

**Butterfield Select Invest Fund
Limited**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2018**

Butterfield Select Invest Fund Limited

INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2018

Introduction

We are pleased to present the Annual Report of the Fund for the twelve months ended June 30, 2018. 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.

Butterfield Select Fund - Equity Class

The net asset value (NAV) per share increased from \$14.52 to \$15.79 over the Fiscal year to 30 June, 2018, representing a 8.75% return for the year, net of all fees and expenses. The benchmark for the Class, the MSCI World Free Net Total Return Index returned 11.09%.

Global equities performed well over the course of the year, with broad based gains across geographies. US equities outperformed, returning 13.87% whereas European equities lagged the overall index returning 3.51%. The second half of 2017 was characterized by synchronized global economic growth together with low levels equity market volatility. Both of the features diminished in the first half of 2018, as the US economy outperformed the rest of the world, while a market correction in February increased levels of volatility.

The growth investment style notably outperformed the value style over the period and this dynamic was a key driver of returns for a number of the underlying managers. The American Century Global Growth fund and BNY Mellon Long Term Global Equity fund both outperformed as they benefitted from overweight exposure to the Technology sector together with strong stock selection. In contrast, MFS US Value and MFS Global Equity both struggled as their value focus detracted from returns, as did their relatively defensive investment philosophy in a rising equity market.

Butterfield Select Fund - Global Fixed Income Class

The net asset value (NAV) per share decreased from \$20.14 to \$19.89 over the fiscal year to 30 June 2018, representing a -1.24% return for the year, net of all fees and expenses. The fund outperformed the Benchmark Index, the Bank of America Merrill Lynch 5-10 Year AAA-A US Corporate and Government Index by 0.19%.

2017 was an important year for Fixed Income markets as the Federal Reserve continued to normalize monetary policy. The tax reforms in the U.S. and deregulation has led to increased risk appetite and stronger economic growth prompting policy makers to raise the base rate by 25bps every quarter and step up the reduction in the balance sheet.

With U.S. economic growth remaining very healthy along with relatively low real interest rates we expect corporate spreads and default rates will remain subdued. This scenario will only change if economic growth slows substantially or monetary policy becomes too restrictive. Strategically we have been increasing our weighting to treasuries at the expense of credit as we expect more volatility within bond markets given were we are in the economic cycle. The fund also continues to hold some Inflation protection as the asset class remains cheap and does not accurately reflect the tighter employment market and stronger growth in the U.S.

The primary driver of negative performance over the year has been much higher U.S. Treasury yields with 10 year U.S. Treasuries rising from 2.30% to 2.86% although, we remained underweight interest rate risk throughout this which helped the fund, along with the carry from credit, to outperform the broader bond market.

Butterfield Select Invest Fund Limited

The fund continues to maintain little exposure to Emerging Market debt which has led to much lower volatility and the avoidance of negative alpha over the year. However, we do remain constructive on High Yield credit and continue to hold a small allocation via PIMCO's mutual fund and some individual bond issues. Duration as at the end of June 2018 was 5.5 years which is 87% of the benchmark index. The overall credit quality of the fund is stable and rated BBB by S&P.

Butterfield Select Fund - Alternative Class

The net asset value (NAV) per share increased from \$15.10 to \$15.40 over the Fiscal year to 30 June, 2018, representing a 1.99% return for the year, net of all fees and expenses. The benchmark for the Class, the Hedge Fund Research HFRX Global Hedge Fund returned 2.47%.

The Class is managed by GCM Grosvenor and was allocated to 18 investment managers with an average allocation of approximately 5% to each manager, with the largest allocation to any single manager being just over 7%. The largest sector allocation the fund had as at 30 June, 2018 was to the Equities strategy at just over 50%. The equities strategy is allocated to directional, market neutral and event driven sub-strategies. This was followed by the quantitative and macro strategies at a combined 30%. Over the course of the fiscal year, the commodities exposure was reduced to zero following the redemption of funds managed by two specialist commodity managers. Net assets finished the period at \$42.49 million.

Dwayne Outerbridge CFA
President
Butterfield Select Invest Fund Limited
October 19, 2018



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

Direct tel: +1 441 295 7000
Direct fax: +1 441 295 5193
ey.com

Report of Independent Auditors

The Board of Directors
Butterfield Select Invest Fund Limited, comprising Cautious Class,
Conservative Class, Balanced Class, Dynamic Class and Growth Class
(collectively referred to as the Fund)

We have audited the accompanying financial statements of Butterfield Select Invest Fund Limited, comprising Cautious Class, Conservative Class, Balanced Class, Dynamic Class and Growth Class, which comprise the statements of financial position as at June 30, 2018 and 2017, and the statements of comprehensive income, changes in net assets attributable to shareholders and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Butterfield Select Invest Fund Limited, comprising Cautious Class, Conservative Class, Balanced Class, Dynamic Class and Growth Class, as at June 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

October 19, 2018

Butterfield Select Invest Fund Limited

COMPANY INFORMATION

DIRECTORS

Dwayne Outerbridge (alternative: Michael Neff)
Andrew Baron (resigned August 6, 2018)
Richard Foley

INVESTMENT ADVISER

Butterfield Asset Management Limited
65 Front Street
Hamilton HM 12
Bermuda

CUSTODIAN

Butterfield Trust (Bermuda) 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 11
Bermuda

Butterfield Select Invest Fund Limited

STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

(Expressed in US Dollars)

		CAUTIOUS CLASS	
		June 30, 2018 US\$	June 30, 2017 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	-	32,577
Financial assets at fair value through profit or loss (Cost: 2018 - \$3,776,377; 2017 - \$2,974,542)	3, 4	4,204,886	3,395,331
Prepaid expenses		948	489
Subscription paid in advance		245,200	-
Total assets		4,451,034	3,428,397
Liabilities			
Bank overdraft	2 h)	23,934	-
Accrued expenses	6, 7	6,426	9,926
Subscriptions received in advance		220,200	150
Total liabilities		250,560	10,076
Net assets attributable to shareholders		4,200,474	3,418,321
Number of common shares in issue	5	315,934	262,339
Net asset value per common share		13.30	13.03

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, 2018

(Expressed in US Dollars)

		CONSERVATIVE CLASS	
		June 30, 2018 US\$	June 30, 2017 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	-	34,950
Financial assets at fair value through profit or loss (Cost: 2018 - \$3,785,276; 2017 - \$3,228,268)	3, 4	4,234,452	3,725,851
Prepaid expenses		953	600
Subscription paid in advance		25,000	-
Total assets		4,260,405	3,761,401
Liabilities			
Bank overdraft	2 h)	23,655	-
Accrued expenses	6, 7	6,460	10,112
Total liabilities		30,115	10,112
Net assets attributable to shareholders		4,230,290	3,751,289
Number of common shares in issue	5	360,340	319,800
Net asset value per common share		11.74	11.73

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, 2018

(Expressed in US Dollars)

		BALANCED CLASS	
		June 30, 2018 US\$	June 30, 2017 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	2,536	83,337
Financial assets at fair value through profit or loss (Cost: 2018 - \$8,944,073; 2017 - \$7,989,491)	3, 4	9,883,549	8,670,202
Prepaid expenses		2,515	1,462
Subscription paid in advance		1,000	-
Total assets		9,889,600	8,755,001
Liabilities			
Accrued expenses	6, 7	10,279	14,831
Subscriptions received in advance		1,000	6,250
Total liabilities		11,279	21,081
Net assets attributable to shareholders		9,878,321	8,733,920
Number of common shares in issue	5	743,614	682,411
Net asset value per common share		13.28	12.80

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, 2018

(Expressed in US Dollars)

		DYNAMIC CLASS	
		June 30, 2018 US\$	June 30, 2017 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	4,985	65,941
Financial assets at fair value through profit or loss (Cost: 2018 - \$306,466; 2017 - \$255,773)	3, 4	308,274	253,022
Prepaid expenses		3	58
Receivable for investments sold		110,271	-
Total assets		423,533	319,021
Liabilities			
Payable on investments purchased		100,634	-
Accrued expenses	6, 7	660	4,521
Total liabilities		101,294	4,521
Net assets attributable to shareholders		322,239	314,500
Number of common shares in issue	5	25,000	25,000
Net asset value per common share		12.89	12.58

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, 2018

(Expressed in US Dollars)

		GROWTH CLASS	
		June 30, 2018 US\$	June 30, 2017 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	3,510	22,871
Financial assets at fair value through profit or loss (Cost: 2018 - \$2,292,835; 2017 - \$1,944,947)	3, 4	2,661,015	2,207,709
Subscriptions paid in advance		993	-
Prepaid expenses		623	363
Total assets		2,666,141	2,230,943
Liabilities			
Accrued expenses	6, 7	2,897	5,649
Subscriptions received in advance		993	1,000
Total liabilities		3,890	6,649
Net assets attributable to shareholders		2,662,251	2,224,294
Number of common shares in issue	5	190,003	168,944
Net asset value per common share		14.01	13.17

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS

As at June 30, 2018

(Expressed in US Dollars)

CAUTIOUS CLASS

Investment Funds	Number of Shares	2018	
		Fair Value	% of Portfolio
Butterfield Select Fund Limited – Alternative Class	41,474	\$ 638,702	15.19%
Butterfield Select Fund Limited – Equity Class	96,795	1,528,388	36.35%
Butterfield Select Fund Limited – Global Fixed Income Class	102,453	2,037,796	48.46%
TOTAL INVESTMENTS (Cost: 2018 - \$3,776,377)		\$ 4,204,886	100.00%

CONSERVATIVE CLASS

Investment Funds	Number of Shares	2018	
		Fair Value	% of Portfolio
Butterfield Select Fund Limited – Alternative Class	41,490	\$ 638,944	15.09%
Butterfield Select Fund Limited – Equity Class	44,754	706,667	16.69%
Butterfield Select Fund Limited – Global Fixed Income Class	145,241	2,888,841	68.22%
TOTAL INVESTMENTS (Cost: 2018 - \$3,785,276)		\$ 4,234,452	100.00%

BALANCED CLASS

Investment Funds	Number of Shares	2018	
		Fair Value	% of Portfolio
Butterfield Select Fund Limited – Alternative Class	94,931	\$ 1,461,943	14.79%
Butterfield Select Fund Limited – Equity Class	355,552	5,614,160	56.80%
Butterfield Select Fund Limited – Global Fixed Income Class	141,149	2,807,446	28.41%
TOTAL INVESTMENTS (Cost: 2018 - \$8,944,073)		\$ 9,883,549	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, 2018

(Expressed in US Dollars)

DYNAMIC CLASS

	Number of Shares	2018 Fair Value	% of Portfolio
Exchange-traded Fund			
Invesco S&P 500 Low Volatility	4,176	\$ 197,984	64.22%
Ishares 20+ Year Treasury Bond	405	49,297	15.99%
Ishares 7-10 Year Treasury Bond	595	60,993	19.79%
TOTAL INVESTMENTS (Cost: 2018 - \$306,466)		\$ 308,274	100.00%

GROWTH CLASS

	Number of Shares	2018 Fair Value	% of Portfolio
Investment Funds			
Butterfield Select Fund Limited – Alternative Class	25,123	\$ 386,900	14.54%
Butterfield Select Fund Limited – Equity Class	137,014	2,163,455	81.30%
Butterfield Select Fund Limited – Global Fixed Income Class	5,564	110,660	4.16%
TOTAL INVESTMENTS (Cost: 2018 - \$2,292,835)		\$ 2,661,015	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, 2018

(Expressed in US Dollars)

		CAUTIOUS CLASS	
		2018	2017
		US\$	US\$
	Notes		
Income			
Net realized gain on financial assets at fair value through profit or loss		72,644	138,471
Net change in unrealized gain on financial assets at fair value through profit or loss		7,720	117,999
Total income		80,364	256,470
Expenses			
Management fee	6 a)	9,486	8,389
Administration fee	7	7,240	11,372
Audit fee		3,450	3,518
Custodian fee	6 b)	1,601	1,250
Exchange fee		1,167	911
Government fee		315	363
Investment services fee	6 c)	632	1,006
Miscellaneous		2,761	4,047
Total expenses		26,652	30,856
Net increase in net assets resulting from operations attributable to shareholders		53,712	225,614

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, 2018

(Expressed in US Dollars)

		CONSERVATIVE CLASS	
		2018	2017
		US\$	US\$
	Notes		
Income			
Net realized gain on financial assets at fair value through profit or loss		15,868	86,953
Net change in unrealized gain on financial assets at fair value through profit or loss		11,592	91,975
Total income		27,460	178,928
Expenses			
Management fee	6 a)	10,019	9,110
Administration fee	7	7,264	10,414
Audit fee		2,950	4,528
Custodian fee	6 b)	1,577	1,262
Exchange fee		1,234	936
Government fee		398	390
Investment services fee	6 c)	725	1,063
Miscellaneous		3,596	4,373
Total expenses		27,763	32,076
Net (decrease)/increase in net assets resulting from operations attributable to shareholders		(303)	146,852

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, 2018

(Expressed in US Dollars)

		BALANCED CLASS	
		2018 US\$	2017 US\$
	Notes		
Income			
Net realized gain on financial assets at fair value through profit or loss		134,196	643,232
Net change in unrealized gain on financial assets at fair value through profit or loss		258,765	184,687
Total income		392,961	827,919
Expenses			
Management fee	6 a)	23,240	21,659
Administration fee	7	17,029	22,428
Audit fee		3,823	3,068
Custodian fee	6 b)	3,629	2,872
Exchange fee		1,784	2,380
Government fee		919	910
Investment services fee	6 c)	1,657	2,547
Miscellaneous		9,375	10,204
Total expenses		61,456	66,068
Net increase in net assets resulting from operations attributable to shareholders		331,505	761,851

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, 2018

(Expressed in US Dollars)

		DYNAMIC CLASS	
		2018	2017
		US\$	US\$
	Notes		
Income			
Net realized gain on financial assets at fair value through profit or loss		980	45,634
Net change in unrealized gain/(loss) on financial assets at fair value through profit or loss		4,560	(21,536)
Dividend income		4,118	3,510
Total income		9,658	27,608
Expenses			
Administration fee	7	366	3,371
Audit fee		250	1,002
Custodian fee	6 b)	867	1,250
Exchange fee		97	83
Government fee		34	16
Investment services fee	6 c)	80	104
Miscellaneous		225	675
Total expenses		1,919	6,501
Net increase in net assets resulting from operations attributable to shareholders		7,739	21,107

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, 2018

(Expressed in US Dollars)

		GROWTH CLASS	
		2018 US\$	2017 US\$
	Notes		
Income			
Net realized gain on financial assets at fair value through profit or loss		59,998	67,691
Net change in unrealized gain on financial assets at fair value through profit or loss		105,418	227,151
Total income		165,416	294,842
Expenses			
Management fee	6 a)	6,428	5,753
Administration fee	7	4,802	8,041
Audit fee		1,100	1,021
Custodian fee	6 b)	1,297	1,250
Exchange fee		799	648
Government fee		248	249
Investment services fee	6 c)	456	676
Miscellaneous		2,712	2,452
Total expenses		17,842	20,090
Net increase in net assets resulting from operations attributable to shareholders		147,574	274,752

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, 2018

(Expressed in US Dollars)

	CAUTIOUS CLASS	
	2018 US\$	2017 US\$
Net increase in net assets resulting from operations attributable to shareholders	53,712	225,614
Capital stock transactions		
Issue of redeemable shares	1,206,731	448,325
Repurchase of redeemable shares	(478,290)	(665,365)
Increase/(decrease) in net assets attributable to shareholders from transactions in shares	728,441	(217,040)
Net increase in net assets attributable to shareholders	782,153	8,574
Net assets attributable to shareholders – beginning of year	3,418,321	3,409,747
Net assets attributable to shareholders – end of year	4,200,474	3,418,321

	CONSERVATIVE CLASS	
	2018 US\$	2017 US\$
Net (decrease)/increase in net assets resulting from operations attributable to shareholders	(303)	146,852
Capital stock transactions		
Issue of redeemable shares	630,190	151,230
Repurchase of redeemable shares	(150,886)	(85,153)
Increase in net assets attributable to shareholders from transactions in shares	479,304	66,077
Net increase in net assets attributable to shareholders	479,001	212,929
Net assets attributable to shareholders – beginning of year	3,751,289	3,538,360
Net assets attributable to shareholders – end of year	4,230,290	3,751,289

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, 2018

(Expressed in US Dollars)

	BALANCED CLASS	
	2018 US\$	2017 US\$
Net increase in net assets resulting from operations attributable to shareholders	331,505	761,851
Capital stock transactions		
Issue of redeemable shares	1,134,746	1,656,252
Repurchase of redeemable shares	(321,850)	(1,612,494)
Increase in net assets attributable to shareholders from transactions in shares	812,896	43,758
Net increase in net assets attributable to shareholders	1,144,401	805,609
Net assets attributable to shareholders – beginning of year	8,733,920	7,928,311
Net assets attributable to shareholders – end of year	9,878,321	8,733,920

	DYNAMIC CLASS	
	2018 US\$	2017 US\$
Net increase in net assets resulting from operations attributable to shareholders	7,739	21,107
Capital stock transactions		
Issue of redeemable shares	-	-
Repurchase of redeemable shares	-	-
Increase in net assets attributable to shareholders from transactions in shares	-	-
Net increase in net assets attributable to shareholders	7,739	21,107
Net assets attributable to shareholders – beginning of year	314,500	293,393
Net assets attributable to shareholders – end of year	322,239	314,500

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, 2018

(Expressed in US Dollars)

	GROWTH CLASS	
	2018 US\$	2017 US\$
Net increase/(decrease) in net assets resulting from operations attributable to shareholders	147,574	274,752
Capital stock transactions		
Issue of redeemable shares	663,598	368,815
Repurchase of redeemable shares	(373,215)	(1,016,888)
Increase /(decrease) in net assets attributable to shareholders from transactions in shares	290,383	(648,073)
Net Increase /(decrease) in net assets attributable to shareholders	437,957	(373,321)
Net assets attributable to shareholders – beginning of year	2,224,294	2,597,615
Net assets attributable to shareholders – end of year	2,662,251	2,224,294

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, 2018

(Expressed in US Dollars)

	CAUTIOUS CLASS	
	2018 US\$	2017 US\$
Cash flows from operating activities		
Net increase in net assets resulting from operations attributable shareholders	53,712	225,614
<i>Adjustments for:</i>		
Purchase of financial assets	(1,524,681)	(870,161)
Net proceeds from sale of financial assets	550,290	1,126,045
Net realized gain on financial assets	(72,644)	(138,471)
Net change in unrealized gain on financial assets	(7,720)	(117,999)
Changes in:		
Prepaid expenses	(459)	79
Accrued expenses	(3,500)	878
Net cash (used in)/provided by operating activities	(1,005,002)	225,985
Cash flows from financing activities		
Proceeds from issuance of shares	1,206,731	448,325
Payments on redemption of shares	(478,290)	(665,365)
Subscriptions received in advance	220,050	-
Net cash provided by/(used in) financing activities	948,491	(217,040)
Net (decrease)/increase in cash and cash equivalents	(56,511)	8,945
Cash and cash equivalents – beginning of year	32,577	23,632
Cash and cash equivalents (net of bank overdraft) – end of year	(23,934)	32,577

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, 2018

(Expressed in US Dollars)

	CONSERVATIVE CLASS	
	2018 US\$	2017 US\$
Cash flows from operating activities		
Net (decrease)/increase in net assets resulting from operations attributable shareholders	(303)	146,852
<i>Adjustments for:</i>		
Purchase of financial assets	(653,892)	(557,250)
Net proceeds from sale of financial assets	147,751	526,793
Net realised gain on financial assets	(15,868)	(86,953)
Net change in unrealised gain on financial assets	(11,592)	(91,975)
Changes in:		
Prepaid expenses	(353)	(20)
Accrued expenses	(3,652)	715
Net cash used in operating activities	(537,909)	(61,838)
Cash flows from financing activities		
Proceeds from issuance of shares	630,190	151,230
Payments on redemption of shares	(150,886)	(85,153)
Net cash provided by financing activities	479,304	66,077
Net (decrease)/increase in cash and cash equivalents	(58,605)	4,239
Cash and cash equivalents – beginning of year	34,950	30,711
Cash and cash equivalents (net of bank overdraft) – end of year	(23,655)	34,950

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, 2018

(Expressed in US Dollars)

	BALANCED CLASS	
	2018 US\$	2017 US\$
Cash flows from operating activities		
Net increase in net assets resulting from operations attributable shareholders	331,505	761,851
<i>Adjustments for:</i>		
Purchase of financial assets	(3,356,087)	(4,527,748)
Net proceeds from sale of financial assets	2,534,701	4,568,613
Net realized gain on financial assets	(134,196)	(643,232)
Net change in unrealized gain on financial assets	(258,765)	(184,687)
Changes in:		
Prepaid expenses	(1,053)	(81)
Accrued expenses	(4,552)	1,378
Net cash used in operating activities	(888,447)	(23,906)
Cash flows from financing activities		
Proceeds from issuance of shares	1,134,746	1,656,252
Payments on redemption of shares	(321,850)	(1,612,494)
Subscriptions received in advance	(5,250)	(1,750)
Net cash provided by financing activities	807,646	42,008
Net (decrease)/increase in cash and cash equivalents	(80,801)	18,102
Cash and cash equivalents – beginning of year	83,337	65,235
Cash and cash equivalents – end of year	2,536	83,337

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, 2018

(Expressed in US Dollars)

	DYNAMIC CLASS	
	2018 US\$	2017 US\$
Cash flows from operating activities		
Net increase in net assets resulting from operations attributable shareholders	7,739	21,107
<i>Adjustments for:</i>		
Purchase of financial assets	(3,151,220)	(2,585,559)
Net proceeds from sale of financial assets	3,091,871	2,644,478
Net realized gain on financial assets	(980)	(45,634)
Net change in unrealized (gain)/loss on financial assets	(4,560)	21,536
Changes in:		
Prepaid expenses	55	(58)
Accrued expenses	(3,861)	808
Net cash (used in)/provided by operating activities	(60,956)	56,678
Net (decrease)/increase in cash and cash equivalents	(60,956)	56,678
Cash and cash equivalents – beginning of year	65,941	9,263
Cash and cash equivalents – end of year	4,985	65,941

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, 2018

(Expressed in US Dollars)

	GROWTH CLASS	
	2018 US\$	2017 US\$
Cash flows from operating activities		
Net increase in net assets resulting from operations attributable shareholders	147,574	274,752
<i>Adjustments for:</i>		
Purchase of financial assets	(709,124)	(454,805)
Net proceeds from sale of financial assets	420,241	1,121,386
Net realized gain on financial assets	(59,998)	(67,691)
Net change in unrealized gain on financial assets	(105,418)	(227,151)
Changes in:		
Prepaid expenses	(260)	143
Accrued expenses	(2,752)	(223)
Net cash (used in)/provided by operating activities	(309,737)	646,411
Cash flows from financing activities		
Proceeds from issuance of shares	663,598	368,815
Payments on redemption of shares	(373,215)	(1,016,888)
Subscriptions received in advance	(7)	(1,000)
Net cash provided by/(used in) financing activities	290,376	(649,073)
Net decrease in cash and cash equivalents	(19,361)	(2,662)
Cash and cash equivalents – beginning of year	22,871	25,533
Cash and cash equivalents – end of year	3,510	22,871

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, 2018

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. Butterfield Trust (Bermuda) 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, 2018

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

b) Financial instruments

i. Classification

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'.

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 sub-divided 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, mutual funds and exchange-traded funds. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial instruments designated at fair value through profit or loss upon initial recognition: these include investments in investment funds 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 and 2017.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Other financial liabilities

This category includes all financial liabilities, other than those classified as held for trading. The Fund includes in this category amounts for 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 fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Receivables and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the statement of comprehensive income, unless specified otherwise.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

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 where 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 either: the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has 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 binding dealer price quotations, without any deduction for transaction costs.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

c) Fair value measurement (continued)

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

The Fund assesses at each reporting date whether a financial asset or group of financial assets is 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. Evidence of impairment may include indications that the debtor/counterparty or a group of debtors/counterparties is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into 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 expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate.

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, 2018 and 2017, 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, 2018

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, 2018

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

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

IAS 7 Disclosure Initiative – Amendments to IAS 7

In January 2016, the IASB issued amendments to IAS 7 Statement of Cash Flows to aid users of financial statements to better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from cash flows and non-cash changes. IAS 7 Disclosure Initiative is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. As the Fund already provided disclosures about changes in liabilities arising from cash flows and non-cash changes, the adoption of IAS 7 Disclosure Initiative has not had an impact on the Fund.

q) Impact of accounting pronouncements issued but not yet effective

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Fund is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

q) Impact of accounting pronouncements issued but not yet effective (continued)

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Fund is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

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, 2018, the credit ratings of the Custodian and the Bank, as provided by Standard and Poor's, were both BBB+ (2017 – 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, 2018 and 2017, 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, 2018

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 0.57% (2017 – 0.95%) for Cautious Class, 0.56% (2017 – 0.93%) for the Conservative Class; 0.03% (2017 – 0.95%) for the Balanced Class; 1.55% (2017 – 20.97%) for the Dynamic Class and 0.13% (2017 – 1.03%) 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 units. 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 and 2017, 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	
	2018	2017
	US\$	US\$
Cautious Class	210,244	169,767
Conservative Class	211,723	186,293
Balanced Class	494,177	433,510
Dynamic Class	15,414	12,651
Growth Class	133,051	110,385

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, 2018

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;
- 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, 2018 and 2017, 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, 2018 and 2017. 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, 2018 and 2017. The Fund did not hold any level 3 investments at the beginning, during, or at the end of the years ended June 30, 2018 and 2017.

5. SHARES ISSUED AND OUTSTANDING

The authorised share capital of the Fund is US\$10,001 (2017 – US\$10,001) divided into:

1,000,000,000 common 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.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

5. SHARES ISSUED AND OUTSTANDING (Continued)

Details of shares issued and outstanding during the years ended June 30, 2018 and 2017 are as follows:

CAUTIOUS CLASS COMMON SHARES		
	2018	2017
Balance – beginning of year	262,339	279,933
Issue of common shares	89,691	35,790
Redemption of common shares	(36,096)	(53,384)
Balance – end of year	315,934	262,339

CONSERVATIVE CLASS COMMON SHARES		
	2018	2017
Balance – beginning of year	319,800	314,001
Issue of common shares	53,368	13,197
Redemption of common shares	(12,828)	(7,398)
Balance – end of year	360,340	319,800

BALANCED CLASS COMMON SHARES		
	2018	2017
Balance – beginning of year	682,411	676,948
Issue of common shares	85,487	134,485
Redemption of common shares	(24,284)	(129,022)
Balance – end of year	743,614	682,411

DYNAMIC CLASS COMMON SHARES		
	2018	2017
Balance – beginning of year	25,000	25,000
Issue of common shares	-	-
Redemption of common shares	-	-
Balance – end of year	25,000	25,000

GROWTH CLASS COMMON SHARES		
	2018	2017
Balance – beginning of year	168,944	223,606
Issue of common shares	47,665	29,493
Redemption of common shares	(26,606)	(84,155)
Balance – end of year	190,003	168,944

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

5. SHARES ISSUED AND OUTSTANDING (Continued)

Common shares are allotted to subscribers at a value determined by reference to the weekly valuation of the net assets of the class. Common 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.

6. RELATED PARTY TRANSACTIONS

a) Management Fee

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

Under the terms of the management agreement, the Investment Adviser is entitled to receive a monthly fee calculated at the rate of no more than 0.25% per annum of the average valuation of the net assets of each class in each month, 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	
	2018	2017	2018	2017
	US\$	US\$	US\$	US\$
Cautious	9,486	8,389	867	847
Conservative	10,019	9,110	871	924
Balanced	23,240	21,659	2,028	2,134
Dynamic	-	-	-	-
Growth	6,428	5,753	552	540

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 increase to 5 basis points per annum. Details of custodian fees charged and payable, as at June 30, 2018 and 2017 for each class are set out in the table below.

Class	Custodian fees charged		Custodian fees payable	
	2018	2017	2018	2017
	US\$	US\$	US\$	US\$
Cautious	1,601	1,250	383	620
Conservative	1,577	1,262	377	636
Balanced	3,629	2,872	890	1,477
Dynamic	867	1,250	6	624
Growth	1,297	1,250	238	620

Butterfield Select Invest Fund Limited



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

6. RELATED PARTY TRANSACTIONS (Continued)

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 for the Butterfield group of funds, 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, 2018 and 2017 for each class are set out in the table below. Effective March 1, 2018, the investment services fee paid to the Bank was discontinued.

Class	Investment services fees charged		Investment services fees payable	
	2018 US\$	2017 US\$	2018 US\$	2017 US\$
Cautious	632	1,006	-	104
Conservative	725	1,063	-	-
Balanced	1,657	2,547	-	238
Dynamic	80	104	43	22
Growth	456	676	-	54

d) Others

The Bank owns 235,000, 235,000, 25,000, and 25,000 shares (2017 - 235,000, 235,000, 25,000, and 25,000 shares) of the Conservative Class, Balanced Class, Dynamic Class and Growth Class, respectively. The Bank did not own any shares of the Cautious Class as at June 30, 2018 and 2017.

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 \$36,701 (2017: \$53,126). Details of administration fees charged and payable, as at June 30, 2018 and 2017 for each class are set out in the table below. Administration fees payable at June 30, 2018 and 2017 are included in accrued expenses in the statements of financial position.

Class	Administration fees charged		Administration fees payable	
	2018 US\$	2017 US\$	2018 US\$	2017 US\$
Cautious	7,240	11,372	1,451	4,563
Conservative	7,264	10,414	1,487	4,302
Balanced	17,029	22,428	3,361	6,448
Dynamic	366	3,371	110	2,824
Growth	4,802	8,041	932	3,451

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

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, 2018 (2017: none).

10. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2018 through October 19, 2018, the date the financial statements were available to be issued.

The Fund did not have any material subsequent events.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

11. FINANCIAL HIGHLIGHTS

2018		Cautious Class	Conservative Class	Balanced Class
Per Share Information				
Net asset value - beginning of year	\$	13.03	\$ 11.73	\$ 12.80
Net investment income from operations				
Net investment loss****		(0.09)	(0.08)	(0.08)
Net realised and unrealised gain on investments		0.36	0.09	0.56
Total from investment operations		0.27	0.01	0.48
Net asset value - end of year	\$	13.30	\$ 11.74	\$ 13.28
Ratios / Supplemental Data				
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, 2018

11. FINANCIAL HIGHLIGHTS (Continued)

2018		Dynamic Class		Growth Class
Per Share Information				
Net asset value - beginning of year	\$	12.58	\$	13.17
Net investment income from operations				
Net investment gain/(loss)****		0.08		(0.10)
Net realised and change in unrealised gain on investments		0.23		0.94
Total from investment operations		0.31		0.84
Net asset value - end of year	\$	12.89	\$	14.01
Ratios / Supplemental Data				
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**		1244.97%		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.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

11. FINANCIAL HIGHLIGHTS (Continued)

2017		Cautious Class	Conservative Class	Balanced Class
Per Share Information				
Net asset value - beginning of year	\$	12.18	\$ 11.27	\$ 11.71
Net investment income from operations				
Net investment loss****		(0.12)	(0.10)	(0.09)
Net realised and unrealised gain on investments		0.97	0.56	1.18
Total from investment operations		0.85	0.46	1.09
Net asset value - end of year	\$	13.03	\$ 11.73	\$ 12.80
Ratios / Supplemental Data				
Total net assets - end of year	\$	3,418,321	\$ 3,751,289	\$ 8,733,920
Weighted average net assets*	\$	3,357,169	\$ 3,651,982	\$ 8,685,066
Ratio of expenses to weighted average net assets		0.92%	0.88%	0.76%
Portfolio turnover rate**		26.00%	14.49%	52.30%
Annual rate of return***		6.98%	4.08%	9.31%

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2018

11. FINANCIAL HIGHLIGHTS (Continued)

2017		Dynamic Class	Growth Class
Per Share Information			
Net asset value - beginning of year	\$	11.74	\$ 11.62
Net investment income from operations			
Net investment loss****		(0.12)	(0.11)
Net realised and change in unrealised gain on investments		0.96	1.66
Total from investment operations		0.84	1.55
Net asset value - end of year	\$	12.58	\$ 13.17
Ratios / Supplemental Data			
Total net assets - end of year	\$	314,500	\$ 2,224,294
Weighted average net assets*	\$	305,833	\$ 2,300,595
Ratio of expenses to weighted average net assets		2.13%	0.87%
Portfolio turnover rate**		1036.79%	19.88%
Annual rate of return***		7.16%	13.34%

* 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 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 19, 2018.