

Butterfield Select Fund Limited

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

Butterfield Select Fund Limited

Introduction

The Butterfield Select Fund Limited had negative cash flows over the twelve months to June 30, 2009. When combined with the negative Fund price performance, the total assets of the Fund decreased by approximately 39% to \$266.2 million. The alternative class had the largest redemptions over the period.

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).

Equity markets, and in fact all risky assets, have endured a difficult period over the twelve 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 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 issues 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.

Butterfield Select Fund Limited

Butterfield Select Fixed Income Fund Review - (continued)

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 as liquidity improved and 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 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.

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 Fund Limited
October 7, 2009

Butterfield Select Fund Limited

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying statements of net assets of Butterfield Select 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.

The logo for Deloitte + Touche, featuring the company name in a stylized, handwritten-style font.

DELOITTE & TOUCHE
Chartered Accountants
Hamilton, Bermuda

October 7, 2009

Butterfield Select Fund Limited

DIRECTORS

John Weale
Barry Hanson
Curtis Dickinson
Dawn Griffiths (Appointed on November 19, 2008)
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
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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

AUDIT COMMITTEE

Barry Hanson
John Weale

Butterfield Select Fund Limited

STATEMENTS OF NET ASSETS

As at June 30, 2009 and 2008

(Expressed in US Dollars)

	2009 EQUITY CLASS	2008 EQUITY CLASS
ASSETS		
Investments, at current value	\$ 94,693,292	\$ 170,223,993
Cash and cash equivalents	2,866,577	2,364,346
Accrued dividends receivable	27,714	105,020
Bond interest receivable	-	-
Receivable for investments sold	-	-
Advanced payment for purchase of investments	-	-
Subscriptions receivable	-	-
Unrealized gain on forward exchange contract	-	-
Prepaid expenses	1,556	3,471
Other assets	346	-
	97,589,485	172,696,830
LIABILITIES		
Accrued expenses	174,481	244,766
Redemptions payable	-	291,955
Payable for investment purchased	-	426,270
Subscriptions received in advance	150,000	70,000
Unrealized loss on forward exchange contract	-	-
	324,481	1,032,991
	97,265,004	171,663,839
Organisational shares	12,000	12,000
FUND NET ASSETS	\$ 97,253,004	\$ 171,651,839
Number of common shares in issue	12,367,307	14,632,014
NET ASSET VALUE PER COMMON SHARE	\$ 7.86	\$ 11.73

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

2009 FIXED INCOME CLASS		2008 FIXED INCOME CLASS		2009 ALTERNATIVE INVESTMENT CLASS		2008 ALTERNATIVE INVESTMENT CLASS	
\$	79,712,571	\$	95,016,598	\$	66,150,653	\$	157,244,958
	3,511,342		3,338,119		8,822,419		6,482,505
	34,106		60,790		-		-
	105,503		117,887		-		-
	-		-		4,424,558		1,007,611
	-		-		6,800,000		-
	-		10,641		-		27,433
	-		126,143		-		-
	10,637		5,492		5,548		7,733
	362		-		7,905		-
	83,374,521		98,675,670		86,211,083		164,770,240
	121,794		148,355		183,323		276,464
	-		100,095		-		627,863
	-		-		-		-
	-		50,000		201		1,000
	359,423		-		-		-
	481,217		298,450		183,524		905,327
	82,893,304		98,377,220		86,027,559		163,864,913
	-		-		-		-
\$	82,893,304	\$	98,377,220	\$	86,027,559	\$	163,864,913
	5,647,438		6,501,803		6,316,715		10,813,636
\$	14.68	\$	15.13	\$	13.62	\$	15.15

Signed on behalf of the Board

DIRECTOR

DIRECTOR

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

STATEMENTS OF PORTFOLIO INVESTMENTS - EQUITY CLASS

As at June 30, 2009 and 2008

(Expressed in US Dollars)

Investment Funds	2009			2008		
	Shares/ Units	Current Value	% of Portfolio	Shares/ Units	Current Value	% of Portfolio
Blackrock Global Funds US Flexible Equity	595,374	\$ 7,632,694	8.06%	595,374	\$ 10,264,248	6.03%
Butterfield Bermuda Fund	60,718	1,101,416	1.16%	58,576	1,606,573	0.94%
Butterfield Systematic Equity Fund	116,892	721,150	0.77%	112,300	1,170,875	0.69%
Davis Value Fund	261,514	5,334,893	5.63%	261,514	7,424,392	4.36%
Fidelity Funds - European Growth Fund	730,054	7,588,354	8.01%	884,025	15,013,898	8.82%
Fidelity Funds - America Growth Fund	237,802	4,142,510	4.37%	296,213	8,027,376	4.72%
Ishares MSCI Emerging Markets Fund	80,500	2,594,515	2.74%	55,500	7,532,460	4.43%
Ishares Russell MSCI PAC J Index Fund	-	-	-	21,400	2,912,326	1.71%
Ishares Russell MCP TR	-	-	-	65,000	6,879,600	4.04%
Ishares Russell 2000 Growth Fund	60,000	3,401,400	3.60%	-	-	-
Ishares MSCI Japan Fund	135,000	1,273,050	1.34%	92,000	1,147,240	0.67%
Ishares S&P/TSX 60 Capped	207,600	2,913,415	3.08%	102,725	9,161,734	5.38%
JP Morgan EUR Strategic Value Fund	499,730	6,444,678	6.81%	619,922	12,725,991	7.48%
JP Morgan US Dynamic Fund	-	-	-	732,309	9,930,111	5.83%
Martin Currie Global Asia Pacific Fund	541,148	4,269,657	4.51%	508,288	5,748,741	3.38%
Martin Currie Global North American Fund	546,806	3,477,684	3.67%	-	-	-
Martin Currie Global Pan European Fund	267,710	3,456,235	3.65%	255,928	6,148,920	3.61%
Oil Service Holders Trust Depository Receipt	17,000	1,660,560	1.75%	17,000	3,774,170	2.22%
Orbis Global Equity Fund	125,705	12,148,172	12.83%	229,373	25,552,113	15.02%
Orbis Japan Equity Fund	277,798	6,630,559	7.00%	277,798	6,541,223	3.84%
Powershares Value Line Time Fund	418,000	4,050,420	4.28%	418,000	7,089,280	4.16%
SPDR TR unit Series 1	26,800	2,464,260	2.60%	-	-	-
Spencer House Capital Management						
Global Equity	40,324	2,580,926	2.73%	40,323	3,766,023	2.21%
UBAM Neuberger Berman US Equity Value	9,740	4,925,886	5.20%	9,740	8,612,607	5.06%
Vanguard European Stock Index Fund	544,564	5,880,858	6.21%	495,232	9,194,092	5.40%
TOTAL INVESTMENTS AT CURRENT VALUE						
(Cost 2009 - \$112,229,041; 2008 - \$139,461,007)		\$ 94,693,292	100.00%		\$ 170,223,993	100.00%

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

STATEMENTS OF PORTFOLIO INVESTMENTS - FIXED INCOME CLASS

As at June 30, 2009 and 2008

(Expressed in US Dollars)

Investment	Notional Shares/ Units	2009		Notional Shares/ Units	2008	
		Current Value	% of Portfolio		Current Value	% of Portfolio
Bonds						
Fannie Mae 3.25% 25 Feb 2011	- \$	-	-	1,000,000 \$	994,063	1.05%
Federal Home Loan Bank 4% 6 Sep 2013	1,000,000	1,052,188	1.32%	-	-	-
US Treasury N/B 1.875% 15 July 2015	2,000,000	2,214,667	2.78%	-	-	-
		3,266,855	4.10%		994,063	1.05%
Mortgage Backed Securities						
ARG Funding 4.29% 20 April 2011	1,000,000	931,875	1.17%	1,000,000	929,223	0.98%
Chase Commercial 6.39% 18 Nov 2030	-	-	-	1,545,000	1,552,324	1.63%
Equity One ABS Inc 5.369% 25 Oct 2034	632,179	454,941	0.57%	929,051	753,609	0.79%
FREDDIE MAC 7.05% 25 March 2029	782,476	832,789	1.04%	888,255	886,250	0.93%
FREDDIE MAC 5.75% 15 December 2018	1,189,633	1,229,702	1.54%	1,557,732	1,590,949	1.67%
FREDDIE MAC 4.75% 15 July 2015	1,152,402	1,178,504	1.48%	1,650,799	1,652,304	1.74%
GE Capital Comm Mort 4.371% 10 Jan 2038	2,500,000	2,473,342	3.10%	2,500,000	2,472,886	2.60%
GRMT Mortgage Loan Trust 6.65% 20 Jul 2031	534,545	403,646	0.51%	657,567	594,610	0.63%
Hertz Vehicle Financing 25 Feb 2010	-	-	-	2,000,000	1,973,933	2.08%
Hertz Vehicle Financing 25 Nov 2011	1,000,000	929,098	1.16%	1,000,000	880,000	0.93%
JP Morgan Chase Mort 4.959% 15 Aug 2042	4,000,000	3,345,622	4.20%	4,000,000	3,883,186	4.09%
LB - UBS Comm Mort 5.103% 15 Nov 2030	2,500,000	2,436,172	3.06%	2,500,000	2,493,783	2.62%
Nationslink Fund Corp 7.105% 20 Aug 2030	-	-	-	2,000,000	2,000,675	2.11%
Residential Asset Mort 5.35% 25 June 2032	1,878,296	1,248,165	1.57%	2,250,471	1,683,262	1.77%
Wachovia CMBS 2004-C10 4.748% 1 Feb 2041	2,500,000	2,297,551	2.88%	2,500,000	2,361,064	2.48%
Wachovia CMBS 2004-C8 3.894% 15 Nov 2035	734,050	732,492	0.92%	1,207,500	1,204,192	1.27%
		\$ 18,493,899	23.20%		\$ 26,912,250	28.32%

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

STATEMENTS OF PORTFOLIO INVESTMENTS - FIXED INCOME CLASS (CONT'D)

As at June 30, 2009 and 2008

(Expressed in US Dollars)

Investment Funds	2009			2008		
	Notional Shares/ Units	Current Value	% of Portfolio	Notional Shares/ Units	Current Value	% of Portfolio
Ashmore Emerging Markets Liquid Investment Portfolio	646,218 \$	5,239,402	6.57%	872,424 \$	8,905,021	9.38%
Butterfield Capital Appreciation Bond Fund	72,843	2,380,500	2.99%	159,133	5,038,137	5.30%
Butterfield US\$ Bond Fund	341,063	3,337,642	4.19%	607,896	6,226,678	6.55%
Butterfield Liquid Reserve Fund	-	-	-	333,389	4,441,474	4.67%
Centaur Classic Convertible Arbitrage Fund	32,209	5,968,465	7.49%	63,145	11,124,751	11.71%
Cypress Tree Leveraged Fund	10,498	482,929	0.61%	10,254	3,865,645	4.07%
Pimco Global Investment Grade Credit Fund	487,502	5,177,270	6.49%	-	-	-
Pimco Global Total Return Bond	529,494	10,875,808	13.64%	316,129	5,959,037	6.27%
Vanguard Euro Investment Grade Bond Index Fund	72,274	14,879,415	18.67%	72,274	15,706,286	16.53%
Vanguard US Investment Grade Credit Index Fund	36,681	4,218,708	5.29%	-	-	-
Vanguard US Mortgage Backed Securities Bond Index Fund	42,236	5,391,678	6.76%	50,112	5,843,256	6.15%
		57,951,817	72.70%		67,110,285	70.63%
TOTAL INVESTMENTS AT CURRENT VALUE (Cost 2009 - \$85,835,088; 2008 - \$95,003,475)		79,712,571	100.00%		95,016,598	100.00%
Foreign Exchange Contract						
Sell EUR/Buy USD 20 Jul 2009	14,375,550	(359,423)	-	-	-	-
Sell EUR/Buy USD 17 Jul 2008	-	-	-	16,181,280	126,143	-
UNREALIZED (LOSS) GAIN ON FOREIGN EXCHANGE CONTRACT	\$	(359,423)		\$	126,143	

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

STATEMENTS OF PORTFOLIO INVESTMENTS - ALTERNATIVE INVESTMENT CLASS

As at June 30, 2009 and 2008

(Expressed in US Dollars)

Investment Funds	2009			2008		
	Shares/ Units	Current Value	% of Portfolio	Shares/ Units	Current Value	% of Portfolio
Amber Fund (Cayman) Ltd.	13,406	\$ 717,055	1.08%	35,000	\$ 2,988,374	1.90%
Amici Fund International Ltd.	-	-	-	32,002	5,946,123	3.78%
Brevan Howard Fund Ltd.	14,885	3,652,058	5.52%	24,993	5,201,351	3.31%
Brevan Howard Fund Ltd Class B	-	-	-	9,921	1,582,706	1.01%
Blue Trend Fund	-	-	-	41,533	8,283,406	5.27%
Claren Road Credit Fund	1,910	2,263,581	3.42%	4,000	4,135,786	2.63%
Claren Road Credit Fund B1	1,171	1,507,750	2.28%	3,277	4,198,430	2.67%
Egerton European Dollar Fund	31,317	2,834,519	4.28%	60,667	6,742,551	4.29%
Episode Inc. Class A USD	-	-	-	57,050	7,159,436	4.55%
IAM Trading Fund Class O Shares USD	124,475	12,111,378	18.31%	-	-	-
JCAM Global Fund Ltd Class D	1,303	1,444,402	2.18%	-	-	-
JCAM Global Fund Ltd Class F	5,090	5,281,134	7.99%	-	-	-
Karsch Capital Ltd.	28,692	5,310,788	8.03%	36,508	7,100,690	4.52%
Lansdowne UK Equity Fund	10,116	3,599,709	5.44%	20,466	7,361,772	4.68%
London Diversified Fund Ltd.	-	-	-	923	4,294,073	2.73%
MKM Longboat Multi Strategy	1,789	130,993	0.20%	55,422	6,672,592	4.24%
Oz Overseas Fund	4,704	6,552,388	9.91%	6,396	9,168,082	5.83%
Platinum Grove Capital Offshore Class B	-	-	-	2,500	2,521,550	1.60%
Platinum Grove Continental Cap Offshore Class B	-	-	-	3,946	6,389,855	4.06%
Plexus Fund Ltd. Class A 3	5,153	257,314	0.39%	12,820	878,528	0.56%
Plexus Fund Ltd. Class A 2	16,924	1,185,549	1.79%	42,100	4,047,945	2.57%
Prologue Feeder Fund	3,255	4,908,953	7.42%	4,641	5,533,829	3.52%
SCP Ocean Fund Ltd.	1,461	3,613,004	5.46%	2,779	7,651,293	4.87%
SCP Overseas AAR	1,426	2,051,998	3.10%	1,426	2,284,693	1.45%
SEG Partners Offshore, Ltd.	23,422	4,117,434	6.22%	35,615	7,186,049	4.57%
Southport Millennium	-	-	-	39,879	9,778,431	6.22%
SR Global Fund Emerging Markets Fund	-	-	-	4,301	4,825,138	3.07%
The Alphagen Capella Fund, Ltd.	12,023	4,227,179	6.39%	16,917	5,642,784	3.59%
The Drake Global Opportunities Fund, Ltd.	560	383,467	0.59%	2,832	2,670,504	1.70%
Winton Futures Fund Lead Series	-	-	-	13,335	9,543,830	6.07%
York European Opportunities Fund	-	-	-	491,765	7,455,157	4.74%
TOTAL INVESTMENTS AT CURRENT VALUE						
(Cost 2009 - \$55,900,435; 2008 - \$123,791,366)		\$ 66,150,653	100.00%		\$ 157,244,958	100.00%

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

STATEMENTS OF OPERATIONS

For the years ended June 30, 2009 and 2008

(Expressed in US Dollars)

	2009 EQUITY CLASS	2008 EQUITY CLASS
INVESTMENT INCOME		
Interest	\$ 20,677	\$ 94,119
Dividends (net of withholding taxes)	804,098	1,049,148
Bond interest income	-	-
Other income	123,809	329,681
	948,584	1,472,948
EXPENSES		
Management fee	927,503	1,679,625
Registrar & transfer agent fee	160,368	187,080
Management fee - Blackrock	68,288	98,589
Accounting fee	51,303	49,131
Miscellaneous	26,146	23,310
Audit fee	17,333	19,990
Custodian fee	10,000	10,027
Secretarial fee	7,052	7,834
Government fee	6,071	5,324
	1,274,064	2,080,910
NET INVESTMENT GAIN (LOSS)	(325,480)	(607,962)
Net realised gain (loss) on investments	(9,230,268)	3,816,230
Net change in net unrealised loss on investments	(48,298,735)	(23,514,917)
Gain (loss) on foreign exchange contracts	(32,340)	(11,026)
NET GAIN (LOSS) ON INVESTMENTS	(57,561,343)	(19,709,713)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (57,886,823)	\$ (20,317,675)

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

	2009 FIXED INCOME CLASS		2008 FIXED INCOME CLASS		2009 ALTERNATIVE INVESTMENT CLASS		2008 ALTERNATIVE INVESTMENT CLASS
	\$ 42,597		\$ 241,878		\$ 172,119		\$ 182,485
	547,896		1,110,060		-		-
	1,254,649		1,191,820		-		-
	-		-		2,054		-
	1,845,142		2,543,758		174,173		182,485
	753,490		942,444		1,829,492		2,686,320
	124,232		158,930		157,034		178,903
	-		-		-		-
	50,427		51,655		53,400		56,519
	31,906		20,045		53,593		25,288
	16,664		15,755		17,626		18,988
	10,000		10,027		10,000		10,027
	2,296		6,560		1,995		6,872
	4,045		3,613		5,595		3,856
	993,060		1,209,029		2,128,735		2,986,773
	852,082		1,334,729		(1,954,562)		(2,804,288)
	289,102		7,557,749		7,509,795		5,092,856
	(6,135,640)		(11,240,759)		(23,203,376)		(4,003,842)
	1,876,872		(1,805,762)		18,997		-
	(3,969,666)		(5,488,772)		(15,674,584)		1,089,014
	\$ (3,117,584)		\$ (4,154,043)		\$ (17,629,146)		\$ (1,715,274)

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

STATEMENTS OF CHANGES IN NET ASSETS
For the years ended June 30, 2009 and 2008
(Expressed in US Dollars)

	2009 EQUITY CLASS	2008 EQUITY CLASS
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (57,886,823)	\$ (20,317,675)
<hr/>		
CAPITAL STOCK TRANSACTIONS		
Proceeds on the issue of shares	18,291,431	27,777,169
Payments on the redemption of shares	(34,803,443)	(32,895,891)
<hr/>		
Net capital stock transactions	(16,512,012)	(5,118,722)
<hr/>		
NET DECREASE IN NET ASSETS	(74,398,835)	(25,436,397)
NET ASSETS - BEGINNING OF YEAR	171,651,839	197,088,236
<hr/>		
NET ASSETS - END OF YEAR	\$ 97,253,004	\$ 171,651,839

The accompanying notes are an integral part of these financial statements

Butterfield Select Fund Limited

	2009 FIXED INCOME CLASS		2008 FIXED INCOME CLASS		2009 ALTERNATIVE INVESTMENT CLASS		2008 ALTERNATIVE INVESTMENT CLASS
	\$ (3,117,584)		\$ (4,154,043)		\$ (17,629,146)		\$ (1,715,274)
	8,485,283		20,042,659		4,597,153		20,051,280
	(20,851,615)		(30,456,142)		(64,805,361)		(35,082,146)
	(12,366,332)		(10,413,483)		(60,208,208)		(15,030,866)
	(15,483,916)		(14,567,526)		(77,837,354)		(16,746,140)
	98,377,220		112,944,746		163,864,913		180,611,053
	\$ 82,893,304		\$ 98,377,220		\$ 86,027,559		\$ 163,864,913

The accompanying notes are an integral part of these financial statements

Butterfield Select 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 Fund Limited (the "Fund") is an open-ended investment company which was incorporated under the laws of Bermuda on January 31, 2000.

The Fund commenced operations on February 17, 2000. 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 offer a convenient and efficient vehicle for investing in mutual fund products which are anticipated to provide the best opportunities for capital appreciation having regard to diversification.

For the Equity Class the policy of the Fund is to hold a global portfolio by investing in International and Bermuda equity mutual funds and International equity index-linked instruments.

For the Fixed Income Class the policy of the Fund is to hold a portfolio of International fixed income mutual funds and/or securities.

For the Alternative Investment Class the policy of the Fund is to invest in underlying funds with professional money managers who invest in common and preferred stocks (including small cap stocks), options, warrants, convertible securities, bonds, foreign securities, foreign currencies, commodities, commodity futures, financial futures, derivatives, mortgage backed and mortgage related securities, real estate and other assets of investment grade or below investment grade.

All three Classes 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

Portfolio securities listed on an exchange are valued at the latest sale price reported by the principal securities exchange on which the issue is traded or, lacking any sales, at the closing bid prices. Over the counter securities are valued on the basis of the mean between the current bid and ask prices on that date. Investments in underlying funds are recorded at their fair value, determined at the date of the statement of net assets using their latest available net asset value obtained from the administrators of the respective underlying funds. The net change during the year 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.

Butterfield Select 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)

a) Valuation of Investments (cont'd)

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 and fund net assets of the Equity Class would have decreased by \$329,532 (2008 - \$Nil) and the net asset value per common share would have decreased by \$0.0266 (2008 - \$Nil), the current value of investments and fund net assets of the Fixed Income Class would have decreased by \$377,620 (2008 - \$Nil) and the net asset value per common share would have decreased by \$0.0669 (2008 - \$Nil) and the current value of investments, fund net assets and net asset value per common share of the Alternative Investment Class would have remained unchanged (2008 - \$Nil).

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, investments held by the Equity Class representing 76%, \$71,511,069 of the investments in the Equity Class can be traded daily and 24%, \$23,182,223 offer redemptions on a weekly basis.

As of June 30, 2009, investment funds held by the Fixed Income Class representing 78%, \$62,303,632 of investments in the Fixed Income Class can be traded daily, 7%, \$5,718,142 offer redemptions on a weekly basis, and 15%, \$11,690,797 offer redemptions on a monthly basis.

As of June 30, 2009, investment funds held by the Alternative Investment Class representing 58%, \$38,087,446 of investments in the Alternative Investment Class offer redemptions on a monthly basis, 32%, \$21,337,671 offer redemptions on a quarterly basis and 10%, \$6,725,536 offer redemptions on a semi-annual basis.

c) Cash and Cash Equivalents

Cash equivalents are comprised of shares in Butterfield Money Market Fund, an affiliated money market fund, denominated in US\$ shares. Shares may be redeemed on a same day notice. The value of the holding in the Equity Class as at June 30, 2009 was \$2,683,651 (2008 - \$2,291,470); in the Fixed Income Class was \$3,489,186 (2008 - \$3,287,093) and in the Alternative Investment Class was \$5,387,299 (2008 - \$6,485,603).

d) Financial Assets and Liabilities

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

Butterfield Select 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)

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.

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.

Butterfield Select Fund Limited

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

4. SHARES ISSUED AND OUTSTANDING

999,880,000 common shares of a par value of \$0.10 each
120,000 organisational shares of a par value of \$0.10 each

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

EQUITY CLASS COMMON SHARES	2009	2008
Balance - beginning of year	14,632,014	15,080,926
Issue of common shares	2,408,971	2,183,961
Redemption of common shares	(4,673,678)	(2,632,873)
Balance - end of year	12,367,307	14,632,014

FIXED INCOME CLASS COMMON SHARES	2009	2008
Balance - beginning of year	6,501,803	7,187,530
Issue of common shares	589,115	1,286,415
Redemption of common shares	(1,443,480)	(1,972,142)
Balance - end of year	5,647,438	6,501,803

ALTERNATIVE INVESTMENT CLASS COMMON SHARES	2009	2008
Balance - beginning of year	10,813,636	11,812,023
Issue of common shares	324,911	1,311,909
Redemption of common shares	(4,821,832)	(2,310,296)
Balance - end of year	6,316,715	10,813,636

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

EQUITY CLASS

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

	2009	2008
Proceeds on sale of investments	\$ 52,629,216	\$ 94,044,299
Less cost of investments sold:		
Investments owned at beginning of year	139,461,007	139,825,849
Investments purchased during year	34,627,518	89,863,227
Investments owned at end of year	(112,229,041)	(139,461,007)
Investments sold during year	61,859,484	90,228,069
Net realised (loss) gain on investments	\$ (9,230,268)	\$ 3,816,230

FIXED INCOME CLASS

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

	2009	2008
Proceeds on sale of investments	\$ 21,890,726	\$ 57,986,925
Less cost of investments sold:		
Investments owned at beginning of year	95,003,475	100,693,623
Investments purchased during year	12,433,237	44,739,028
Investments owned at end of year	(85,835,088)	(95,003,475)
Investments sold during year	21,601,624	50,429,176
Net realised gain on investments	\$ 289,102	\$ 7,557,749

ALTERNATIVE INVESTMENT CLASS

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

	2009	2008
Proceeds on sale of investments	\$ 98,201,671	\$ 82,871,578
Less cost of investments sold:		
Investments owned at beginning of year	123,791,366	126,997,251
Investments purchased during year	22,800,945	74,572,837
Investments owned at end of year	(55,900,435)	(123,791,366)
Investments sold during year	90,691,876	77,778,722
Net realised gain on investments	\$ 7,509,795	\$ 5,092,856

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS

For the years ended June 30, 2009 and 2008

(Expressed in US Dollars)

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 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 Investment 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 Investment Class.

b) Custodian Fee

Custodian fees are charged on a time spent basis at their normal rates.

c) Accounting Fee and Registrar and Transfer Agent Fee

Accounting fees and Registrar and Transfer Agent fees were charged at a rate of 20 basis points per annum up to \$100 million of the net asset value of the Fund and 2.5 basis points on the excess, and is accrued on a weekly basis.

d) Investment Transaction

As of June 30, 2009, The Bank of N.T. Butterfield & Son Limited held 185,636 shares (2008 - 1,383,212) having a fair value of \$2,528,363 (2008 - \$20,655,662) in the Alternative Class.

As of June 30, 2009 the Butterfield Select Invest Fund held 145,866 shares (2008 - 531,157) having a fair value of \$1,986,698 (2008 - \$8,036,410) in the Alternative Class, 494,132 shares (2008 - 153,384) having a fair value of \$7,253,860 (2008 - \$2,323,767) in the Fixed Income Class and 354,042 shares (2008 - 320,918) having a fair value of \$2,782,770 (2008 - \$3,764,371) in the Equity Class.

As of June 30, 2009 the Fixed Income Class held 32.9% of the Class B (2008 - 29.7%) shares of the Butterfield US\$ Bond Fund, 10.3% (2008 - 18.8%) of the shares of Butterfield Capital Appreciation and none (2008 - 4.3%) of the shares of Butterfield Liquid Reserve Fund. The Equity Class held 5.4% of the Class A (2008 - 5.2%) shares of Butterfield Bermuda Fund and 11.6% (2008 - 12.1%) of the shares of Butterfield Systematic Equity Fund.

e) Credit Facility

On May 15, 2008, the Fund entered into a revolving standby credit facility with the Bank of \$5 million for Equity Class, \$5 million for Fixed Income Class and \$17.5 million for Alternative Investment Class 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, with a reduced limit of \$11.5 million for Alternative Investment Class's, 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 Fund Limited

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

8. FINANCIAL HIGHLIGHTS
2009 Per Share Information

		EQUITY CLASS		FIXED INCOME CLASS		ALTERNATIVE INVESTMENT CLASS
Net asset value - beginning of year	\$	11.73	\$	15.13	\$	15.15
Net investment income from operations						
Net investment (loss) income		(0.01)		0.15		(0.22)
Net realised & unrealised loss on investments		(3.86)		(0.60)		(1.31)
Total from investment operations		(3.87)		(0.45)		(1.53)
Net asset value - end of year	\$	7.86	\$	14.68	\$	13.62

2009 Ratios / Supplemental Data

Total net assets - end of year	\$	97,253,004	\$	82,893,304	\$	86,027,559
Weighted average net assets*	\$	104,958,445	\$	85,790,623	\$	119,889,466
Ratio of expenses to weighted average net assets		1.21%		1.16%		1.78%
Portfolio turnover rate**		33.36%		13.99%		21.73%
Annual rate of return***		(32.99%)		(2.97%)		(10.10%)

Butterfield Select Fund Limited

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

8. FINANCIAL HIGHLIGHTS (CONT'D) 2008 Per Share Information

		EQUITY CLASS		FIXED INCOME CLASS		ALTERNATIVE INVESTMENT CLASS
Net asset value - beginning of year	\$	13.07	\$	15.71	\$	15.29
Net investment income from operations						
Net investment (loss) income		(0.04)		0.20		(0.24)
Net realised & unrealised loss gain on investments		(1.30)		(0.78)		0.10
Total from investment operations		(1.34)		(0.58)		(0.14)
Net asset value - end of year	\$	11.73	\$	15.13	\$	15.15

2008 Ratios / Supplemental Data

Total net assets - end of year	\$	171,651,839	\$	98,377,220	\$	163,864,913
Weighted average net assets*	\$	189,658,211	\$	106,978,892	\$	177,264,044
Ratio of expenses to weighted average net assets		1.10%		1.13%		1.68%
Portfolio turnover rate**		31.68%		30.27%		27.75%
Annual rate of return***		(10.25%)		(3.69%)		(0.92%)

* 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 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.