

# Butterfield Select Invest Fund Limited

---

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2011

# Butterfield Select Invest Fund Limited

---

## **Butterfield Select Invest Fund Limited - Annual Report 2011**

### **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 increased from \$9.98 to \$10.57 over the period from June 30, 2010 to June 30, 2011, an increase of 5.91%. Net assets of the Fund totaled \$12.97 million as of June 30, 2011.

### **Butterfield Select Equity Fund Review-**

The net asset value (NAV) per share for the period, closed at \$10.24, representing a 20.1% return for the period.

The period July 1, 2010 - June 30, 2011 was dominated by continued market reaction to government intervention by developed economies, the continued crisis in the European Union as well as the disaster in Japan and unrest in MENA. While the global economy has recovered since the depths of 2009, it has been a tepid one that has continually needed support from central banks. The wind down of the first quantitative easing program was followed by continued softening in economic numbers; to the point where risk assets and in this case, equity markets, sold off on the worries that another recession was the likely scenario. In August, Ben Bernanke hinted at possible action during his Jackson Hole speech. Finally in November, QE2 was announced; to the sum of 600 Billion dollars in purchases. All risk assets were buoyed as a result. As this stimulus wore off however, economic data again dropped and the key factors, unemployment and housing were still at dangerously depressed levels. Equity markets peaked in April of 2011 as, despite pristine balance sheets on most companies and earnings overshoot analyst expectations, the continued worry is "where will future growth come from in the absence of government intervention?"

Select Equity fund participated in this rally albeit a muted versus the benchmark index performance. We believe that there are both economic and systemic risks in asset markets and have positioned the fund accordingly. We are certainly not at 2008 levels in either of these areas but remain cautious, as we have yet to witness the global economy sustain itself without the support of governments of the developed economy.

### **Butterfield Select Fixed Income Fund Review-**

The Select Fixed Income fund rose 2.53% for the period ending June 30, 2011.

Risk assets continued to rise for much of the period, as central bank intervention again whetted appetites for risk. With QE1 stimulus wearing off and economic numbers signaling a chance of a double dip recession, the Fed announced another \$600 Billion of asset purchases, giving investors no real alternative other than non US Treasuries. Towards the end of the first quarter of 2012 however, markets again experienced volatility and a flight to quality ensued. Economic numbers softened, with housing and jobs still worrisome on a globe wide scale. Eurozone worries continued, with contagion spreading to the larger peripheries, Italy and Spain, giving investors even more cause for concern. Unrest in MENA kept oil prices high, while the Japanese earthquake caused severe disruptions in output. Many of these incidents alone would cause great strain on the global economy; a combination of all provided a true test and leaves many questions as to how the western world will respond.

The fund performed well during most of the period, with a higher weighting to risk assets relative to benchmark. The Euro sovereign weighting in the fund was taken to zero on the back of contagion spreading throughout the zone and the allocation to Emerging Market debt aided as a non dollar participant for the fund. While we are cautious going forward, we believe the next year provides opportunity in carefully selected credit areas that allow us to reverse our view in an efficient manner.

# Butterfield Select Invest Fund Limited

---

## **Butterfield Select Alternative Fund Review-**

The NAV for the Butterfield Select Alternative fund finished the fiscal year end at \$14.70, representing a 3.52% return for the Year.

Much of the year was met with a definite "Risk-on" approach for the hedge fund space, as central bank intervention allowed many managers to take advantage of the stimulus provided by developed governments. Quantitative easing improved sentiments for equity markets, as evidenced by the performance of our long biased L/S Equity managers post Jackson Hole. As further fiscal stimulus began, economic improvements continued, adding to speculation of interest rates rising near term.

As stimulus wore off however, we were again met with many headwinds. Throughout it all, many L/S managers sought out inefficiencies in their selected strategies and took advantage of them within their fund.

Our fixed income relative value provided the steadiest gains, sourced mostly from duration trading and volatility. Credit also performed well as corporate activity picked up through out the period, and credit spreads moved in response to market conditions. Macro managers returns were more dispersed, as various trading vehicles in the strategies performed differently. This was evidenced by our commodity heavy macro managers, where a sharp rally in the first 3 quarters was met with a sharp selloff in the final one. Our trend followers/CTA's also had mixed returns, with shorter term managers who are more nimble and able to change direction in the volatile sessions, outperforming long term managers.

In all, the Butterfield Select Alternative fund maintained its strategy of providing steady return in a low volatility fund.



President  
Butterfield Select Invest Fund Limited

October 31, 2011

# Butterfield Select Invest Fund Limited

---

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of Butterfield Select Invest Fund Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of the Butterfield Select Invest Fund Limited (the "Fund"), which comprise the statement of net assets, including the statement of portfolio investments, as at June 30, 2011, and the statement of operations and statement of changes in net assets for the year 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 accounting principles generally accepted in Canada and Bermuda, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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 generally accepted auditing standards in Canada and Bermuda. 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 from 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 auditor's 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 auditor considers 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 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 the Fund as at June 30, 2011, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Canada and Bermuda.

*Deloitte + Touche Ltd.*

### DELOITTE & TOUCHE LTD.

Hamilton, Bermuda

October 31, 2011

# Butterfield Select Invest Fund Limited

---

## **DIRECTORS**

Sheila Brown (Resigned June 30, 2011)  
Curtis Dickinson (Resigned June 15, 2011)  
David Stewart  
Michael Neff (President) (Appointed June 15, 2011)  
Andrew Baron (Appointed June 30, 2011)

## **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 Ltd.  
P.O. Box HM 1556  
Hamilton HM FX  
Bermuda

# Butterfield Select Invest Fund Limited

---

**STATEMENT OF NET ASSETS**  
**As at June 30, 2011**  
**(Expressed in US Dollars)**

	2011	2010
<b>ASSETS</b>		
Investments, at current value (Cost 2011 - \$12,032,203; 2010 - \$12,534,909)	\$ 13,005,008	\$ 12,692,686
Cash and cash equivalents	3,605	7,117
Prepaid expenses	2,599	2,825
	<b>13,011,212</b>	<b>12,702,628</b>
<b>LIABILITIES</b>		
Accrued expenses	38,767	37,391
	<b>38,767</b>	<b>37,391</b>
<b>FUND NET ASSETS</b>	<b>\$ 12,972,445</b>	<b>\$ 12,665,237</b>
Number of common shares in issue	1,227,679	1,269,441
<b>NET ASSET VALUE PER COMMON SHARE</b>	<b>\$ 10.57</b>	<b>\$ 9.98</b>

Signed on Behalf of the Board



DIRECTOR



DIRECTOR

The accompanying notes are an integral part of these financial statements

# Butterfield Select Invest Fund Limited

---

## STATEMENT OF PORTFOLIO INVESTMENTS

As at June 30, 2011

(Expressed in US Dollars)

Investment Fund	Shares	2011		2010		
		Current Value	% of Portfolio	Shares	Current Value	% of Portfolio
Butterfield Select Alternative Class	135,941	\$ 1,998,339	15.37%	141,134	\$ 2,004,104	15.79%
Butterfield Select Equity Class	332,550	3,405,309	26.18%	345,777	2,935,649	23.13%
Butterfield Select Fixed Income Class	468,641	7,601,360	58.45%	490,072	7,752,933	61.08%
<b>TOTAL INVESTMENTS AT CURRENT VALUE</b>						
<b>(Cost 2011 - \$12,032,203; 2010 - \$12,534,909)</b>		<b>\$ 13,005,008</b>	<b>100.00%</b>		<b>\$ 12,692,686</b>	<b>100.00%</b>

The accompanying notes are an integral part of these financial statements

# Butterfield Select Invest Fund Limited

---

## STATEMENT OF OPERATIONS For the year ended June 30, 2011 (Expressed in US Dollars)

	2011	2010
<b>INVESTMENT INCOME</b>		
Deposit interest	\$ -	\$ 30
<hr/>		
<b>EXPENSES</b>		
Management fee	32,410	31,957
Accounting fee	31,000	31,566
Registrar & transfer agent fee	27,100	28,174
Audit fee	10,860	12,002
Miscellaneous	6,214	12,647
Secretarial fee	5,121	7,339
Custodian fee	2,828	3,000
Government fee	2,066	395
<hr/>		
	117,599	127,080
<hr/>		
<b>NET INVESTMENT LOSS</b>	<b>(117,599)</b>	<b>(127,050)</b>
<hr/>		
<b>NET REALISED AND UNREALISED GAIN ON INVESTMENTS</b>		
Net realised gain on investments	41,988	4,229
Net change in unrealised gain on investments	815,028	867,596
<hr/>		
<b>NET GAIN ON INVESTMENTS</b>	<b>857,016</b>	<b>871,825</b>
<hr/>		
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ 739,417</b>	<b>\$ 744,775</b>

---

The accompanying notes are an integral part of these financial statements

# Butterfield Select Invest Fund Limited

---

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2011

(Expressed in US Dollars)

	2011	2010
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ 739,417</b>	<b>\$ 744,775</b>
<hr/>		
<b>CAPITAL STOCK TRANSACTIONS</b>		
Issue of shares	244,843	392,057
Redemption of shares	(677,052)	(459,228)
<hr/>		
Net capital stock transactions	(432,209)	(67,171)
<hr/>		
<b>NET INCREASE IN NET ASSETS FOR THE YEAR</b>	<b>307,208</b>	<b>677,604</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>12,665,237</b>	<b>11,987,633</b>
<hr/>		
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 12,972,445</b>	<b>\$ 12,665,237</b>

---

The accompanying notes are an integral part of these financial statements

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2011

(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 under the laws of Bermuda on September 1, 2005.

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"). The Bank held a significant interest in Butterfield Fulcrum Group (Bermuda) Limited, until it was sold in February 2011.

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 the 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 net change in unrealised gain or loss on investments in the statement of operations.

#### 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.

#### 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 24 hours notice. Interest income earned from these cash and cash equivalent balances is recorded as earned.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2011

(Expressed in US Dollars)

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

#### 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 and accrued expenses approximate their carrying value.

#### e) Adoption of New Accounting Standards

In January 2011, the Accounting Standards Board ("AcSB") amended the Introduction to Part I of the CICA Handbook—Accounting to allow investment companies, which include investment funds, to adopt International Financial Reporting Standards ("IFRS") for the first time no later than interim and annual financial statements relating to annual periods beginning on or after January 1, 2013. Investment companies electing to defer the first time adoption may continue to apply existing Canadian GAAP until the changeover to IFRS.

The Fund will defer the first time adoption and adopt IFRS beginning July 1, 2013.

### 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 Advisor 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 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 net assets includes consideration of the creditworthiness of the issuer, and, accordingly represents the maximum credit risk exposure of the Fund. The Fund monitors the credit rating of its broker to mitigate this risk.

#### 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.

As at June 30, 2011 and 2010, the Fund's exposure to currencies other than the Funds' reporting currency was limited to small balances of cash and cash equivalents denominated in foreign currencies which are not significant to the Fund as a whole.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2011

(Expressed in US Dollars)

### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 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.

The Fund's exposure to cash flow interest rate risk is limited to its cash and cash equivalents which represent 0.03% (2010 - 0.06%) of the Fund's net assets. The Fund does not have any other significant interest-bearing assets or liabilities.

#### Liquidity Risk

Liquidity risk is the risk that the entity 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 solely in other investment companies which could expose the Fund to increased liquidity risk. However, the Fund's entire portfolio of investments companies is realisable on a weekly basis which mitigates the risk related to weekly cash redemptions. The Fund also has credit facilities available which further mitigate this risk. 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.

#### 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 Advisor attempts to mitigate price/market risk by selecting appropriate portfolio investments based on the Fund's strategy.

As at June 30, 2011, if underlying fund prices had been 5% higher or lower with all other variables held constant, the net assets of the Fund would have been \$650,251 (2010 - \$634,634) higher or lower. 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.

### 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 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.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2011

(Expressed in US Dollars)

### 4. FAIR VALUE OF FINANCIAL ASSETS (CONT'D)

All of the Fund's investments are classified within Level 2 of the fair value hierarchy as the value of these investments are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

#### Transfers of assets between level 1 and level 2

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 between level 1 and level 2 during the year ended June 30, 2011 or 2010.

#### Reconciliation of financial asset and liability movement - level 3

The Fund did not hold any level 3 investments at the beginning, during, or at the end of the years ended June 30, 2011 and 2010.

### 5. 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:

	2011	2010
Balance - beginning of year	1,269,441	1,276,076
Issue of common shares	23,496	38,996
Redemption of common shares	(65,258)	(45,631)
<hr/>		
Balance - end of year	1,227,679	1,269,441

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.

Under the Bye-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

For the year ended June 30, 2011

(Expressed in US Dollars)

### 6. NET REALISED GAIN ON INVESTMENTS

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

	2011	2010
Proceeds on sale of investments	\$ 789,069	\$ 588,726
Less cost of investments sold:		
Investments owned at beginning of year	12,534,909	12,733,147
Investments purchased during year	244,375	386,259
Investments owned at end of year	(12,032,203)	(12,534,909)
Investments sold during year	747,081	584,497
Net realised gain on investments	\$ 41,988	\$ 4,229

### 7. RELATED PARTY TRANSACTIONS

#### a) Management Fee

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

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.

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. The Management fee for the year was \$32,410 (2010 - \$31,957) with \$5,617 (2010 - \$2,964) being payable at the year end. These amounts were measured at the exchange amount, which is the amount agreed between the related parties.

#### b) Custodian Fee

The Custodian is related to the Fund through common directorship.

Custodian fees are charged at a maximum fee of \$3,000 per annum. The Custodian Fee for the year was \$2,828 (2010 - \$3,000) with \$752 (2010 - \$924) being payable at the year end. These amounts were measured at the exchange amount, which is the amount agreed between the related parties.

# Butterfield Select Invest Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2011

(Expressed in US Dollars)

### 7. RELATED PARTY TRANSACTIONS (CONT'D)

#### c) Accounting Fee and Registrar and Transfer Agent Fee

The Administrator and Registrar and Transfer Agent is related to the Fund through common directorship.

Accounting fees for accounting and valuation services are charged at a fixed weekly fee of \$500. Registrar and Transfer Agency Services are charged at \$20 per transaction, subject to a minimum fee of \$500 per week. The Administrator Fee for the year was \$31,000 (2010 - \$31,566) with \$10,500 (2010 - \$8,499) being payable at year end. The registrar and transfer agency fee was \$27,100 (2010 - \$28,174) being payable at year end. These amounts were measured at the exchange amount, which is the amount agreed between the related parties.

#### d) Credit Facility

On June 17, 2009, 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 March 31, 2010. The facility is intended to assist the Fund in meeting short term liquidity. No amounts were drawn on the facility at March 31, 2010 upon expiration.

On October 7, 2010, the Fund renewed the credit facility with the Bank for the same terms and conditions as above, which expired on July 31, 2011. No amounts were drawn upon expiration.

### 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 exempts the Fund from any such Bermuda taxes until 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.

# Butterfield Select Invest Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2011

(Expressed in US Dollars)

### 9. FINANCIAL HIGHLIGHTS

		2011		2010
<b>Per Share Information</b>				
<b>Net asset value - beginning of year</b>	<b>\$</b>	<b>9.98</b>	<b>\$</b>	9.39
<b>Income from investment operations</b>				
Net investment loss		<b>(0.09)</b>		(0.09)
Net realised and unrealised gain on investments		<b>0.68</b>		0.68
Total from investment operations		<b>0.59</b>		0.59
<b>Net asset value - end of year</b>	<b>\$</b>	<b>10.57</b>	<b>\$</b>	9.98
<b>Ratios / Supplemental Data</b>				
Total net assets - end of year	<b>\$</b>	<b>12,972,445</b>	<b>\$</b>	12,665,237
Weighted average net assets*	<b>\$</b>	<b>12,996,403</b>	<b>\$</b>	12,786,052
Ratio of expenses to weighted average net assets annualized		<b>0.91%</b>		0.99%
Portfolio turnover rate**		<b>1.88%</b>		3.17%
Annual rate of return***		<b>5.91%</b>		6.20%

\* 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.