.89 to \$21.39 over the fiscal year to 30 June 2019, representing a 7.54% return for the year, net of all fees and expenses. The fund underperformed the BofA Merrill Lynch 5-10 Year AAA-A US Corporate and Government Benchmark Index by -2.1% primarily due to the underweight duration positioning during Q4 2018.

Over the course of the past 12 months the US rates market has seen a dramatic turnaround in what is almost the mirror image of the previous year as yields declined sharply by around -100bps across the whole curve. This came even as the Federal Reserve raised interest rates, for the final time this cycle, in December despite the global economy continuing to weaken and risk assets experiencing a broad based sell-off. With a global rebound in activity proving to be elusive, and trade war rhetoric dialing up, the Federal Reserve is very likely to start cutting interest rates again possibly as early as July. However, this easing bias has already been priced within bond markets.

# Butterfield Select Invest Fund Limited

---

In credit markets the broad based decline in risk assets in Q4 provided some relative valued opportunities. One positive outcome of the volatility in Q4 was that global central banks firmly moved into an easing stance, via balance sheet maneuvers or public statements. This should be supportive in the short term of risk assets and did succeed in stabilizing markets in December 2018.

The fund has continued to increase its allocation to lower risk securities due to monetary policy and geopolitical uncertainty. Credit risk remains in the fund but is very tightly controlled and selective where the risk/reward outlook is compelling. Rich valuations in investment grade credit has resulted in the fund adding agency Mortgage Backed Securities (MBS) as higher refinance activity has made the asset class cheaper. The fund reestablished an Emerging Market debt position in January as monetary policy looked set to become more accommodative which lead to a renewed search for yield. Emerging Market debt has replaced High Yield credit which we sold out of in early Q4 2018. Duration as at the end of June 2019 was 5.1 years which is 80% of the benchmark index and the overall credit quality of the fund is now significantly higher and rated A- by S&P.

## **Alternative Class**

The net asset value (NAV) per share decreased from \$15.40 to \$14.73 over the fiscal year to 30 June, 2019, representing a -4.35% return for the year, net of all fees and expenses. In comparison the Hedge Fund Research HFRX Global Hedge Fund benchmark returned -1.95%.

The Class is managed by GCM Grosvenor and was allocated to 13 investment managers with an average allocation of approximately 7% to each manager, with the largest allocation to any single manager being just over 12%. The largest sector allocation the Fund had as at 30 June, 2019 was to the Equities strategy at around 33%. The equities strategy is allocated to directional, low net equity, event driven and specialist sub strategies.

This was followed by the quantitative and macro strategies at a combined 23%. Over the course of the fiscal year the equities exposure was reduced and the cash balance fluctuated as we managed redemptions. Net assets finished the period at \$17.98 million.

**Dwayne Outerbridge, CFA**  
**President**  
**Butterfield Select Invest Fund Limited**  
**October 18, 2019**



Ernst & Young Ltd.  
3 Bermudiana Road  
Hamilton HM 08  
P.O. Box HM 463  
Hamilton HM BX  
BERMUDA

Tel: +1 441 295 7000  
Fax: +1 441 295 5193  
ey.com

## Independent Auditor's Report

The Board of Directors  
Butterfield Select Invest Fund Limited, comprising Cautious Class,  
Conservative Class, Balanced Class, Dynamic Class and Growth Class

### Opinion

We have audited the financial statements of Butterfield Select Invest Fund Limited, comprising Cautious Class, Conservative Class, Balanced Class, Dynamic Class and Growth Class (collectively referred to as the Fund), which comprise the statement of financial position as at June 30, 2019, and the statements of comprehensive income, changes in net assets attributable to shareholders and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



The Board of Directors is responsible for overseeing the Fund's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

October 18, 2019

# Butterfield Select Invest Fund Limited

---

## **COMPANY INFORMATION**

### **DIRECTORS**

Dwayne Outerbridge  
Jeffrey Abbott  
Richard Foley

### **INVESTMENT ADVISER**

Butterfield Asset Management Limited  
65 Front Street  
Hamilton HM 12  
Bermuda

### **CUSTODIAN**

The Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM 12  
Bermuda

### **REGISTRAR, TRANSFER AGENT AND ADMINISTRATOR**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM 08  
Bermuda

### **AUDITORS**

Ernst & Young Ltd.  
3 Bermudiana Road  
Hamilton HM 08  
Bermuda

# Butterfield Select Invest Fund Limited

## STATEMENT OF FINANCIAL POSITION

As at June 30, 2019

(Expressed in US Dollars)

		CAUTIOUS CLASS	
		June 30, 2019 US\$	June 30, 2018 US\$
	Notes		
<b>Assets</b>			
Cash and cash equivalents	2 h)	24,711	-
Financial assets at fair value through profit or loss (Cost: 2019 - \$3,602,426; 2018 - \$3,776,377)	3, 4	4,177,329	4,204,886
Prepaid expenses		959	948
Subscription to investee fund paid in advance		-	245,200
<b>Total assets</b>		<b>4,202,999</b>	<b>4,451,034</b>
<b>Liabilities</b>			
Bank overdraft	2 h)	-	23,934
Accrued expenses	6, 7	3,723	6,426
Subscriptions received in advance		-	220,200
<b>Total liabilities</b>		<b>3,723</b>	<b>250,560</b>
<b>Net assets attributable to shareholders</b>		<b>4,199,276</b>	<b>4,200,474</b>
Number of redeemable shares in issue	5	301,548	315,934
<b>Net asset value per redeemable share</b>		<b>13.93</b>	<b>13.30</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2019

(Expressed in US Dollars)

		CONSERVATIVE CLASS	
		June 30, 2019	June 30, 2018
		US\$	US\$
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	20,520	-
Financial assets at fair value through profit or loss (Cost: 2019 - \$4,084,323; 2018 - \$3,785,276)	3, 4	4,731,066	4,234,452
Prepaid expenses		1,157	953
Subscription to investee fund paid in advance		-	25,000
<b>Total assets</b>		<b>4,752,743</b>	<b>4,260,405</b>
<b>Liabilities</b>			
Bank overdraft	2 h)	-	23,655
Accrued expenses	6, 7	8,032	6,460
<b>Total liabilities</b>		<b>8,032</b>	<b>30,115</b>
<b>Net assets attributable to shareholders</b>		<b>4,744,711</b>	<b>4,230,290</b>
Number of redeemable shares in issue	5	385,125	360,340
<b>Net asset value per redeemable share</b>		<b>12.32</b>	<b>11.74</b>

*The accompanying notes are an integral part of these financial statements*



# Butterfield Select Invest Fund Limited

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2019

(Expressed in US Dollars)

		BALANCED CLASS	
		June 30, 2019	June 30, 2018
		US\$	US\$
	Notes		
<b>Assets</b>			
Cash and cash equivalents	2 h)	54,195	2,536
Financial assets at fair value through profit or loss (Cost: 2019 - \$9,165,307; 2018 - \$8,944,073)	3, 4	10,431,357	9,883,549
Prepaid expenses		2,141	2,515
Subscription to investee fund paid in advance		-	1,000
<b>Total assets</b>		<b>10,487,693</b>	<b>9,889,600</b>
<b>Liabilities</b>			
Accrued expenses	6, 7	9,870	10,279
Subscriptions received in advance		1,000	1,000
<b>Total liabilities</b>		<b>10,870</b>	<b>11,279</b>
<b>Net assets attributable to shareholders</b>		<b>10,476,823</b>	<b>9,878,321</b>
Number of redeemable shares in issue	5	755,402	743,614
<b>Net asset value per redeemable share</b>		<b>13.87</b>	<b>13.28</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2019

(Expressed in US Dollars)

		DYNAMIC CLASS	
		June 30, 2019	June 30, 2018
		US\$	US\$
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	285,051	4,985
Financial assets at fair value through profit or loss (Cost: 2019 - \$50,235; 2018 - \$306,466)	3, 4	55,020	308,274
Prepaid expenses		66	3
Receivable for investments sold		-	110,271
<b>Total assets</b>		<b>340,137</b>	<b>423,533</b>
<b>Liabilities</b>			
Payable on investments purchased		-	100,634
Accrued expenses	6, 7	1,046	660
<b>Total liabilities</b>		<b>1,046</b>	<b>101,294</b>
<b>Net assets attributable to shareholders</b>		<b>339,091</b>	<b>322,239</b>
Number of redeemable shares in issue	5	25,000	25,000
<b>Net asset value per redeemable share</b>		<b>13.56</b>	<b>12.89</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2019

(Expressed in US Dollars)

		GROWTH CLASS	
		June 30, 2019	June 30, 2018
		US\$	US\$
	Notes		
<b>Assets</b>			
Cash and cash equivalents	2 h)	9,824	3,510
Financial assets at fair value through profit or loss (Cost: 2019 - \$2,520,686; 2018 - \$2,292,835)	3, 4	2,984,527	2,661,015
Subscription to investee fund paid in advance		-	993
Prepaid expenses		951	623
<b>Total assets</b>		<b>2,995,302</b>	<b>2,666,141</b>
<b>Liabilities</b>			
Accrued expenses	6, 7	2,669	2,897
Subscriptions received in advance		2,050	993
<b>Total liabilities</b>		<b>4,719</b>	<b>3,890</b>
<b>Net assets attributable to shareholders</b>		<b>2,990,583</b>	<b>2,662,251</b>
Number of redeemable shares in issue	5	205,078	190,003
<b>Net asset value per redeemable share</b>		<b>14.58</b>	<b>14.01</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

---

## SCHEDULE OF PORTFOLIO INVESTMENTS

As at June 30, 2019

(Expressed in US Dollars)

### CAUTIOUS CLASS

		2019	
	Number of Shares	Fair Value	% of Portfolio
<b>Investment Funds</b>			
Butterfield Select Fund Limited – Alternative Class	39,535	\$ 582,356	13.94%
Butterfield Select Fund Limited – Equity Class	87,868	1,472,670	35.25%
Butterfield Select Fund Limited – Global Fixed Income Class	99,219	2,122,303	50.81%
<b>TOTAL INVESTMENTS</b> (Cost: 2019 - \$3,602,426)		\$ 4,177,329	100.00%

---

### CONSERVATIVE CLASS

		2019	
	Number of Shares	Fair Value	% of Portfolio
<b>Investment Funds</b>			
Butterfield Select Fund Limited – Alternative Class	44,336	\$ 653,072	13.80%
Butterfield Select Fund Limited – Equity Class	42,663	715,033	15.11%
Butterfield Select Fund Limited – Global Fixed Income Class	157,221	3,362,961	71.09%
<b>TOTAL INVESTMENTS</b> (Cost: 2019 - \$4,084,323)		\$ 4,731,066	100.00%

---

### BALANCED CLASS

		2019	
	Number of Shares	Fair Value	% of Portfolio
<b>Investment Funds</b>			
Butterfield Select Fund Limited – Alternative Class	99,876	\$ 1,471,178	14.10%
Butterfield Select Fund Limited – Equity Class	346,620	5,809,345	55.69%
Butterfield Select Fund Limited – Global Fixed Income Class	147,304	3,150,834	30.21%
<b>TOTAL INVESTMENTS</b> (Cost: 2019 - \$9,165,307)		\$ 10,431,357	100.00%

---

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2019

(Expressed in US Dollars)

### DYNAMIC CLASS

	Number of Shares	2019 Fair Value	% of Portfolio
<b>Exchange-traded Fund</b>			
Invesco S&P 500 Low Volatility	1,000	\$ 55,020	100.00%
<hr/>			
<b>TOTAL INVESTMENTS</b> (Cost: 2019 - \$50,235)		\$ 55,020	100.00%

### GROWTH CLASS

	Number of Shares	2019 Fair Value	% of Portfolio
<b>Investment Funds</b>			
Butterfield Select Fund Limited – Alternative Class	28,524	\$ 420,159	14.08%
Butterfield Select Fund Limited – Equity Class	145,234	2,434,122	81.56%
Butterfield Select Fund Limited – Global Fixed Income Class	6,089	130,246	4.36%
<hr/>			
<b>TOTAL INVESTMENTS</b> (Cost: 2019 - \$2,520,686)		\$ 2,984,527	100.00%

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2019

(Expressed in US Dollars)

		CAUTIOUS CLASS	
		2019	2018
		US\$	US\$
	Notes		
<b>Income</b>			
Net realized gain on financial assets at fair value through profit or loss		62,711	72,644
Net change in unrealized gain on financial assets at fair value through profit or loss		146,394	7,720
<b>Total income</b>		<b>209,105</b>	<b>80,364</b>
<b>Expenses</b>			
Management fee	6 a)	10,364	9,486
Administration fee	7	5,798	7,240
Audit fee		-	3,450
Custodian fee	6 b)	2,038	1,601
Exchange fee		519	1,167
Government fee		396	315
Investment services fee	6 c)	-	632
Miscellaneous		525	2,761
<b>Total expenses</b>		<b>19,640</b>	<b>26,652</b>
<b>Net increase in net assets resulting from operations attributable to shareholders</b>		<b>189,465</b>	<b>53,712</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

		CONSERVATIVE CLASS	
		2019	2018
		US\$	US\$
	Notes		
<b>Income</b>			
Net realized gain on financial assets at fair value through profit or loss		54,813	15,868
Net change in unrealized gain on financial assets at fair value through profit or loss		197,568	11,592
<b>Total income</b>		<b>252,381</b>	<b>27,460</b>
<b>Expenses</b>			
Management fee	6 a)	11,071	10,019
Administration fee	7	6,194	7,264
Audit fee		2,775	2,950
Custodian fee	6 b)	2,190	1,577
Exchange fee		1,242	1,234
Government fee		407	398
Investment services fee	6 c)	-	725
Miscellaneous		1,315	3,596
<b>Total expenses</b>		<b>25,194</b>	<b>27,763</b>
<b>Net increase/(decrease) in net assets resulting from operations attributable to shareholders</b>		<b>227,187</b>	<b>(303)</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

		BALANCED CLASS	
		2019 US\$	2018 US\$
	Notes		
<b>Income</b>			
Net realized gain on financial assets at fair value through profit or loss		130,692	134,196
Net change in unrealized gain on financial assets at fair value through profit or loss		326,574	258,765
<b>Total income</b>		<b>457,266</b>	<b>392,961</b>
<b>Expenses</b>			
Management fee	6 a)	23,486	23,240
Administration fee	7	13,140	17,029
Audit fee		2,200	3,823
Custodian fee	6 b)	4,591	3,629
Exchange fee		1,556	1,784
Government fee		944	919
Investment services fee	6 c)	-	1,657
Miscellaneous		4,589	9,375
<b>Total expenses</b>		<b>50,506</b>	<b>61,456</b>
<b>Net increase in net assets resulting from operations attributable to shareholders</b>		<b>406,760</b>	<b>331,505</b>

*The accompanying notes are an integral part of these financial statements*



# Butterfield Select Invest Fund Limited

## STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

		DYNAMIC CLASS	
		2019	2018
		US\$	US\$
	Notes		
<b>Income</b>			
Net realized gain on financial assets at fair value through profit or loss		11,024	980
Net change in unrealized gain on financial assets at fair value through profit or loss		2,977	4,560
Dividend income		4,178	4,118
<b>Total income</b>		<b>18,179</b>	<b>9,658</b>
<b>Expenses</b>			
Administration fee	7	452	366
Audit fee		429	250
Custodian fee	6 b)	182	867
Exchange fee		80	97
Government fee		41	34
Investment services fee	6 c)	-	80
Miscellaneous		143	225
<b>Total expenses</b>		<b>1,327</b>	<b>1,919</b>
<b>Net increase in net assets resulting from operations attributable to shareholders</b>		<b>16,852</b>	<b>7,739</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

		GROWTH CLASS	
		2019	2018
		US\$	US\$
	Notes		
<b>Income</b>			
Net realized gain on financial assets at fair value through profit or loss		38,449	59,998
Net change in unrealized gain on financial assets at fair value through profit or loss		95,661	105,418
<b>Total income</b>		<b>134,110</b>	<b>165,416</b>
<b>Expenses</b>			
Management fee	6 a)	6,981	6,428
Administration fee	7	3,906	4,802
Audit fee		475	1,100
Custodian fee	6 b)	1,377	1,297
Exchange fee		802	799
Government fee		273	248
Investment services fee	6 c)	-	456
Miscellaneous		706	2,712
<b>Total expenses</b>		<b>14,520</b>	<b>17,842</b>
<b>Net increase in net assets resulting from operations attributable to shareholders</b>		<b>119,590</b>	<b>147,574</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended June 30, 2019

(Expressed in US Dollars)

	CAUTIOUS CLASS	
	2019 US\$	2018 US\$
<b>Net increase in net assets resulting from operations attributable to shareholders</b>	<b>189,465</b>	<b>53,712</b>
<b>Capital stock transactions</b>		
Issue of redeemable shares	309,564	1,206,731
Redemption of redeemable shares	(500,227)	(478,290)
(Decrease)/increase in net assets attributable to shareholders from transactions in shares	(190,663)	728,441
<b>Net (decrease)/increase in net assets attributable to shareholders</b>	<b>(1,198)</b>	<b>782,153</b>
<b>Net assets attributable to shareholders – beginning of year</b>	<b>4,200,474</b>	<b>3,418,321</b>
<b>Net assets attributable to shareholders – end of year</b>	<b>4,199,276</b>	<b>4,200,474</b>

	CONSERVATIVE CLASS	
	2019 US\$	2018 US\$
<b>Net increase/(decrease) in net assets resulting from operations attributable to shareholders</b>	<b>227,187</b>	<b>(303)</b>
<b>Capital stock transactions</b>		
Issue of redeemable shares	636,500	630,190
Redemption of redeemable shares	(349,266)	(150,886)
Increase in net assets attributable to shareholders from transactions in shares	287,234	479,304
<b>Net increase in net assets attributable to shareholders</b>	<b>514,421</b>	<b>479,001</b>
<b>Net assets attributable to shareholders – beginning of year</b>	<b>4,230,290</b>	<b>3,751,289</b>
<b>Net assets attributable to shareholders – end of year</b>	<b>4,744,711</b>	<b>4,230,290</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

	BALANCED CLASS	
	2019 US\$	2018 US\$
<b>Net increase in net assets resulting from operations attributable to shareholders</b>	<b>406,760</b>	<b>331,505</b>
<b>Capital stock transactions</b>		
Issue of redeemable shares	1,399,784	1,134,746
Redemption of redeemable shares	(1,208,042)	(321,850)
Increase in net assets attributable to shareholders from transactions in shares	191,742	812,896
<b>Net increase in net assets attributable to shareholders</b>	<b>598,502</b>	<b>1,144,401</b>
<b>Net assets attributable to shareholders – beginning of year</b>	<b>9,878,321</b>	<b>8,733,920</b>
<b>Net assets attributable to shareholders – end of year</b>	<b>10,476,823</b>	<b>9,878,321</b>

	DYNAMIC CLASS	
	2019 US\$	2018 US\$
<b>Net increase in net assets resulting from operations attributable to shareholders</b>	<b>16,852</b>	<b>7,739</b>
<b>Capital stock transactions</b>		
Issue of redeemable shares	-	-
Redemption of redeemable shares	-	-
Increase in net assets attributable to shareholders from transactions in shares	-	-
<b>Net increase in net assets attributable to shareholders</b>	<b>16,852</b>	<b>7,739</b>
<b>Net assets attributable to shareholders – beginning of year</b>	<b>322,239</b>	<b>314,500</b>
<b>Net assets attributable to shareholders – end of year</b>	<b>339,091</b>	<b>322,239</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

---

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

	GROWTH CLASS	
	2019 US\$	2018 US\$
<b>Net increase in net assets resulting from operations attributable to shareholders</b>	<b>119,590</b>	<b>147,574</b>
<b>Capital stock transactions</b>		
Issue of redeemable shares	452,831	663,598
Redemption of redeemable shares	(244,089)	(373,215)
Increase in net assets attributable to shareholders from transactions in shares	208,742	290,383
<b>Net increase in net assets attributable to shareholders</b>	<b>328,332</b>	<b>437,957</b>
<b>Net assets attributable to shareholders – beginning of year</b>	<b>2,662,251</b>	<b>2,224,294</b>
<b>Net assets attributable to shareholders – end of year</b>	<b>2,990,583</b>	<b>2,662,251</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

(Expressed in US Dollars)

	CAUTIOUS CLASS	
	2019 US\$	2018 US\$
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations attributable shareholders	189,465	53,712
<i>Adjustments for:</i>		
Purchase of financial assets	(94,365)	(1,524,681)
Net proceeds from sale of financial assets	576,227	550,290
Net realized gain on financial assets	(62,711)	(72,644)
Net change in unrealized gain on financial assets	(146,394)	(7,720)
Changes in:		
Prepaid expenses	(11)	(459)
Accrued expenses	(2,703)	(3,500)
<b>Net cash provided by/(used in) operating activities</b>	<b>459,508</b>	<b>(1,005,002)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	309,564	1,206,731
Payments on redemption of shares	(500,227)	(478,290)
Subscriptions received in advance	(220,200)	220,050
<b>Net cash (used in)/provided by financing activities</b>	<b>(410,863)</b>	<b>948,491</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>48,645</b>	<b>(56,511)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>(23,934)</b>	<b>32,577</b>
<b>Cash and cash equivalents (net of bank overdraft) – end of year</b>	<b>24,711</b>	<b>(23,934)</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

	CONSERVATIVE CLASS	
	2019	2018
	US\$	US\$
<b>Cash flows from operating activities</b>		
Net increase/(decrease) in net assets resulting from operations attributable shareholders	227,187	(303)
<i>Adjustments for:</i>		
Purchase of financial assets	(648,499)	(653,892)
Net proceeds from sale of financial assets	429,266	147,751
Net realised gain on financial assets	(54,813)	(15,868)
Net change in unrealised gain on financial assets	(197,568)	(11,592)
Changes in:		
Prepaid expenses	(204)	(353)
Accrued expenses	1,572	(3,652)
<b>Net cash used in operating activities</b>	<b>(243,059)</b>	<b>(537,909)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	636,500	630,190
Payments on redemption of shares	(349,266)	(150,886)
<b>Net cash provided by financing activities</b>	<b>287,234</b>	<b>479,304</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>44,175</b>	<b>(58,605)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>(23,655)</b>	<b>34,950</b>
<b>Cash and cash equivalents (net of bank overdraft) – end of year</b>	<b>20,520</b>	<b>(23,655)</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

	BALANCED CLASS	
	2019 US\$	2018 US\$
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations attributable shareholders	406,760	331,505
<i>Adjustments for:</i>		
Purchase of financial assets	(1,524,084)	(3,356,087)
Net proceeds from sale of financial assets	1,434,542	2,534,701
Net realized gain on financial assets	(130,692)	(134,196)
Net change in unrealized gain on financial assets	(326,574)	(258,765)
Changes in:		
Prepaid expenses	374	(1,053)
Accrued expenses	(409)	(4,552)
<b>Net cash used in operating activities</b>	<b>(140,083)</b>	<b>(888,447)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	1,399,784	1,134,746
Payments on redemption of shares	(1,208,042)	(321,850)
Subscriptions received in advance	-	(5,250)
<b>Net cash provided by financing activities</b>	<b>191,742</b>	<b>807,646</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>51,659</b>	<b>(80,801)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>2,536</b>	<b>83,337</b>
<b>Cash and cash equivalents – end of year</b>	<b>54,195</b>	<b>2,536</b>

*The accompanying notes are an integral part of these financial statements*



# Butterfield Select Invest Fund Limited

## STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

	DYNAMIC CLASS	
	2019 US\$	2018 US\$
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations attributable shareholders	16,852	7,739
<i>Adjustments for:</i>		
Purchase of financial assets	(2,414,121)	(3,151,220)
Net proceeds from sale of financial assets	2,691,013	3,091,871
Net realized gain on financial assets	(11,024)	(980)
Net change in unrealized gain on financial assets	(2,977)	(4,560)
Changes in:		
Prepaid expenses	(63)	55
Accrued expenses	386	(3,861)
<b>Net cash provided by/(used in) operating activities</b>	<b>280,066</b>	<b>(60,956)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>280,066</b>	<b>(60,956)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>4,985</b>	<b>65,941</b>
<b>Cash and cash equivalents – end of year</b>	<b>285,051</b>	<b>4,985</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Select Invest Fund Limited

## STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2019

(Expressed in US Dollars)

	GROWTH CLASS	
	2019 US\$	2018 US\$
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations attributable shareholders	119,590	147,574
<i>Adjustments for:</i>		
Purchase of financial assets	(471,837)	(709,124)
Net proceeds from sale of financial assets	283,428	420,241
Net realized gain on financial assets	(38,449)	(59,998)
Net change in unrealized gain on financial assets	(95,661)	(105,418)
Changes in:		
Prepaid expenses	(328)	(260)
Accrued expenses	(228)	(2,752)
<b>Net cash used in operating activities</b>	<b>(203,485)</b>	<b>(309,737)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	452,831	663,598
Payments on redemption of shares	(244,089)	(373,215)
Subscriptions received in advance	1,057	(7)
<b>Net cash provided by financing activities</b>	<b>209,799</b>	<b>290,376</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,314</b>	<b>(19,361)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>3,510</b>	<b>22,871</b>
<b>Cash and cash equivalents – end of year</b>	<b>9,824</b>	<b>3,510</b>

The accompanying notes are an integral part of these financial statements

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

### 1. CORPORATE INFORMATION

Butterfield Select Invest Fund Limited (the "Fund") is a mutual fund which was incorporated as an exempted company with limited liability and with unlimited duration under the laws of Bermuda on September 1, 2005.

The Fund commenced operations on October 6, 2005. The Bank of N. T. Butterfield & Son Limited acts as custodian (the "Custodian"). Butterfield Asset Management Limited acts as investment adviser (the "Investment Adviser"). MUFG Fund Services (Bermuda) Limited acts as registrar and transfer agent and as accountants/administrator (the "Registrar and Transfer Agent" or "Administrator") for the Fund. The Custodian and Investment Adviser are wholly owned subsidiaries of The Bank of N.T. Butterfield & Son Limited (the "Bank").

The registered address of the Fund is c/o MUFG Fund Services (Bermuda) Limited, The Belvedere Building 69 Pitts Bay Road, Pembroke HM 08, Bermuda.

The Investment Adviser, Custodian and the Bank each maintains separate business units, roles and responsibilities to ensure segregation between different functions.

The objective of the Fund is to act as a fund of funds, allocating its assets to either the Butterfield Select Fund Limited's (BFSL) Share Classes, an affiliated fund, which offers a convenient and efficient vehicle for investing in mutual funds and index instruments which are anticipated to provide the best opportunity for capital appreciation having regard to diversification; or mutual funds and exchange traded funds. The Fund may also hold money market instruments, other investments or mutual funds for cash management purposes.

The Fund offers five classes, namely, Cautious, Balanced, Conservative, Dynamic and Growth. Each of the Cautious, Balanced, Conservative, and Growth share classes invests in various weightings of BFSL share classes. In addition, the Dynamic Class may invest directly in mutual funds and exchange-traded funds outside the classes of BFSL.

### 2. BASIS OF PREPARATION

#### Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical-cost basis, except for financial assets held at fair value through profit or loss.

The financial statements are presented in United States dollars, which is the functional currency of the Fund, and all values are rounded to the nearest dollar, except when otherwise stated.

The Fund presents its statement of financial position in order of liquidity.

#### Summary of significant accounting policies

##### a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the Fund's management to make judgements, estimates and assumptions that affect the amounts reported and disclosures made in the financial statements, and accompanying notes. Management believes that the estimates and assumptions utilised in preparing the Fund's financial statements are reasonable and prudent. Actual results could differ from these estimates.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### b) Financial instruments

###### i. Classification

In the current period the Fund has adopted IFRS 9 Financial Instruments. See Note 2 p) for an explanation of the impact. Comparative figures for the year ended 30 June 2018 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

###### Policy effective from July 1, 2018 (IFRS 9)

In accordance with IFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

###### Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

###### *Financial assets measured at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other receivables.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

#### b) Financial instruments (continued)

##### i. Classification (continued)

#### Policy effective from July 1, 2018 (IFRS 9) (continued)

##### ***Financial assets measured at fair value through profit or loss (FVPL)***

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category:

*Debt instruments:* These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

*Instruments held for trading:* This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. This category also includes derivative contracts in an asset position.

##### **Financial liabilities**

##### ***Financial liabilities measured at fair value through profit or loss (FVPL)***

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Fund includes in this category, derivative contracts in a liability position and equity and debt instruments sold short since they are classified as held for trading.

##### ***Financial liabilities measured at amortised cost***

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes in this category convertible bonds, debentures, and other short-term payables.

##### **Classification - Policy effective before July 1, 2018 (IAS 39)**

The Fund classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### b) Financial instruments (continued)

###### i. Classification (continued)

###### **Financial assets and liabilities at fair value through profit or loss**

The category of financial assets and liabilities at fair value through profit or loss is subdivided into:

*Financial assets and liabilities held for trading:* financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes investment funds, exchange traded funds, equities and other interest bearing investments. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. All derivatives and liabilities from short sales of financial instruments are classified as held for trading. The Fund's policy is not to apply hedge accounting.

*Financial instruments designated at fair value through profit or loss upon initial recognition:* these include investment funds, exchange traded funds, equities and other interest bearing investments and derivatives not held for trading. The Fund did not hold any financial instruments designated at fair value through profit or loss upon initial recognition as at June 30, 2018.

###### **Receivables and Loans**

Receivables and Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category collateral on derivatives, securities borrowed and other short-term receivables.

###### **Other financial liabilities**

This category includes all financial liabilities, other than those classified at FVPL. The Fund includes in this category debentures, collateral on derivatives, securities lent and other short-term payables.

###### ii. Recognition

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

###### iii. Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

#### b) Financial instruments (continued)

##### iv. Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in unrealised gain or loss on financial assets and liabilities at fair value through profit or loss. Interest and dividend earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense.

Receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

##### v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

(a) Transferred substantially all of the risks and rewards of the asset, or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

##### c) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or dealer price quotations, without any deduction for transaction costs.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### c) Fair value measurement (continued)

It is the policy of the Fund to value any asset quoted, listed, traded or dealt with on an exchange or market by reference to the last traded price on or prior to the relevant Valuation Day on the major exchange or market in which the assets are dealt, to the extent that such valuation is based on a price within the bid-ask spread that is most representative of fair value on valuation date.

In circumstances where the last traded price is not within the bid-ask spread, the Directors will determine the point within the bid-ask spread that is most representative of fair value.

Investments in underlying funds are carried at fair value, which is based on the net asset value ("NAV") of each share of the Fund's investments in or the pro-rata interest in the net assets of such investment funds as published or otherwise reported by the investment fund's administrators. The underlying investments of each fund are accounted for at fair value as described in each investment fund's financial statements.

The Directors at their absolute discretion may permit some other method of valuation to that described above if they consider such valuation better reflects the fair value of any investment.

##### d) Impairment of financial assets

###### Policy effective from July 1, 2018 (IFRS 9)

The Fund holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

###### Policy effective before July 1, 2018 (IAS 39)

The Fund assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.



# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### d) Impairment of financial assets (continued)

###### Policy effective before July 1, 2018 (IAS 39) (continued)

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future ECLs that have not yet been incurred) discounted using the asset's original EIR. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as credit loss expense.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Fund. If a previous write-off is later recovered, the recovery is credited to the credit loss expense.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

##### e) Functional and presentation currency

The Fund's functional currency is the United States Dollar (US Dollar), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in US Dollars. Therefore, the US Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the US Dollars.

##### f) Offsetting and financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Management has determined that, as at June 30, 2019 and 2018, there were no assets and liabilities offset in the statement of financial position, nor were there any assets or liabilities available for offset. The Fund does not have a legally enforceable right to offset, nor does it have master netting agreements or similar arrangements that would allow for related amounts to be set off.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### g) Foreign currency translations

Assets and liabilities that are denominated in foreign currencies are translated into United States dollars at rates of exchange on the period end date. Transactions during the period are translated at the rate in effect at the date of the transaction. Foreign currency translation gains and losses are included in the statement of comprehensive income.

The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included in the net realised and change in unrealised gain/(loss) on investments in the statement of comprehensive income.

##### h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less and bank overdrafts. Bank overdrafts (if any) are shown in liabilities in the statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

##### i) Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

##### j) Dividend income and expense

Dividend income is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

##### k) Realised and change in unrealised gains and losses

Realised and change in unrealised gains/(losses) on financial assets at fair value through profit or loss are recognised in the statement of comprehensive income. The cost of investments sold is accounted for using the average cost basis.

##### l) Expenses

All expenses (including management fees) are recognised in the statement of comprehensive income on an accrual basis.

##### m) Going concern

The Fund's management has assessed the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### n) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable participating shares can be put back to the Fund on any dealing day (normally the next business day following the Valuation Day, which is on Thursday in each week) at a value equal to a proportionate share of the Fund's NAV. The Fund's net asset value per share is calculated by dividing the net assets attributable to shareholders with the total number of outstanding redeemable shares.

##### o) Investment entity

IFRS 10 defines an investment entity and requires a reporting entity that meets the definition of an investment entity not to consolidate but instead to measure its investments at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with investment management services;
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Management has determined that the Fund meets the definition of an investment entity and recognizes all investments at fair value through profit and loss.

##### p) Impact of new accounting pronouncements

##### IFRS 9 – Financial Instruments

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after July 1, 2018. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on July 1, 2018, however, the Fund has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Fund's financial assets and financial liabilities as at July 1, 2018.

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

#### p) Impact of new accounting pronouncements (continued)

#### CAUTIOUS CLASS

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 US\$	New carrying amount under IFRS 9 US\$
<b>Financial assets</b>				
Investment Funds	Held for trading at FVPL	FVPL	4,204,886	4,204,886
Prepaid expenses	Loans and receivables	Amortised cost	948	948
<b>Total financial assets</b>			<b>4,205,834</b>	<b>4,205,834</b>

#### CONSERVATIVE CLASS

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 US\$	New carrying amount under IFRS 9 US\$
<b>Financial assets</b>				
Investment Funds	Held for trading at FVPL	FVPL	4,234,452	4,234,452
Prepaid expenses	Loans and receivables	Amortised cost	953	953
<b>Total financial assets</b>			<b>4,235,405</b>	<b>4,235,405</b>

#### BALANCED CLASS

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 US\$	New carrying amount under IFRS 9 US\$
<b>Financial assets</b>				
Investment Funds	Held for trading at FVPL	FVPL	9,883,549	9,883,549
Cash and cash equivalents	Loans and receivables	Amortised cost	2,536	2,536
Prepaid expenses	Loans and receivables	Amortised cost	2,515	2,515
<b>Total financial assets</b>			<b>9,888,600</b>	<b>9,888,600</b>

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting polices (continued)

#### p) Impact of new accounting pronouncements (continued)

##### DYNAMIC CLASS

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 US\$	New carrying amount under IFRS 9 US\$
<b>Financial assets</b>				
Exchange Traded Funds	Held for trading at FVPL	FVPL	308,274	308,274
Cash and cash equivalents	Loans and receivables	Amortised cost	4,985	4,985
Prepaid expenses	Loans and receivables	Amortised cost	3	3
<b>Total financial assets</b>			<b>313,262</b>	<b>313,262</b>

##### GROWTH CLASS

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 US\$	New carrying amount under IFRS 9 US\$
<b>Financial assets</b>				
Investment Funds	Held for trading at FVPL	FVPL	2,661,015	2,661,015
Cash and cash equivalents	Loans and receivables	Amortised cost	3,510	3,510
Prepaid expenses	Loans and receivables	Amortised cost	623	623
<b>Total financial assets</b>			<b>2,665,148</b>	<b>2,665,148</b>

Under IAS 39, these securities were designated as held for trading at FVPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as FVPL under IFRS 9.

#### IFRS 15 Revenue from contracts with customers

The Fund adopted IFRS 15 Revenue from contracts with customers on its effective date of July 1, 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting IFRS 15 for the Fund.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### q) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

##### *Fair value*

For fair value of financial instruments please refer to Note 4.

### 3. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management approach includes formal guidelines to govern the extent of exposure to various types of risk. The Investment Adviser also has various internal controls to oversee the Fund's investment activities, including monitoring compliance with the investment objective and strategies, internal guidelines and securities regulations.

#### **Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Financial instruments that potentially expose the Fund to credit and counterparty risk consist primarily of cash and cash equivalents and balances held at brokers.

The value of such balances on the statement of financial position includes consideration of the creditworthiness of the issuer, and, accordingly represents the maximum credit risk exposure of the Fund.

Substantially all of the assets of the Fund are held by the registrar and transfer agent, the Fund's Custodian and the Bank. The Fund monitors its risk by monitoring the credit quality of the Custodian and the Bank. As at June 30, 2019, the credit ratings of the Custodian and the Bank, as provided by Standard and Poor's, were both BBB+ (2018 – BBB+).

#### **Currency Risk**

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. When the Fund enters into transactions which are denominated in currencies other than the Fund's reporting currency, the Investment Adviser attempts to mitigate the associated currency risk, which may include the use of forward currency contracts.

As at June 30, 2019 and 2018, the Fund's exposure to currencies other than the Fund's reporting currency was limited to small balances of cash and cash equivalents denominated in foreign currencies which are not significant to the class as a whole.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### Interest Rate Risk (continued)

The Fund's exposure to cash flow interest rate risk is limited to its cash and cash equivalents or bank overdrafts which represent 0.59% (2018 – 0.57%) for Cautious Class, 0.43% (2018 – 0.56%) for the Conservative Class; 0.52% (2018 – 0.03%) for the Balanced Class; 84.06% (2018 – 1.55%) for the Dynamic Class and 0.33% (2018 – 0.13%) for the Growth Class; of each of the respective Class' net assets. The Fund does not have any other significant interest-bearing assets or liabilities.

#### Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to liquidity risk by way of weekly cash redemptions of redeemable shares. The Fund invests primarily in other investment companies which could expose the Fund to increased liquidity risk. However, the Fund's entire portfolio is realizable on a daily or a weekly basis which mitigates the risk related to weekly cash redemptions. The Fund may be exposed to additional liquidity risks in extraordinary cases where underlying investment companies had periods in which redemptions are suspended due to adverse market conditions.

As of June 30, 2019 and 2018, all investments held by the Cautious, Conservative, Balanced, Dynamic and Growth Classes offer redemptions on a daily or weekly basis.

#### Price/Market Risk

Price/market risk is the risk that the value of investments will fluctuate as a result of market conditions. All investments of the Fund are exposed to price/market risk. The Investment Adviser attempts to mitigate price/market risk by selecting appropriate portfolio investments based on the Fund's strategy.

As at June 30, 2019 and 2018, all of the investments held in the Cautious, Conservative, Balanced, Dynamic and Growth Classes were exposed to changes in portfolio prices. As at June 30, 2019 and 2018, if the portfolio prices had been 5% higher or lower with all other variables held constant the net assets of each class would have been impacted as follows:

	Impact on Net Assets	
	2019	2018
	US\$	US\$
Cautious Class	208,866	210,244
Conservative Class	236,553	211,723
Balanced Class	521,568	494,177
Dynamic Class	2,751	15,414
Growth Class	149,226	133,051

A sensitivity rate of 5% is used when reporting other price/market risk internally to key management personnel and represents management's assessment of possible change in market prices.

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 4. FAIR VALUE OF FINANCIAL ASSETS

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are market observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data, including the Fund's own assumptions in determining the fair value of investments.

For the years ended June 30, 2019 and 2018, all of the investments held in the Cautious, Conservative, Balanced and Growth Classes were classified as Level 2, while the investments held in Dynamic Class were classified as Level 1 of the fair value hierarchy.

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of the securities no longer being traded in an active market. There were no transfers of financial assets and liabilities from Level 1 to Level 2 during the years ended June 30, 2019 and 2018. Financial assets and liabilities transferred from Level 2 to Level 1 are the result of the securities now being traded in an active market. There were no transfers of financial assets and liabilities from Level 2 to Level 1 during the years ended June 30, 2019 and 2018. The Fund did not hold any level 3 investments at the beginning, during, or at the end of the years ended June 30, 2019 and 2018.

### 5. SHARES ISSUED AND OUTSTANDING

The authorised share capital of the Fund is US\$10,001 (2018 – US\$10,001) divided into:

1,000,000,000 redeemable shares of US\$0.00001 par value each, which have been designated as non-voting, participating shares.

100 organisational shares of US\$.01 par value each, which have been designated as voting, non-participating shares, allotted for cash at par to the Investment Adviser and its nominees.

Under the By-laws, the organisational shares have only nominal rights if and so long as there are any other shares of the Fund in issue.

Details of shares issued and outstanding during the years ended June 30, 2019 and 2018 are as follows:

<b>CAUTIOUS CLASS REDEEMABLE SHARES</b>	<b>2019</b>	<b>2018</b>
Balance – beginning of year	<b>315,934</b>	262,339
Issue of redeemable shares	<b>23,196</b>	89,691
Redemption of redeemable shares	<b>(37,582)</b>	(36,096)
Balance – end of year	<b>301,548</b>	315,934



# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 5. SHARES ISSUED AND OUTSTANDING (Continued)

<b>CONSERVATIVE CLASS REDEEMABLE SHARES</b>		
	2019	2018
Balance – beginning of year	360,340	319,800
Issue of redeemable shares	54,419	53,368
Redemption of redeemable shares	(29,634)	(12,828)
Balance – end of year	385,125	360,340

  

<b>BALANCED CLASS REDEEMABLE SHARES</b>		
	2019	2018
Balance – beginning of year	743,614	682,411
Issue of redeemable shares	104,218	85,487
Redemption of redeemable shares	(92,430)	(24,284)
Balance – end of year	755,402	743,614

  

<b>DYNAMIC CLASS REDEEMABLE SHARES</b>		
	2019	2018
Balance – beginning of year	25,000	25,000
Issue of redeemable shares	-	-
Redemption of redeemable shares	-	-
Balance – end of year	25,000	25,000

  

<b>GROWTH CLASS REDEEMABLE SHARES</b>		
	2019	2018
Balance – beginning of year	190,003	168,944
Issue of redeemable shares	32,404	47,665
Redemption of redeemable shares	(17,329)	(26,606)
Balance – end of year	205,078	190,003

Redeemable shares are allotted to subscribers at a value determined by reference to the weekly valuation of the net assets of the class. Redeemable shares may be redeemed for an amount equal to the net asset value per share as at the close of business on the Valuation Day, following receipt of the properly completed request for redemption, subject to the power of the directors to deduct therefrom an amount sufficient in their opinion to meet sale and fiscal charges incurred in realising assets to provide funds to meet the request.

#### Capital Management

As a result of the ability to issue, repurchase and resell shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Fund's Prospectus.

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 6. RELATED PARTY TRANSACTIONS

#### a) Management Fee

The Investment Adviser is related to the Fund through common directorship.

Under the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to receive a monthly fee calculated at the rate of no more than 1.0% per annum of the average valuation of the net assets of each class in each month, 0.25% was charged during the year (2018: 0.25%), and will be paid on the last Valuation Day in each month. During the year the Dynamic Class was charged no Management Fee.

Class	Management fees charged		Management fees payable	
	2019 US\$	2018 US\$	2019 US\$	2018 US\$
Cautious	10,364	9,486	887	867
Conservative	11,071	10,019	1,002	871
Balanced	23,486	23,240	2,206	2,028
Dynamic	-	-	-	-
Growth	6,981	6,428	629	552

#### b) Custodian Fee

In accordance with the custodian agreement, the Custodian receives a fee based on the fair value of assets under administration at the rate of 3.25 basis points per annum, subject to a minimum of \$1,250 for each of the Select Invest classes. On March 1, 2018 this rate increased to 5 basis points per annum. Details of custodian fees charged and payable, as at June 30, 2019 and 2018 for each class are set out in the table below.

Class	Custodian fees charged		Custodian fees payable	
	2019 US\$	2018 US\$	2019 US\$	2018 US\$
Cautious	2,038	1,601	859	383
Conservative	2,190	1,577	948	377
Balanced	4,591	3,629	1,953	890
Dynamic	182	867	70	6
Growth	1,377	1,297	596	238

#### c) Investment Services Fee

The investment services fee is paid to the Bank for additional registrar and transfer agent services provided to the Fund which had been previously provided by the administrator. The investment services fee is a set fee, allocated to the individual funds based on their proportion of Net Asset Value. Details of investment services fees charged and payable, as at June 30, 2019 and 2018 for each class are set out in the table below. The investment services fee paid to the Bank was discontinued effective March 1, 2018, hence no fees were paid for 2019. The fee for 2018 was US\$3,550, with none being payable at year end 2019.

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 6. RELATED PARTY TRANSACTIONS (Continued)

#### c) Investment Services Fee (continued)

Class	Investment services fees charged		Investment services fees payable	
	2019 US\$	2018 US\$	2019 US\$	2018 US\$
Cautious	-	632	-	-
Conservative	-	725	-	-
Balanced	-	1,657	-	-
Dynamic	-	80	-	43
Growth	-	456	-	-

#### d) Others

The Bank owns shares of the Conservative Class, Balanced Class, Dynamic Class and Growth Class, as outlined below. The Bank did not own any shares of the Cautious Class as at June 30, 2019 and 2018.

#### CONSERVATIVE CLASS

	2019	2018
Balance – beginning of year	235,000	235,000
Shares purchased	-	-
Shares redeemed	-	-
Balance – end of year	235,000	235,000

#### BALANCED CLASS

	2019	2018
Balance – beginning of year	235,000	235,000
Shares purchased	-	-
Shares redeemed	-	-
Balance – end of year	235,000	235,000

#### DYNAMIC CLASS

	2019	2018
Balance – beginning of year	25,000	25,000
Shares purchased	-	-
Shares redeemed	-	-
Balance – end of year	25,000	25,000

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 6. RELATED PARTY TRANSACTIONS (Continued)

#### d) Others (continued)

GROWTH CLASS	2019	2018
Balance – beginning of year	25,000	25,000
Shares purchased	-	-
Shares redeemed	-	-
Balance – end of year	<b>25,000</b>	<b>25,000</b>

The Fund also invests in the Select funds, a related party. Please refer to the schedule of portfolio investments for further details.

### 7. ADMINISTRATION FEE (INCLUDING ACCOUNTING FEE AND REGISTRAR AND TRANSFER AGENT FEE)

In accordance with the administration agreement, the Administrator receives a fee based upon the nature and extent of the services provided. Administration fee for the year was \$29,490 (2018: \$36,701). Details of administration fees charged and payable, as at June 30, 2019 and 2018 for each class are set out in the table below. Administration fees payable at June 30, 2019 and 2018 are included in accrued expenses in the statements of financial position.

Class	Administration fees charged		Administration fees payable	
	2019 US\$	2018 US\$	2019 US\$	2018 US\$
<b>Cautious</b>	5,798	7,240	478	1,451
<b>Conservative</b>	6,194	7,264	1,183	1,487
<b>Balanced</b>	13,140	17,029	2,527	3,361
<b>Dynamic</b>	452	366	85	110
<b>Growth</b>	3,906	4,802	744	932

### 8. TAXATION

Under current Bermuda law, the Fund is not obligated to pay taxes in Bermuda on either income or capital gains. The Fund has received an undertaking from the Minister of Finance in Bermuda, pursuant to the provisions of the exempted undertaking Tax Protection Act, 1966 which exempted the Fund from any such Bermuda taxes up to March 28, 2016.

In March 2011, the Bermuda Government enacted the Exempted Undertakings Tax Protection Amendment Act 2011, allowing the Minister of Finance to grant assurance up to March 31, 2035. On January 29, 2015 the Minister of Finance granted assurance to the Fund up to that date.

### 9. COMMITMENTS AND CONTINGENCIES

Management has determined that the Fund had no commitments or contingencies as at June 30, 2019 (2018: none).

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 10. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2019 through October 18, 2019, the date the financial statements were available to be issued.

The Fund did not have any material subsequent events.

### 11. FINANCIAL HIGHLIGHTS

2019	Cautious Class	Conservative Class	Balanced Class
<b>Per Share Information</b>			
<b>Net asset value - beginning of year</b>	\$ 13.30	\$ 11.74	\$ 13.28
<b>Net investment income from operations</b>			
Net investment loss****	(0.07)	(0.07)	(0.07)
Net realised and unrealised gain on investments	0.69	0.65	0.66
<b>Total from investment operations</b>	<b>0.62</b>	<b>0.58</b>	<b>0.59</b>
<b>Net asset value - end of year</b>	<b>\$ 13.92</b>	<b>\$ 12.32</b>	<b>\$ 13.87</b>
<b>Ratios / Supplemental Data</b>			
Total net assets - end of year	\$ 4,199,275	\$ 4,744,711	\$ 10,476,823
Weighted average net assets*	\$ 4,133,632	\$ 4,460,505	\$ 9,428,339
Ratio of expenses to weighted average net assets	0.48%	0.57%	0.54%
Portfolio turnover rate**	8.27%	9.68%	15.35%
Annual rate of return***	4.66%	4.94%	4.44%

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 11. FINANCIAL HIGHLIGHTS (Continued)

2019 (Continued)		Dynamic Class		Growth Class
<b>Per Share Information</b>				
<b>Net asset value - beginning of year</b>	<b>\$</b>	<b>12.89</b>	<b>\$</b>	<b>14.01</b>
<b>Net investment income from operations</b>				
Net investment gain/(loss)****		0.11		(0.07)
Net realised and change in unrealised gain on investments		0.56		0.64
<b>Total from investment operations</b>		<b>0.67</b>		<b>0.57</b>
<b>Net asset value - end of year</b>	<b>\$</b>	<b>13.56</b>	<b>\$</b>	<b>14.58</b>
<b>Ratios / Supplemental Data</b>				
Total net assets - end of year	\$	339,091	\$	2,990,583
Weighted average net assets*	\$	323,866	\$	2,802,372
Ratio of expenses to weighted average net assets		0.41%		0.52%
Portfolio turnover rate**		1,161.11%		10.16%
Annual rate of return***		5.20%		4.07%

\* Weighted average net assets are calculated using net assets on the last valuation date of each month.

\*\* Portfolio turnover rate is calculated using the lesser of purchases or sales of investments for the year divided by the weighted average value of investments, calculated using the last valuation date of each month.

\*\*\* Annual rate of return is calculated by comparing the end of year net asset value to the beginning of year net asset value.

\*\*\*\*Net investment gain/loss represents other income less expenses.

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 11. FINANCIAL HIGHLIGHTS (Continued)

2018	Cautious Class	Conservative Class	Balanced Class
<b>Per Share Information</b>			
<b>Net asset value - beginning of year</b>	\$ 13.03	\$ 11.73	\$ 12.80
<b>Net investment income from operations</b>			
Net investment loss****	(0.09)	(0.08)	(0.08)
Net realised and unrealised gain on investments	0.36	0.09	0.56
<b>Total from investment operations</b>	<b>0.27</b>	<b>0.01</b>	<b>0.48</b>
<b>Net asset value - end of year</b>	\$ 13.30	\$ 11.74	\$ 13.28
<b>Ratios / Supplemental Data</b>			
Total net assets - end of year	\$ 4,200,474	\$ 4,230,290	\$ 9,878,321
Weighted average net assets*	\$ 3,823,871	\$ 4,013,185	\$ 9,329,880
Ratio of expenses to weighted average net assets	0.70%	0.69%	0.66%
Portfolio turnover rate**	14.44%	3.67%	27.22%
Annual rate of return***	2.07%	0.09%	3.75%

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

### 11. FINANCIAL HIGHLIGHTS (Continued)

2018 (Continued)	Dynamic Class		Growth Class	
<b>Per Share Information</b>				
<b>Net asset value - beginning of year</b>	\$	12.58	\$	13.17
<b>Net investment income from operations</b>				
Net investment gain/(loss)****		0.08		(0.10)
Net realised and change in unrealised gain on investments		0.23		0.94
<hr/>				
Total from investment operations		0.31		0.84
<b>Net asset value - end of year</b>	\$	12.89	\$	14.01
<b>Ratios / Supplemental Data</b>				
Total net assets - end of year	\$	322,239	\$	2,662,251
Weighted average net assets*	\$	314,881	\$	2,589,465
Ratio of expenses to weighted average net assets		0.61%		0.69%
Portfolio turnover rate**		1,244.97%		18.37%
Annual rate of return***		2.46%		6.38%

\* Weighted average net assets are calculated using net assets on the last valuation date of each month.

\*\* Portfolio turnover rate is calculated using the lesser of purchases or sales of investments for the year divided by the weighted average value of investments, calculated using the last valuation date of each month.

\*\*\* Annual rate of return is calculated by comparing the end of year net asset value to the beginning of year net asset value.

\*\*\*\* Net investment gain/loss represents other income less expenses.

### 12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Directors on October 18, 2019.