

Butterfield Select Invest Fund Limited

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2009 AND 2008

Butterfield Select Invest Fund Limited

Butterfield Select Invest Fund Limited - Annual Report 2009

Introduction

The Butterfield Select Invest Fund Limited was launched on October 6, 2005. The Fund invests in fixed allocations to the three classes of the Butterfield Select Fund Limited.

The net asset value (NAV) per share of the Fund decreased from \$10.80 to \$9.39 over the period from June 30, 2008 to June 30, 2009, a decrease of -13.05%. Assets of the Fund totaled \$12.0 million as of June 30, 2009.

Butterfield Select Fixed Income Fund Review-

The net asset value (NAV) per share of the Fund decreased from \$15.13 to \$14.68 over the twelve month period to June 30, 2009, a decrease of 2.97%, underperforming the benchmark which increased 6.97%.

During the 2nd half of 2008, the US\$ fixed income market continued to experience a massive “flight to safety” as investors became more and more risk averse. The flight of money into US Treasuries drove yields down with the 10-Year yielding 2.2% at year end and 5-Year issues yielding only 1.5%. However, outside of Government issues yield spread differentials widened, often leading to negative returns. Investment grade corporate bonds dropped 6%, emerging market bonds fell 11%, securitised issues lost over 15%, and high yield (junk) lost 25%. The Fund’s strategy of diversified exposure to various segments of the fixed-income market suffered during the second half as exposure to those that were punished outweighed those that benefited.

However, the US Treasury yield curve steepened substantially in the first half as the abrupt change from the flight to quality we saw in the latter part of 2008 gave way to an increase in risk appetite. Higher inflation expectations combined with the US fiscal deficit situation and the need to issue \$2 Trillion in 2009 certainly contributed to the up move on the long end of the curve as well.

During the period, the performance of lower credit quality debt was extremely strong. The best performing markets included high yield and emerging market bonds. Corporate credit and securitized debt also performed well. Liquidity, the Term Asset-Backed Securities Loan facility (TALF) and quantitative easing programs indirectly provided a boost to these markets. Conversely, risk-free debt securities underperformed.

The Fund was well positioned to enjoy a return to a calmer credit market and strongly outperformed its benchmark through the first half of 2009, though not sufficiently to make up for the disappointing end of 2008. The Fund continues to reduce its holdings in ABS and CMBS (by not replacing maturing issues) and increase its exposure to investment grade corporate debt and Supranational / Sovereign issuers.

Butterfield Select Equity Fund Review-

The net asset value (NAV) per share of the Fund decreased from \$11.73 to \$7.86 over the twelve month period to June 30, 2009, a decrease of 32.99%, underperforming the benchmark which fell 29.50%. Similarly, all major world indices posted negative returns over the period: (S&P 500: -26.20%, FTSE 100: -20.53%, and Nikkei 225: -24.71%; all returns expressed in local currency terms).

Butterfield Select Invest Fund Limited

Equity markets, and in fact all risky assets, have endured a difficult period over the 12 months ending June 30, 2009. In 2008 we witnessed a host of dramatic events, such as the reduction in lending, conservatorship of Freddie Mac and Fannie Mae, bankruptcy of Lehman Brothers, and the forced rescue of AIG. With the subsequent freeze of credit markets, the last half of 2008 was extraordinarily painful for investors as the equity markets went from expecting an economic slowdown to pricing in a long and deep recession.

Awful economic data and fear of a complete collapse of financial stocks led to a difficult start for equity markets in 2009. Fear and despondency reached its apex at the beginning of March 2009 with the MSCI World Index down 25% before the markets enjoyed a very substantial rally to end the first half of 2009 with respectable gains. The Fund's low of the year was March 5, 2009 with a NAV of 5.68.

During the second quarter, the market mainly took comfort from the ending of two uncertainties: the US bank stress tests which were clearly massaged to ensure a soft landing for the fragile banking system and the GM bankruptcy which is being handled in a controlled manner. Market leaders out of the rally included the beaten down banks and US consumer stocks, as well as high beta stocks associated with the China-Commodities driven theme.

The Fund participated in the rally and particularly benefited from its exposure to emerging markets and Asia. We believe that the long-term outlook for emerging market economies is brighter and will be looking to add to positions on pullbacks. The timing of a recovery from the current recession is, at best, uncertain and we expect to see continued volatility in equity markets in the months ahead.

During the year the Fund sold its position in JP Morgan US Dynamic Fund. The Fund established a position in Martin Currie Global North American Fund.

Butterfield Select Alternative Fund Review-

International Asset Management (IAM), a well established specialist in alternative investment management based in London, UK, continues to assume its role as a sub-advisor for the Butterfield Select Alternative Class.

The net asset value (NAV) per share of the Fund decreased from \$15.15 to \$13.62 over the twelve month period to June 30, 2009, a decrease of 10.10%. While the fund failed to protect capital during this tumultuous period, it outperformed its benchmark which fell 15.28%.

The second half of 2008 was particularly disappointing, where the Fund lost 13.3%. However, in the context of the losses seen in the equity markets and trading conditions of the fixed income markets, its performance was somewhat understandable and quite strong within its peer group. This is reflective of the Fund's objective to be structured more towards a lower risk profile than higher return. Additionally, the Fund had no exposure to Madoff-managed products which we believe is reflective of the high and extensive due diligence standards of our sub-advisor.

After the disappointing performance through Q3 and Q4 of 2008, it was pleasing to see two consecutive quarters of positive absolute returns in 2009. In aggregate, many hedge fund managers stayed conservatively positioned during the period leading to the industry underperforming equity and credit markets on a relative basis. As a result, the embedded risk and sensitivity of hedge funds to asset markets has declined allowing managers to reaffirm themselves as true risk diversifiers in portfolios.

Butterfield Select Invest Fund Limited

During this half, convertible arbitrage and relative value arbitrage were the best performing strategies while global macro suffered from the lack of clarity surrounding the direction of asset markets. As a result of improved liquidity, many funds were able to lift their gates and pay out redemptions. Anecdotal evidence suggests that money has also been coming back to the space, leading managers and analysts to hope the industry has seen the worst, at least from an operational management perspective.

The Fund continues to reduce its exposure to long/short equity managers and is therefore becoming less directionally exposed to asset (more specifically equity) markets. The Fund remains well diversified with exposure to many different alternative investment strategies.



Curtis Dickinson
President
Butterfield Select Invest Fund Limited

October 7, 2009

Butterfield Select Invest Fund Limited

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying statements of net assets of Butterfield Select Invest Fund Limited ("the Fund"), including the statements of portfolio investments, as at June 30, 2009 and 2008, and the statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada and Bermuda. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2009 and 2008, and the results of its operations and the changes in its net assets for the years then ended, in accordance with accounting principles generally accepted in Canada and Bermuda.

Deloitte + Touche

DELOITTE & TOUCHE
Chartered Accountants
Hamilton, Bermuda

October 7, 2009

Butterfield Select Invest Fund Limited

DIRECTORS

Curtis Dickinson
Sheila Brown (Appointed on November 19, 2008)
Ian Coulman (Resigned on July 20, 2009)
Dr. James A.C. King (Resigned on November 19, 2008)

INVESTMENT ADVISOR

Butterfield Asset Management Limited
P.O. Box HM 195
Hamilton HM AX
Bermuda

CUSTODIAN

Butterfield Trust (Bermuda) Limited
P.O. Box HM 195
Hamilton HM AX
Bermuda

REGISTRAR, TRANSFER AGENT AND ADMINISTRATOR

Butterfield Fulcrum Group (Bermuda) Limited
P.O. Box HM 195
Hamilton HM AX
Bermuda

AUDITORS

Deloitte & Touche
P.O. Box HM 1556
Hamilton HM FX
Bermuda

Butterfield Select Invest Fund Limited

STATEMENTS OF NET ASSETS

As at June 30, 2009 and 2008

(Expressed in US Dollars)

ASSETS	2009	2008
Investments, at current value		
(Cost 2009 - \$12,733,147; 2008 - \$13,196,272)	\$ 12,023,328	\$ 14,124,548
Cash and cash equivalents	2,766	-
Prepaid expenses	1,163	2,667
	12,027,257	14,127,215
LIABILITIES		
Accrued expenses	33,089	19,442
Bank overdraft	6,535	2,461
	39,624	21,903
FUND NET ASSETS	11,987,633	14,105,312
Number of common shares in issue	1,276,076	1,306,534
NET ASSET VALUE PER COMMON SHARE	\$ 9.39	\$ 10.80

Signed on Behalf of the Board

DIRECTOR

DIRECTOR

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENTS OF PORTFOLIO INVESTMENTS

As at June 30, 2009 and 2008

(Expressed in US Dollars)

Investment Fund	Shares	2009			2008		
		Current Value	% of Portfolio	Shares	Current Value	% of Portfolio	
Butterfield Select Fixed Income Class	145,866	\$ 1,986,698	16.52%	531,157	\$ 8,036,410	56.90%	
Butterfield Select Equity Class	354,042	2,782,770	23.14%	320,918	3,764,371	26.65%	
Butterfield Select Alternative Class	494,132	7,253,860	60.34%	153,384	2,323,767	16.45%	
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TOTAL INVESTMENTS AT CURRENT VALUE							
(Cost 2009 - \$12,733,147; 2008 - \$13,196,272)		\$ 12,023,328	100.00%			\$ 14,124,548	100.00%

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENTS OF OPERATIONS
For the years ended June 30, 2009 and 2008
(Expressed in US Dollars)

INVESTMENT INCOME	2009	2008
Deposit interest	\$ 9	\$ 1,870
EXPENSES		
Accounting fee	36,136	28,012
Management fee	30,119	37,165
Registrar & transfer agent fee	26,418	26,500
Audit fee	13,220	11,026
Secretarial fee	9,621	4,813
Miscellaneous	8,895	6,609
Custodian fee	3,000	3,008
Government fee	1,915	2,627
	129,324	119,760
NET INVESTMENT LOSS	(129,315)	(117,890)
NET REALISED AND UNREALISED (LOSS) GAIN ON INVESTMENTS		
Net realised (loss) gain on investments	(52,233)	119,665
Net change in unrealised loss on investments	(1,638,095)	(896,612)
NET LOSS ON INVESTMENTS	(1,690,328)	(776,947)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (1,819,643)	\$ (894,837)

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended June 30, 2009 and 2008

(Expressed in US Dollars)

	2009	2008
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (1,819,643)	\$ (894,837)
CAPITAL STOCK TRANSACTIONS		
Proceeds on the issue of shares	286,163	1,271,718
Payment on the redemption of shares	(584,199)	(1,094,060)
Net capital stock transactions	(298,036)	177,658
NET DECREASE IN NET ASSETS FOR THE YEAR	(2,117,679)	(717,179)
NET ASSETS - BEGINNING OF YEAR	14,105,312	14,822,491
NET ASSETS - END OF YEAR	\$ 11,987,633	\$ 14,105,312

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2009 and 2008 (Expressed in US Dollars)

1. ABOUT THE FUND

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 on September 1, 2005 in and under the laws of Bermuda.

The Fund commenced operations on October 6, 2005. Butterfield Trust (Bermuda) Limited, acts as Custodian. Butterfield Asset Management Limited acts as Investment Advisor. Butterfield Fulcrum Group (Bermuda) Limited acts as Registrar and Transfer Agent and as Accountants for the Fund. Butterfield Trust (Bermuda) Limited and Butterfield Asset Management Limited are wholly owned subsidiaries of The Bank of N.T. Butterfield & Son Limited (the "Bank"), and the Bank also holds a significant interest in Butterfield Fulcrum Group (Bermuda) Limited.

The objective of the Fund is to act as a fund of fund, investing in the three classes of the Butterfield Select Fund Limited, 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. The Fund may also hold money market instruments or mutual funds for cash management purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and Bermuda. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund.

a) Valuation of Investments

Investments in underlying funds are recorded at their fair values, determined by management at the date of the statement of net assets using their latest available net asset values obtained from the administrators of the respective underlying funds. The net change in the period between these amounts and cost is shown as unrealised gain (loss) on investments.

The requirements of the CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement ("CICA 3855"), became effective for fiscal years beginning on or after October 1, 2006. CICA 3855 prescribes specific guidance for establishing fair values under GAAP, including the use of bid prices for long positions and ask prices for short positions for investments quoted in active markets. Where active markets do not exist, fair values are established using a fair valuation technique. Prior to the adoption of CICA 3855, fair values were based on last traded or closing prices or based on management's best estimate where market quotations were not reliable or available.

CICA 3855 also requires that transaction costs (such as brokerage commissions) incurred on portfolio transactions be recognized immediately in net income and presented as a separate expense item in the financial statements. Prior to the adoption of CICA 3855, transaction costs were included in the average cost of investments or as a reduction in the proceeds on the disposition of investments. Transaction costs were recognized immediately in net assets and results of operations, but were not presented as a separate line item.

Had the Fund used the bid prices for long positions, as prescribed by CICA 3855, the current value of investments, fund net assets and the net asset value per common share would have been unchanged (2008 - \$Nil).

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2009 and 2008 (Expressed in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Investment Transactions and Income Recognition

Investment transactions are accounted for on the trade date. Gains or losses arising from the sale of investments are determined using the average cost basis. Income from investments is recorded on the accrual basis. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date.

The Fund holds positions in investment funds which offer varying periods in which shareholders may redeem their holdings. As of June 30, 2009, investment funds held by the Fund offered redemptions on a weekly basis.

c) Cash and Cash Equivalents

Cash equivalents are comprised primarily of shares in the Butterfield Money Market Fund Limited, an affiliated money market fund, denominated in US\$ shares. Shares may be redeemed on a same day notice. The value of the holding at June 30, 2009 was \$2,766 (2008 - \$Nil).

d) Financial Assets and Liabilities

In addition to the estimated fair values of investments as disclosed in the statements of portfolio investments, the estimated fair value of the Fund's other financial instruments, including cash and cash equivalents, accrued expenses and redemptions payable approximate their carrying value.

e) Adoption of New Accounting Standards

CICA Handbook Institute of Chartered Accountants ("CICA") issued CICA Handbook Section 1535, Capital Disclosure, effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The main objective of this new standard is to disclose information about a legal entity's capital and how it is managed. The adoption of this standard did not have an impact on the Fund's results.

The CICA issued CICA Handbook Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation effective for financial statements relating to fiscal years beginning on or after October 1, 2007. These standards provide comprehensive disclosure and presentation requirements for financial instruments and have been adopted by the fund for the current fiscal year.

3. RISK MANAGEMENT

The Funds' overall risk management approach includes formal guidelines to govern the extent of exposure to various types of risk. The Investment Advisor also has various internal controls to oversee the Funds' 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. The value of such securities on the Statement of Portfolio Investments includes consideration of the creditworthiness of the issuer, and, accordingly represents the maximum credit risk exposure of the Fund.

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 Funds' reporting currency the Investment Advisor attempts to mitigate the associated currency risk in accordance with the above mentioned guidelines which may include the use of forward currency contracts.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2009 and 2008 (Expressed in US Dollars)

3. RISK MANAGEMENT (CONT'D)

Interest Rate Risk

Prices of fixed income securities generally increase when interest rates decline, and decrease when interest rates rise. This risk is known as interest rate risk.

Liquidity Risk

The Fund is exposed to liquidity risk by way of cash redemptions of redeemable units. The Fund retains sufficient cash and cash equivalents and has a credit facility available to maintain adequate liquidity to address this risk.

Other price/market risk

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

4. SHARES ISSUED AND OUTSTANDING

The present authorised share capital of the Fund is US\$10,001 divided into 100 Organisational Shares of US\$0.01 par value each ("the Organisational Shares") and of 1,000,000,000 shares of US\$0.00001 par value each, which have been designated as non-voting participating shares (the "Shares"). The Organisational Shares have been allotted for cash at par to the investment Advisor.

Details of shares issued and outstanding during the year are as follows:

	2009	2008
Balance - beginning of year	1,306,534	1,292,666
Issue of common shares	31,051	111,726
Redemption of common shares	(61,509)	(97,858)
Balance - end of year	1,276,076	1,306,534

Common shares are allotted to subscribers at a value determined by reference to the weekly valuation of the net assets of the Fund. 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. The organisational shares are owned by the Investment Advisor.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS For the years ended June 30, 2009 and 2008 (Expressed in US Dollars)

5. NET REALISED (LOSS) GAIN ON INVESTMENTS

The net realised (loss) gain on sale of investments was as follows:

	2009	2008
Proceeds on sale of investments	\$ 993,194	\$ 1,194,083
Less cost of investments sold:		
Investments owned at beginning of year	13,196,272	13,011,953
Investments purchased during year	582,302	1,258,737
Investments owned at end of year	(12,733,147)	(13,196,272)
Investments sold during year	1,045,427	1,074,418
Net realised (loss) gain on investments	\$ (52,233)	\$ 119,665

6. RELATED PARTY TRANSACTIONS

a) Management Fee

Under the terms of the Management Agreement, the Investment Advisor 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 the Fund in each month, and will be paid on the last Valuation Day in each month. Management fees for the first twelve months from the Fund's launch date were waived.

In regards to the underlying investments in the Butterfield Select Fund classes, the Investment Advisor is entitled to receive a monthly fee calculated at the rate of no more than 1% per annum of the net asset value of each of the Equity and Fixed Income Classes and 1.5% per annum of the Alternative Income Class. Presently, the monthly fee is calculated at the rate of 0.875% per annum for each of the Equity and Fixed Income Classes and 1.5% per annum for the Alternative Income Class.

b) Custodian Fee

Custodian fees are charged at a fixed fee of \$3,000 per annum.

c) Accounting Fee and Registrar and Transfer Agent Fee

Administrator fees for Accounting and Valuation Services are charged at a fixed weekly fee of \$500. Registrar and Transfer Agency Services are charged at US\$20 per transaction, subject to a minimum fee of \$500 per week.

d) Credit Facility

On May 15, 2008, the Fund entered into a revolving standby credit facility with the Bank of \$0.5 million to a maximum of 10% of the Fund's net asset value which expired on April 30, 2009. The facility is intended to assist the Fund in meeting short term liquidity. The facility was renewed on June 17, 2009 and expires on March 31, 2010. The interest rate on the facility will be determined at the time the facility is utilized. No amounts were drawn on the facility at June 30, 2009. Amounts borrowed by the Fund are secured against the assets of the Fund.

7. TAXATION

Under current Bermuda law the Fund is not required to pay any taxes in Bermuda on either income or capital gains. The Fund has received an undertaking from the Minister of Finance in Bermuda that in the event of any such taxes being imposed the Fund will be exempted from taxation until the year 2016.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2009 and 2008
(Expressed in US Dollars)

8. FINANCIAL HIGHLIGHTS Per Share Information	2009	2008
Net asset value - beginning of year	\$ 10.80	\$ 11.47
Income from investment operations		
Net investment loss	(0.08)	(0.08)
Net realised and unrealised loss on investments	(1.33)	(0.59)
Total from investment operations	(1.41)	(0.67)
Net asset value - end of year	\$ 9.39	\$ 10.80
Ratios / Supplemental Data		
Total net assets - end of year	\$ 11,987,633	\$ 14,105,312
Weighted average net assets*	\$ 12,013,292	\$ 14,768,322
Ratio of expenses to weighted average net assets annualized	1.08%	0.81%
Portfolio turnover rate**	4.88%	8.36%
Annual rate of return***	(13.05%)	(5.84%)

* 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 for shareholders is calculated by comparing the end of year net asset value multiplied by the beginning of the year number of shares to the beginning of year net asset value multiplied by the beginning of the year number of shares.