

Butterfield Select Fund Limited

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2015

Butterfield Select Fund Limited

INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2015

Global Fixed Income Class

The net asset value (NAV) per share closed at \$18.59 at the end of the fiscal year, representing a 0.59% return for the year, net of all fees and expenses.

Over the course of the year we witnessed large declines in commodity prices and a surging U.S. dollar and these events have led to headline inflation turning negative for the first time since the Lehman crisis. In fixed income markets, credit spreads have also trended wider across all sectors and have now reached a level not seen since the "taper tantrum" event in 2013. Energy and mining company valuations have been worst affected, due to the weakness in oil and metals prices.

U.S. Treasury yields have been volatile, with January witnessing a return to unsustainable levels as the 10 year Treasury fell to 1.64%. Aside from this anomaly, over the year the longer maturity part of the market saw yields rise, with shorter maturities remaining relatively stable. The 10 year Treasury note yield ended the June 2015 fiscal year at 2.35%. The ECB finally embarked on their own QE program, which has kept global bond yields subdued, including Treasuries. Additionally, US inflation remains very quiescent and lower oil has pushed any potential price pressures far into the future. Our performance has been impacted by our underweight duration stance, however as we approach the first increase in U.S. base rates in nine years interest rate volatility should increase and we continue to remain defensive.

Our credit allocation has also subtracted from performance this year, although most of the weakness has only been since April 2015 and the extra yield associated with non-Government bonds continues to compensate the fund for most of the additional risk. We have used the weakness in credit spreads to add to positions where we have a high conviction, primarily in the industrial sector.

The fund continues to invest in segregated investment grade credit securities at its core, with additional exposure to Emerging Market debt and High Yield credit via exchange traded funds (ETF's). Duration as at the end of June 2015 was 4.9 years which was 78% of the benchmark index. The average credit quality of the portfolio, using S&P ratings, is BBB- and our outlook is for that to remain stable.

Equity Class

The net asset value (NAV) per share closed at \$13.02 at the end of the fiscal year, representing a 0.00% return for the year, net of all fees and expenses.

U.S. stock markets significantly outperformed most major markets, as stock buy-backs, driven by low interest rates, and improving growth prospects drove prices higher. Global markets, however, traded in a narrow range throughout 2015.

In the fiscal year, US Federal Reserve ended its asset purchase program and the first base rate increase in nine years approaches. Whilst policy makers are keen to normalize interest rates, they are likely to tighten policy gradually, with the low rate environment set to continue for some time. This should be supportive of risk assets, but we expect heightened volatility across most asset classes as markets adjust to a world with less accommodative financial conditions.

The Equity Class portfolio held a small underweight position in North American equities and an overweight in European equities for the first half of the fiscal year, which explains the divergence in performance vs the MSCI World index throughout the year. This allocation was adjusted to neutral for all regions at the start of 2015, which benefitted performance in the second half.

During January, the portfolio sold its entire position in both the Orbis Japan Fund and the Neuberger Berman US Equity Value Fund. Weak and inconsistent performance was an ongoing issue and these funds were also expensive relative to alternative products.

Butterfield Select Fund Limited

INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2015

Equity Class (continued)

The portfolio continues to avoid large sector deviations from the benchmark although a small underweight to the Energy sector, which has weakened significantly, made the most impact over the year.

Alternative Class

The net asset value (NAV) per share closed at \$15.63 at the end of the fiscal year, representing a 2.63% return for the year, net of all fees and expenses.

Over the fiscal year, a due diligence process was launched by Butterfield Asset Management to replace the Sub-Advisor to the Alternative Class. As of early December 2014, International Asset Management was removed and the new Sub-Advisor for the Class, GCM Grosvenor was appointed. From the period December 2014 through to the end of the fiscal year, GCM Grosvenor was working with Butterfield Asset Management to implement their investment strategy. The implementation process produced a somewhat larger than normal cash position in the portfolio for the second half of the fiscal year, but as at 30 June 2015 most of the turnover in underlying managers was complete.

The diversified, strategic allocation of the Class has not changed materially with the change in Sub-Advisor, although GCM Grosvenor has a somewhat different philosophy of portfolio construction. GCM Grosvenor looks to invest in four broad categories of manager; Credit, Equity, Relative Value/Multi-Strategy and Macro/Commodities. Allocations to different sectors of the alternative credit markets and to hedged equities are the core of the portfolio, whilst the relative value, multi-strategy, macro and commodities disciplines complement the core portfolio to provide diversification and to lower correlation. At the close of the fiscal year, the portfolio was invested to capitalise of four primary themes. The first theme focuses on "Niche Equities" managers, which includes event-driven, activist and regional/sector specialist disciplines. The second theme is to have exposure to "Opportunistic Credit" managers such as those that focus on the deleveraging of the financial sector, distressed emerging markets and dislocations that have occurred due to disruption in the energy sector. The third theme is to be invested in "Lesser-correlated" strategies to take advantage of, for example, rising interest rates in the US and rising volatility and lastly there are "Direct Opportunities". Direct opportunities encompasses a large range of possible investments that are both more idiosyncratic and more tactical in nature.

Michael Neff
President
Butterfield Select Fund Limited
October 9, 2015



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Independent Auditors' Report

The Shareholders and Directors

Butterfield Select Fund Limited, comprising Equity Class, Global Fixed Income Class, and Alternative Investment Class (collectively referred to as the Fund)

We have audited the accompanying financial statements of Butterfield Select Fund Limited, comprising Equity Class, Global Fixed Income Class, and Alternative Investment Class, which comprise the statements of financial position as at June 30, 2015 and 2014 and July 1, 2013, the statements of portfolio investments as at June 30, 2015 and 2014, and the statements of comprehensive income, changes in net assets attributable to shareholders and cash flows for the years ended June 30, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Butterfield Select Fund Limited, comprising Equity Class, Global Fixed Income Class, and Alternative Investment Class, as at June 30, 2015 and 2014 and July 1, 2013, and its financial performance and its cash flows for the years ended June 30, 2015 and 2014 in accordance with International Financial Reporting Standards.

October 9, 2015

Butterfield Select Fund Limited

COMPANY INFORMATION

DIRECTORS

Michael Neff (President)
David Ware
Dawn Griffiths
Richard Foley

INVESTMENT ADVISER

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

SUB-CUSTODIAN

Brown Brothers Harriman,
140 Broadway 11th Floor
New York
NY 10005

REGISTRAR, TRANSFER AGENT AND ADMINISTRATOR

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

AUDITORS

Ernst & Young Ltd.
P.O. Box HM 463
Hamilton HM BX
Bermuda

Butterfield Select Fund Limited

STATEMENT OF FINANCIAL POSITION

As at June 30, 2015

(Expressed in US Dollars)

		EQUITY CLASS		
	Notes	June 30, 2015 US\$	June 30, 2014 US\$ (Note 2)	July 1, 2013 US\$ (Note 2)
Assets				
Cash and cash equivalents	2 h)	9,549	1,489,248	2,105,083
Financial assets at fair value through profit or loss (Cost: 2015-\$107,460,832; 2014-\$105,606,261)	3, 4	121,647,709	126,350,026	117,966,852
Receivable for investments sold		483,766	-	-
Dividends receivable		68,298	8,069	34,257
Other assets		11,705	5,214	5,442
Total assets		122,221,027	127,852,557	120,111,634
Liabilities				
Accrued expenses	6, 7	202,925	175,826	228,650
Unrealised loss on forward foreign exchange contract		-	-	72,767
Other liabilities		-	-	4,489
Subscriptions received in advance		45,000	-	500
		247,925	175,826	306,406
Organisational shares	5	12,000	12,000	12,000
Total liabilities and equity (including net assets attributable to shareholders)		122,221,027	127,852,557	120,111,634
Net assets attributable to shareholders		121,961,102	127,664,731	119,793,228
Number of common shares in issue	5	9,364,778	9,802,529	10,997,880
Net asset value per common share		13.02	13.02	10.89

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

Butterfield Select Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2015

(Expressed in US Dollars)

GLOBAL FIXED INCOME CLASS				
		June 30, 2015 US\$	June 30, 2014 US\$ (Note 2)	July 1, 2013 US\$ (Note 2)
	Notes			
Assets				
Cash and cash equivalents	2 h)	2,667,611	2,351,136	1,245,618
Financial assets at fair value through profit or loss (Cost: 2015-\$50,780,784; 2014-\$46,241,903)	3, 4	52,276,143	49,342,517	61,903,773
Interest receivable		445,183	478,329	554,689
Other assets		16,712	3,251	12,936
Redemptions paid in advance		-	-	4,980
Total assets		55,405,649	52,175,233	63,721,996
Liabilities				
Bank overdraft		-	-	444,259
Accrued expenses	6, 7	97,304	80,340	106,144
		97,304	80,340	550,403
Net assets		55,308,345	52,094,893	63,171,593
Number of common shares in issue	5	2,974,678	2,819,184	3,646,121
Net asset value per common share		18.59	18.48	17.33

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

Butterfield Select Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED) As at June 30, 2015

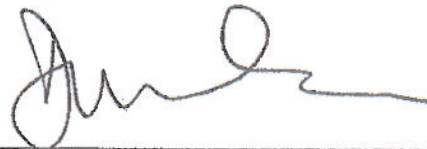
(Expressed in US Dollars)

		ALTERNATIVE INVESTMENT CLASS		
		June 30, 2015	June 30, 2014	July 1, 2013
		US\$	US\$	US\$
		(Note 2)	(Note 2)	(Note 2)
	Notes			
Assets				
Cash and cash equivalents	2 h)	7,128,324	1,822,011	313,019
Financial assets at fair value through profit or loss (Cost: 2015-\$51,646,162; 2014-\$51,371,199)	3, 4	52,399,955	58,134,083	57,345,552
Receivable for investments sold/subscription in advance		1,254,794	5,807	2,126,195
Other assets		20,300	-	6,377
Total assets		60,803,373	59,961,701	59,791,143
Liabilities				
Accrued expenses	6, 7	154,951	125,425	138,929
		154,951	125,425	138,929
Net assets		60,648,422	59,836,276	59,652,214
Number of common shares in issue	5	3,881,143	3,929,833	4,027,540
Net asset value per common share		15.63	15.23	14.81

Signed on behalf of the Board of Directors:



 (name)
 (date)



 (name)
 (date)

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

Butterfield Select Fund Limited

STATEMENT OF PORTFOLIO INVESTMENTS

As at June 30, 2015

(Expressed in US Dollars)

EQUITY CLASS

INVESTMENTS	2015			2014		
	Nominal	Fair Value	% of Portfolio	Nominal	Fair Value	% of Portfolio
Investment Funds						
American Century SICAV - ACI Global Growth Equity – Institutional I (x) Accumulating	756,396	\$ 12,367,067	10.17%	756,396	\$ 11,996,433	9.49%
Acadian Global Equity UCITS – Class B Accumulation	6,614	8,036,722	6.61%	6,614	8,018,400	6.35%
Artisan Value Fund - Institutional	664,035	8,811,745	7.24%	664,305	9,801,157	7.76%
BNY Mellon Long Term Global Equity Fund	5,303,178	7,540,059	6.20%	5,303,178	7,488,088	5.93%
MFS Meridian Funds - Global Equity Fund	52,406	11,597,904	9.53%	52,406	11,386,185	9.02%
Morgan Stanley Investment Funds - Global Brands Fund	146,049	6,671,540	5.49%	146,049	6,486,058	5.13%
ORBIS Equity Funds - Japan Equity US\$ Fund	-	-	-	196,205	7,652,002	6.06%
Schroder International Selection Fund - QEP Global Core	395,335	8,191,342	6.73%	395,335	8,270,409	6.55%
UBAM - Neuberger Berman US Equity Value - IC	-	-	-	8,925	10,394,815	8.23%
Wellington Global Equity Opportunities Equity Portfolio-SUHUSD	530,610	9,163,628	7.53%	530,610	8,521,590	6.72%
		\$ 72,380,007	59.50%		\$ 90,015,137	71.24%
Exchange Traded Funds						
DB X-Trackers MSCI Europe Index UCITS ETF (DR)	31,900	\$ 1,861,914	1.53%	-	\$ -	-
iShares Global Financials ETF	40,000	2,291,200	1.88%	-	-	-
iShares MSCI World UCITS ETF-Distribution	551,850	20,343,840	16.72%	564,850	20,972,881	16.60%
SPDR Dow Jones Industrial Average ETF Trust	-	-	-	24,750	4,155,278	3.29%
Vanguard Dividend Appreciation ETF	-	-	-	58,400	4,552,280	3.60%
Vanguard FTSE Europe ETF	111,000	5,991,780	4.93%	111,000	6,654,450	5.27%
Vanguard S&P 500 UCITS ETF	297,500	11,665,808	9.59%	-	-	-
Wisdomtree Japan Hedged Equity Fund	70,000	4,004,000	3.29%	-	-	-
		\$ 46,158,542	37.94%		\$ 36,334,889	28.76%
Open-End Funds						
Lazard US Equity Concentrated Portfolio - Institutional	223,359	\$ 3,109,160	2.56%	-	\$ -	-
		\$ 3,109,160	2.56%		\$ -	-
TOTAL INVESTMENTS (Cost:						
2015 - \$107,460,832;						
2014: \$105,606,261)		\$ 121,647,709	100.00%		\$ 126,350,026	100.00%

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

Butterfield Select Fund Limited

STATEMENT OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2015

(Expressed in US Dollars)

GLOBAL FIXED INCOME CLASS

INVESTMENTS	2015			2014		
	Nominal	Fair Value	% of Portfolio	Nominal	Fair Value	% of Portfolio
Corporate and Government						
Debt Securities						
Arcelormittal 6.125% 06/01/18	1,000,000	\$ 1,065,000	2.04%	-	\$ -	-
Barclays Bank PLC 5.125% 01/08/20	-	-	-	1,500,000	1,695,443	3.44%
Barrick Gold Corp 4.100% 05/01/23	1,500,000	1,461,561	2.80%	1,500,000	1,493,774	3.03%
CCCIT 2003-A7 A7 4.150% 07/07/17 SR: A7 Tranche: A7	1,000,000	1,000,613	1.91%	1,000,000	1,037,781	2.10%
Citigroup Inc 3.500% 05/15/23	1,500,000	1,464,494	2.80%	1,500,000	1,460,169	2.96%
Corp Andina De Fomento 4.375% 06/15/22	1,500,000	1,621,749	3.10%	1,500,000	1,590,858	3.22%
Fedex Corp 1998 Pass TST 6.720% 01/15/22 SR: 981A	1,695,089	1,936,639	3.70%	1,571,882	1,843,031	3.74%
General ELEC CAP Corp 5.300% 02/11/21	1,000,000	1,124,432	2.15%	1,500,000	1,705,679	3.46%
General Motors FINL CO 3.500% 07/10/19	1,500,000	1,531,752	2.93%	-	-	-
Goldman Sachs Group Inc 4.000% 03/03/24	400,000	406,979	0.78%	400,000	407,184	0.83%
6.150% 04/01/18	-	-	-	1,500,000	1,720,230	3.49%
Govt of Bermuda 5.603% 07/20/20 SR: 144A	400,000	444,000	0.85%	400,000	446,000	0.90%
07/20/20 SR: REGS	1,100,000	1,221,000	2.34%	1,100,000	1,226,500	2.49%
HSBC Bank PLC 4.750% 01/19/21 SR: 144A	-	-	-	750,000	836,132	1.69%
ING Bank NV 5.800% 09/25/23 SR:REGS	1,500,000	1,637,856	3.13%	-	-	-
INTL BK Recon & Develop 05/01/18 SR: MTNB	500,000	475,016	0.91%	500,000	463,345	0.94%

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Butterfield Select Fund Limited

STATEMENT OF PORTFOLIO INVESTMENTS (CONTINUED) As at June 30, 2015

(Expressed in US Dollars)
GLOBAL FIXED INCOME CLASS (Continued)

INVESTMENTS (Continued)	2015			2014		
	Nominal	Fair Value	% of Portfolio	Nominal	Fair Value	% of Portfolio
Corporate and Government Debt Securities (continued)						
John Hancock Glob FDG II 5.250% 02/25/15 SR: 144A	- \$	-	-	515,000 \$	531,043	1.08%
JPMorgan Chase & Co 3.375% 05/01/23	1,500,000	1,456,529	2.79%	1,000,000	981,519	1.99%
Lloyds TBS Bank PLC 6.500% 09/14/20 SR: REGS	1,500,000	1,728,908	3.31%	1,500,000	1,760,657	3.57%
MET Life Glob Funding I 3.875% 04/11/22 SR: 144A	1,700,000	1,786,348	3.42%	1,700,000	1,800,445	3.65%
Montpelier RE Holdings L 4.700% 10/15/22	1,500,000	1,514,496	2.90%	1,500,000	1,550,226	3.14%
Morgan Stanley 4.875% 11/01/22	1,500,000	1,595,562	3.05%	-	-	-
NORD/LB Covered FIN BNK 5.375% 06/05/17 SR: EMTN	-	-	-	1,500,000	1,653,386	3.35%
Rabobank Nederland 3.950% 11/09/22	1,300,000	1,299,826	2.49%	1,300,000	1,321,616	2.68%
RBS Capital fund trust V 5.900% PERP SR:E	20,000	484,600	0.93%	-	-	-
RCI Banque SA 4.600% 04/12/16 SR: REGS	-	-	-	1,500,000	1,588,730	3.22%
RIO Tinto FIN USA Ltd 3.500% 03/22/22	-	-	-	1,500,000	1,539,201	3.12%
Schlumberger Investment 3.300% 09/14/21 SR:144A	900,000	926,340	1.77%	-	-	-
Standard Chartered Plc 3.950% 01/11/23 SR: 144A	1,000,000	975,886	1.87%	1,000,000	990,500	2.01%
US Treasury Strips 0.000% 08/15/22	1,400,000	1,198,096	2.29%	1,400,000	1,148,153	2.33%
US Treasury Strips 0.000% 08/15/23	1,000,000	827,317	1.58%	1,000,000	788,948	1.60%
SW Airlines 07-1 TRUST 6.150% 08/01/22 SR: 07-1	1,485,858	1,671,590	3.20%	1,559,203	1,800,879	3.65%
Swedbank Hypotek AB 1.375% 03/28/18 SR: REGS	-	-	-	1,500,000	1,494,872	3.03%
US Treasury N/B 1.500% 01/31/22	1,500,000	1,452,188	2.78%	-	-	-
US Treasury N/B 1.500% 05/31/20	5,000,000	4,972,655	9.50%	-	-	-
US Treasury N/B 2.000% 10/31/21	1,000,000	1,001,797	1.92%	-	-	-

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

Butterfield Select Fund Limited

STATEMENT OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2015

(Expressed in US Dollars)

GLOBAL FIXED INCOME CLASS (Continued)

INVESTMENTS (Continued)	2015			2014		
	Nominal	Fair Value	% of Portfolio	Nominal	Fair Value	% of Portfolio
Corporate and Government Debt Securities (continued)						
Vale Overseas Limited 4.625% 09/15/20	1,500,000	\$ 1,576,320	3.02%	1,500,000	\$ 1,610,580	3.26%
Verizon Communications 3.450% 03/15/21	1,500,000	1,528,991	2.92%	1,000,000	1,033,404	2.09%
WESTLB AG NY 4.796% 07/15/15	1,319,000	1,319,042	2.52%	1,319,000	1,375,732	2.77%
	\$	42,707,582	81.70%	\$	38,896,017	78.83%
Investment Funds						
IShares JP Morgan USD Emerging Markets Bond UCITS ETF	28,000	3,027,926	5.79%	-	-	-
IShares USD High Yield Corporate Bond UCITS ETF	26,000	\$ 2,743,335	5.25%	30,000	\$ 3,411,600	6.91%
Legg Mason Global Funds PLC – Western Asset Emerging Market Bond Fund	-	-	-	25,000	3,325,000	6.74%
PIMCO Funds Global Investor4s Series PLC – Global Investment Grade Credit Fund E - Institutional Accumulation	230,000	3,797,300	7.26%	230,000	3,709,900	7.52%
	\$	9,568,561	18.30%	\$	10,446,500	21.17%
TOTAL INVESTMENTS						
(Cost: 2015 - \$50,780,784; 2014 - \$46,241,903)	\$	52,276,143	100.00%	\$	49,342,517	100.00%

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

Butterfield Select Fund Limited

STATEMENT OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2015

(Expressed in US Dollars)

ALTERNATIVE INVESTMENT CLASS

INVESTMENTS	2015			2014		
	Nominal	Fair Value	% of Portfolio	Nominal	Fair Value	% of Portfolio
Investment Funds						
Absolute Insight Credit Fund Class B2P2 US Dollar Shares	2,941,325	\$ 3,838,429	7.33%	-	\$ -	-
Arcem Global Offshore Ltd. Class B Series 2	-	-	-	1,199	1,205,212	2.07%
Arcem Global Offshore Ltd. Class B Series 12	-	-	-	1,000	953,444	1.64%
Aristeia Institutional Ltd CLASS b Voting USD Class B-V Series 02/15	2,319	2,407,998	4.60%	-	-	-
Aspect institutional Diversified Fund Class A Shares	19,838	2,315,754	4.42%	-	-	-
Blue Mountain Credit Alternatives Fund Ltd – Class S-Restricted- February 2015	12,000	1,241,509	2.37%	-	-	-
Blue Mountain Credit Alternatives Fund Ltd – Class S-Restricted- January 2015	30,000	3,123,558	5.96%	-	-	-
Blue Mountain Long/Short Equity Fund Ltd –Restricted- June 2015	800	788,080	1.50%	-	-	-
Blue Mountain Long/Short Equity Fund Ltd –Restricted- March 2015	2,100	2,134,440	4.07%	-	-	-
Candlewood Special Situations Fund Ltd Class D Non-restricted Series 6-R	150	1,652,270	3.15%	200	2,211,048	3.80%
Chenavari European Structured Credit Fund Ltd- Mar 2015 Series	2,400	2,427,763	4.63%	-	-	-
Claren Road Credit Fund BS1	-	-	-	2,041	4,520,380	7.78%
Criterion Horizons Offshore Ltd. B1-Initial	-	-	-	1,711	3,276,290	5.64%
Dragon Billion China Fund	-	-	-	12,215	2,275,166	3.91%
Dymon Asia Marco – Class P Restricted	-	-	-	1,034	1,566,475	2.69%
ECF Value Fund International Ltd. Series 1	-	-	-	303	2,170,693	3.73%
Graticule Asia Macro Fund Ltd Class E1 Feb 2015	1,200	1,257,675	2.40%	-	-	-
Graticule Asia Macro Fund Ltd Class E1 Jan 2015	935	994,946	1.90%	-	-	-
Graticule Asia Macro Fund Ltd Class E1 Mar 2015	1,100	1,130,041	2.16%	-	-	-

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Butterfield Select Fund Limited

STATEMENT OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2015

(Expressed in US Dollars)

ALTERNATIVE INVESTMENT CLASS (Continued)

INVESTMENTS (Continued)	2015			2014		
	Nominal	Fair Value	% of Portfolio	Nominal	Fair Value	% of Portfolio
Investment Funds (continued)						
GS Gamma INVT Ltd CL A						
REDDM PART SHS	2,442 \$	2,436,506	4.65%	- \$	-	-
Impala ELS Fund Ltd Class A Restricted	2,883	2,910,156	5.55%	-	-	-
Incline Global ELS Ltd Class R Series Fee-5	3,363	3,363,090	6.42%	-	-	-
Ionic Volatility Arbitrage Fund II Ltd Class A New Issue Restricted Series 4	600	601,292	1.15%	-	-	-
Ionic Volatility Arbitrage Fund II Ltd Class A New Issue Restricted Series 5	600	588,699	1.12%	-	-	-
Ionic Volatility Arbitrage Fund II Ltd Class A New Issue Restricted Series 6	600	594,060	1.13%	-	-	-
JCAM Global Fund Ltd Class F Ex Series	74	48,423	0.09%	74	47,525	0.08%
Jennison Global Healthcare Offshore Fund, Ltd. – Class A King Street Europe Ltd. Class A – Series 2	6,862	973,852	1.86%	18,297	2,628,799	4.52%
Koppenberg Macro Comdty Fund Ltd CLS B Ser Mar 15	1,800	1,853,262	3.54%	-	-	-
Koppenberg Macro Commodity Fund Ltd Class B Series Feb 15	1,150	1,160,764	2.22%	-	-	-
Lakewood Capital Offshore Fund Ltd	-	-	-	2,906	4,584,084	7.89%
Lansdowne UK Equity Fund	-	-	-	7,933	4,060,218	6.98%
Lioneye Offshore Fund Ltd. Class B Series 2013-10	-	-	-	23,309	2,449,157	4.21%
Lioneye Offshore Fund Ltd. Class B Series 2013-11	-	-	-	6,300	666,417	1.15%
Maso Capital Offshore Fund Limited Clas A R – Series January 2014	-	-	-	1	531	-
Maso Capital Offshore Fund Limited Clas A R – Series April 2014	-	-	-	1	802	-

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

Butterfield Select Fund Limited

STATEMENT OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2015

(Expressed in US Dollars)

ALTERNATIVE INVESTMENT CLASS (Continued)

INVESTMENTS (Continued)	2015			2014		
	Nominal	Fair Value	% of Portfolio	Nominal	Fair Value	% of Portfolio
Investment Funds (continued)						
Maso Capital Offshore Fund Limited Class A R – Series May 2014	-	\$ -	-	1,131	\$ 1,272,831	2.19%
Malta MLC Offshore Ltd. Class B-1 Series 1	-	-	-	1,354	2,575,978	4.43%
MKM Longboat Multi Strategy Fund – Series 82	371	-	-	371	-	-
OZ ELS Overseas Fund Ltd. – Class B, Series 7	1,800	1,865,388	3.56%	-	-	-
Pamli Global Credit Strategies Offshore Ltd. – Class B, Sub Class B-1 – Series 04-2012	-	-	-	1,200	1,117,430	1.92%
Pamli Global Credit Strategies Offshore Ltd. – Class B, Sub Class B-1 – Series 07-2012	-	-	-	1,000	913,274	1.57%
Passport Global Long Short Offshore Ltd Class A2 II Non New Issue Series 14	4,127	4,460,240	8.51%	-	-	-
PFM Diversified Offshore Fund, Ltd	-	-	-	1,280	2,741,006	4.71%
Prologue Feeder Fund Ltd. Class A – Series 0513	-	-	-	1,800	1,711,944	2.94%
Prologue Feeder Fund Ltd. Class A – Series 1113	-	-	-	630	605,071	1.04%
Rimrock High Income Plus (Cayman) Fund	-	-	-	10,221	2,700,643	4.65%
RWC Funds – Europe Absolute Alpha	-	-	-	12,080	1,600,000	2.75%
Stelliam Offshore Fund Ltd. Class A Series R	-	-	-	1,685	3,144,511	5.41%
The Drake Global Opportunities Fund	46	43,854	0.08%	57	54,576	0.09%
TIG Securitized Asset Fund, Ltd. Class A-4 voting Series 1 – October 2014	-	-	-	2,167	2,416,602	4.16%
Trend Macro Offshore Ltd A-82-0215	1,150	1,205,787	2.30%	-	-	-
Trend Macro Offshore Ltd A-82-0315	1,500	1,523,745	2.91%	-	-	-
WCG Offshore Fund Ltd. Class C	-	-	-	1,877	2,428,228	4.20%
Winton Futures Fund Ltd Class B USD Lead Series	2,527	2,615,545	4.99%	-	-	-
York European Opportunities Unit Trust A10 – 2009	147,512	2,842,829	5.43%	-	-	-
TOTAL INVESTMENTS (Cost: 2015 – \$51,646,162; 2014 – \$51,371,199)		\$ 52,399,955	100.00%		\$ 58,134,083	100.00%

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

Butterfield Select Fund Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2015

(Expressed in US Dollars)

	Notes	EQUITY CLASS	
		2015 US\$	2014 US\$ (Note 2)
Income			
Net realised gain on financial assets at fair value through profit or loss		6,575,361	13,960,863
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss		(6,556,889)	9,242,761
Net realised loss on foreign currency		-	(308,887)
Interest		152	3,832
Dividend income		1,756,481	1,355,702
Other income		12,866	27,409
Total income		1,787,971	24,281,680
Expenses			
Management fee	6 a)	1,091,179	1,091,162
Administration fee	7	275,320	276,228
Audit fee		30,802	17,000
Custodian fee	6 b)	40,896	40,518
Government fee		7,018	5,133
Investment services fee	6 e)	37,741	36,779
Miscellaneous		23,109	29,224
Total expenses		1,506,065	1,496,044
Less: Withholding tax on dividend income		198,449	266,127
Net increase in net assets resulting from operations attributable to shareholders		83,457	22,519,509

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

Butterfield Select Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2015

(Expressed in US Dollars)

		GLOBAL FIXED INCOME CLASS	
		2015 US\$	2014 US\$ (Note 2)
Notes			
Income			
	Net realised gain on financial assets at fair value through profit or loss	909,257	2,443,601
	Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss	(1,605,255)	1,092,592
	Bonds interest	1,381,008	367,170
	Dividend income	267,629	192,483
	Other income	-	245
	Total income	952,639	4,096,091
Expenses			
	Management fee 6 a)	456,668	472,287
	Administration fee 7	118,550	120,881
	Miscellaneous	15,841	19,164
	Audit fee	14,153	12,847
	Custodian fee 6 b)	17,284	18,055
	Government fee	2,971	4,626
	Investment services fee 6 e)	15,732	19,128
	Total expenses	641,199	666,988
	Net increase in net assets resulting from operations attributable to shareholders	311,440	3,429,103

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

Butterfield Select Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2015

(Expressed in US Dollars)

	Notes	ALTERNATIVE INVESTMENT CLASS	
		2015 US\$	2014 US\$ (Note 2)
Income			
Net realised gain on financial assets at fair value through profit or loss		8,635,861	4,192,159
Net change in unrealised loss on financial assets at fair value through profit or loss		(6,009,090)	(1,415,229)
Interest		6,520	26,027
Other income		6,687	21,211
Total income		2,639,978	2,824,168
Expenses			
Management fee	6 a)	841,163	900,197
Administration fee	7	133,098	141,651
Miscellaneous		53,487	16,533
Audit fee		17,000	17,000
Custodian fee	6 b)	18,980	20,743
Government fee		3,262	5,792
Investment services fee	6 e)	18,600	19,656
Total expenses		1,085,590	1,121,572
Net increase in net assets resulting from operations attributable to shareholders		1,554,388	1,702,596

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

Butterfield Select Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended June 30, 2015

(Expressed in US Dollars)

	EQUITY CLASS	
	2015	2014
	US\$	US\$
		(Note 2)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	83,457	22,519,509
CAPITAL STOCK TRANSACTIONS		
Issue of redeemable shares	8,329,604	15,387,110
Repurchase of redeemable shares	(14,116,690)	(30,035,116)
Decrease in net assets attributable to shareholders from transactions in shares	(5,787,086)	(14,648,006)
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	(5,703,629)	7,871,503
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR	127,664,731	119,793,228
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR	121,961,102	127,664,731

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

Butterfield Select Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED) For the year ended June 30, 2015

(Expressed in US Dollars)

	GLOBAL FIXED INCOME CLASS	
	2015 US\$	2014 US\$ (Note 2)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	311,440	3,429,103
CAPITAL STOCK TRANSACTIONS		
Issue of redeemable shares	8,556,172	6,918,140
Repurchase of redeemable shares	(5,654,160)	(21,423,943)
Decrease in net assets attributable to shareholders from transactions in shares	2,902,012	(14,505,803)
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	3,213,452	(11,076,700)
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR	52,094,893	63,171,593
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR	55,308,345	52,094,893

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

Butterfield Select Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED) For the year ended June 30, 2015

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT CLASS	
	2015 US\$	2014 US\$ (Note 2)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	1,554,388	1,702,596
CAPITAL STOCK TRANSACTIONS		
Issue of redeemable shares	5,246,552	7,671,002
Repurchase of redeemable shares	(5,988,794)	(9,189,536)
Decrease in net assets attributable to shareholders from transactions in shares	(742,242)	(1,518,534)
NET INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	812,146	184,062
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR	59,836,276	59,652,214
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR	60,648,422	59,836,276

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

Butterfield Select Fund Limited

STATEMENT OF CASH FLOWS For the year ended June 30, 2015

	EQUITY CLASS	
	2015 US\$	2014 US\$ (Note 2)
Cash flows from operating activities		
Net increase in net assets resulting from operations attributable to shareholders	83,457	22,519,509
<i>Adjustments for:</i>		
Purchase of financial assets	(22,767,208)	(81,614,028)
Net proceeds from sale of financial assets	27,004,232	96,361,711
Net realised gain on financial assets at fair value through profit or loss	(6,575,361)	(13,960,863)
Net change in unrealised loss/(gain) on financial assets at fair value through profit or loss	6,556,889	(9,242,761)
Changes in:		
Dividends receivable	(60,229)	26,188
Other assets	(6,491)	228
Accrued expenses	27,098	(52,824)
Other liabilities	-	(4,489)
Net cash provided by operating activities	4,262,387	14,032,671
Cash flows from financing activities		
Proceeds from issuance of shares	8,374,604	15,386,610
Payments from redemption of shares	(14,116,690)	(30,035,116)
Net cash used in financing activities	(5,742,086)	(14,648,506)
Net decrease in cash and cash equivalents	(1,479,699)	(615,835)
Cash and cash equivalents – beginning of year	1,489,248	2,105,083
Cash and cash equivalents – end of year	9,549	1,489,248
Supplemental cash flow information:		
Interest received	152	3,832
Dividend received, net of withholding taxes	1,497,803	1,115,763

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

Butterfield Select Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED) For the year ended June 30, 2015

	GLOBAL FIXED INCOME CLASS	
	2015 US\$	2014 US\$ (Note 2)
Cash flows from operating activities		
Net increase in net assets resulting from operations attributable to shareholders	311,440	3,429,103
<i>Adjustments for:</i>		
Purchase of financial assets	(22,874,079)	(4,047,280)
Net proceeds from sale of financial assets	19,244,455	20,144,525
Net realised gain on financial assets at fair value through profit or loss	(909,257)	(2,443,397)
Net change in unrealised loss/(gain) on financial assets at fair value through profit or loss	1,605,255	(1,092,592)
Changes in:		
Interest receivable	33,146	76,360
Other assets	(13,461)	9,685
Accrued expenses	16,964	(25,804)
Net cash (used in)/provided by operating activities	(2,585,537)	16,050,600
Cash flows from financing activities		
Redemptions paid in advance	-	4,980
Proceeds from issuance of shares	8,556,172	6,918,140
Paid on redemption of shares	(5,654,160)	(21,423,943)
Bank overdraft	-	(444,259)
Net cash provided by/(used in) financing activities	2,902,012	(14,945,082)
Net increase in cash and cash equivalents	316,475	1,105,518
Cash and cash equivalents – beginning of year	2,351,136	1,245,618
Cash and cash equivalents – end of year	2,667,611	2,351,136
Supplemental cash flow information:		
Interest received	1,414,154	443,530
Dividend received	256,493	192,483

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

Butterfield Select Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED) For the year ended June 30, 2015

	ALTERNATIVE CLASS	
	2015 US\$	2014 US\$ (Note 2)
Cash flows from operating activities		
Net increase in net assets resulting from operations attributable to shareholders	1,554,388	1,702,596
<i>Adjustments for:</i>		
Purchase of financial assets	(59,558,739)	(42,750,747)
Net proceeds from sale of financial assets	66,670,451	46,859,691
Net realised gain on financial assets at fair value through profit or loss	(8,635,861)	(4,192,116)
Net change in unrealised loss on financial assets at fair value through profit or loss	6,009,090	1,415,229
Changes in:		
Other assets	(20,300)	6,377
Accrued expenses	29,526	(13,504)
Net cash provided by operating activities	6,048,555	3,027,526
Cash flows from financing activities		
Proceeds from issuance of shares	5,246,552	7,671,002
Paid on redemption of shares	(5,988,794)	(9,189,536)
Net cash used in financing activities	(742,242)	(1,518,534)
Net increase in cash and cash equivalents	5,306,313	1,508,992
Cash and cash equivalents – beginning of year	1,822,011	313,019
Cash and cash equivalents – end of year	7,128,324	1,822,011
Supplemental cash flow information:		
Interest received	6,520	-

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

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

1. CORPORATE INFORMATION

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

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

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

Brown Brothers Harriman acts as sub-custodian (the "Sub-custodian") for the Equity Class and the Alternative Investment Class. The Sub-custodian fees are paid by the Custodian.

On December 4, 2014, the Fund entered into an agreement with Grosvenor Capital Management, L.P. to provide sub-advisory services to the Fund. These services were previously provided by International Asset Management Limited. All sub-advisory fees are paid by the Investment Adviser on behalf of the Fund.

The objective of the Fund is to achieve long term capital growth in the value of the assets, offering 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 funds and international equity index-linked instruments.

For the Global 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.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

2. BASIS OF PREPARATION

First time adoption of International Financial Reporting Standards ("IFRS")

These financial statements, for the year ended June 30, 2015, are the first the Fund has prepared in accordance with IFRS. For years up to and including the year ended June 30, 2014, the Fund prepared its financial statements in accordance with accounting principles generally accepted in Canada and Bermuda ("GAAP"). Accordingly, the Fund has prepared financial statements which comply with IFRS applicable for the year ended June 30, 2015, together with the comparative year data as at and for the year ended June 30, 2014, as described in the summary of significant accounting policies. In preparing these financial statements, the Fund's opening statement of financial position was prepared as at July 1, 2013, the Fund's date of transition to IFRS. As there was no change in the recognition and measurement on IFRS adoption, the notes to the financial statements are not presented as at July 1, 2013.

In accordance with the requirements of IFRS 1, "First-time adoption of International Financial Reporting Standards", the Board of Directors have considered how the transition from GAAP to IFRS has affected the Fund's reported financial position, financial performance and cash flows. There has been no impact on the valuation or classification of these amounts as a result of the transition to IFRS. Further, there have been no changes to its statement of comprehensive income under IFRS. The Fund was not required to present a statement of cash flows under GAAP, but is required to present a statement of cash flows under IFRS.

Accounting convention

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

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

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

Summary of significant accounting policies

a) Significant accounting judgements, estimates and assumptions

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

b) Financial Instruments

i. Classification

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

Financial assets and liabilities at fair value through profit or loss

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

Financial assets and liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

b) Financial Instruments (continued)

i. Classification (continued)

Financial assets and liabilities at fair value through profit or loss (continued)

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

Financial instruments designated at fair value through profit or loss upon initial recognition: these include investment funds, exchange traded funds, equities and other interest bearing investments and derivatives not held for trading. The Fund did not hold any financial instruments designated at fair value through profit or loss upon initial recognition as at June 30, 2015 and 2014.

Receivables

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

Other financial liabilities

This category includes all financial liabilities, other than those classified as held for trading. The Fund includes in this category amounts for other short-term payables.

ii. Recognition

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

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

iii. Initial measurement

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

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

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

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

b) Financial instruments (continued)

iv. Subsequent measurement

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

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

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

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either: the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

c) Fair value measurement

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

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

c) Fair value measurement (continued)

It is the policy of the Fund to value any asset quoted, listed, traded or dealt with on an exchange or market by reference to the last traded price on or prior to the relevant Valuation Day on the major exchange or market in which the assets are dealt, to the extent that such valuation is based on a price within the bid-ask spread that is most representative of fair value on valuation date. In circumstances where the last traded price is not within the bid-ask spread, the Directors will determine the point within the bid-ask spread that is most representative of fair value.

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

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

d) Impairment of financial assets

The Fund assesses at each reporting date whether a financial asset or group of financial assets is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor/counterparty or a group of debtors/counterparties is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate.

e) Functional and presentation currency

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

f) Offsetting and financial instruments

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

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting polices (continued)

f) Offsetting and financial instruments (continued)

Management has determined that, as at June 30, 2015 and 2014, there were no assets and liabilities offset in the statement of financial position, nor were there any assets or liabilities available for offset. The Fund does not have a legally enforceable right to offset, nor does it have master netting agreements or similar arrangements that would allow for related amounts to be set off.

g) Foreign currency translations

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

h) Cash and cash equivalents

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

Cash and cash equivalents does not include bank overdraft. Where applicable, bank overdraft is shown as a liability in the statement of financial position as well as in the statement of cash flows.

i) Interest income and expense

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

j) Dividend income and expense

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

k) Realised and change in unrealised gains and losses

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

l) Expenses

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

m) Going concern

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

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

n) Share capital

The Fund's Organisational Shares are classified as equity in accordance with the Fund's articles of association. These shares do not participate in the profits of the Fund.

o) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable participating shares can be put back to the Fund on any dealing day at a value equal to a proportionate share of the Fund's net asset value ("NAV"). The net asset value per share is calculated by dividing the net assets attributable to shareholders with the total number of outstanding redeemable shares.

p) Impact of accounting pronouncements issued but not yet effective

IFRS 9 – Financial Instruments

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

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Fund is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

q) Investment entity

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

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

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

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

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

3. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management approach includes formal guidelines to govern the extent of exposure to various types of risk. The Investment Adviser also has various internal controls to oversee the 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 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, balances held at brokers and investments in debt securities.

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

Credit ratings below represent ratings of Global Fixed income Class' debt securities provided by Standard & Poor's and are subject to change, which could be material.

	% of Portfolio 2015	% of Portfolio 2014
Debt Securities by Credit Rating		
AAA	3.46	7.70
AA+	22.13	9.23
AA	2.63	4.39
AA-	10.15	16.53
A+	3.90	-
A	3.91	7.76
A-	4.36	23.27
BBB+	18.32	11.15
BBB	17.41	16.44
BBB-	7.01	-
BB	2.49	-
BB-	1.13	-
Not Rated by S&P	3.10	3.53
	100.00	100.00

Credit ratings below represent ratings of Global Fixed Income Class' debt securities provided by Moody's for the debt securities not rated by Standard & Poor's and are subject to change, which could be material.

	% of Portfolio 2015	% of Portfolio 2014
Debt Securities by Credit Rating		
Aa1	3.10	3.53
	3.10	3.53

Substantially all of the assets of the Fund are held by the Fund's Custodian, Sub-custodian and the Bank. The Fund monitors its risk by monitoring the credit quality of the Custodian, Sub-custodian and the Bank. As at June 30, 2015, the credit ratings of the Custodian and the Bank, as provided by Standard and Poor's, were both BBB (2014 – BBB+). As at June 30, 2015, the credit rating of the Fund's Sub-custodian, as provided by Fitch Ratings, was A+ (2014 – A+).

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

3. FINANCIAL RISK MANAGEMENT (Continued)

Currency Risk

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. The Fund invests in securities and other investments that are denominated in currencies other than the US Dollar. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will necessarily be subject to foreign exchange risks.

The primary purpose of the Fund's foreign currency economic hedging activities is to protect against the volatility associated with investments denominated in foreign currencies and other assets and liabilities denominated in foreign currencies created in the normal course of business. The Fund utilises foreign currency forward exchange contracts to hedge foreign-currency-denominated financial instruments. Increases or decreases in the fair values of the Fund's foreign-currency-denominated financial assets and liabilities are partially offset by gains and losses on the economic hedging instruments.

The table below indicates the currencies to which the Fund had significant exposure at June 30, 2015 and 2014 on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the US Dollar on the net assets, with all other variables held constant.

Class	Currency	Change in Currency Rate	Effect on Net Assets	
			2015	2014
Equity Class	CAD	5%	\$ 8	\$ 10
Global Fixed Income Class	CAD	5%	1	2
	EUR	5%	66	72
Alternative Investment Class	CAD	5%	57	66
	EUR	5%	22	27
	GPB	5%	5	6

An equivalent decrease in each of the aforementioned currencies against the US Dollar would have resulted in an equivalent but opposite impact.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Prices of fixed income securities generally increase when interest rates decline, and decrease when interest rates rise. As at June 30, 2015, had the interest rates increased or decreased by 25 basis points and assuming a parallel shift in the yield curve, net assets would have increased or decreased by approximately US\$138,271 (2014: US\$637,960). This change is estimated using the weighted average duration of the fixed income portfolio. This analysis assumes that all other variables remained unchanged. In practice, actual results may differ from this analysis and the difference could be material. All other assets and liabilities are not subject to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to liquidity risk by way of weekly cash redemptions of redeemable units. Each Fund Class retains sufficient holdings in underlying funds which offer redemptions on a quarterly, monthly, weekly and daily basis which combined with cash and cash equivalents provide adequate liquidity to address the risk of cash redemptions of redeemable units.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

3. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk (continued)

The table below indicates the Global Fixed Income Class' holdings in debt securities by remaining term to maturity:

Debt Securities by Maturity	Fair Value	
	2015 US\$	2014 US\$
Less than 1 year	1,319,042	531,043
1 - 3 years	2,065,613	4,617,848
3 - 5 years	6,504,407	4,252,883
Greater than 5 years	29,833,491	27,093,797
No stated maturity	484,600	-
Non-interest bearing	2,500,429	2,400,446
	42,707,582	38,896,017

As of June 30, 2015, investment funds held by the Equity Class representing US\$121,647,709 (100%) offer redemptions on a daily basis. As of June 30, 2014, investment funds held by the Equity Class representing US\$118,698,024 (94%) offer redemptions on a daily basis and US\$7,652,002 (6%) offer redemptions on a weekly basis.

As of June 30, 2015 and 2014, all investment funds (2015: - US\$9,568,561; 2014 - US\$10,446,500) held by the Global Fixed Income Class offer redemptions on a daily basis.

As of June 30, 2015, investment funds held by the Alternative Investment Class representing US\$22,016,666 (42.02%) offer redemptions on a quarterly basis, US\$19,771,762 (37.72%) offer redemptions on a monthly basis, US\$8,203,496 (15.66%) offer redemptions on a daily basis, US\$2,315,754 (4.42%) offer redemptions on a weekly basis, and US\$92,277 (0.18%) have redemption restrictions. As of June 30, 2014, investment funds held by the Alternative Investment Class representing US\$40,717,993 (70.04%) offer redemptions on a quarterly basis, US\$15,713,989 (27.03%) offer redemptions on a monthly basis; US\$1,600,000 (2.75%) offer redemptions on a daily basis and US\$102,101 (0.18%) have redemption restrictions.

The Fund also has a credit facility in place to further mitigate liquidity risk.

Price/Market Risk

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

As at June 30, 2015, all of the Equity Class' investments were exposed to changes in portfolio prices. As at June 30, 2015, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Equity Class would have been US\$6,082,385 (2014 - US\$6,317,501) higher or lower.

As at June 30, 2015, all of the Global Fixed Income Class' investments were exposed to changes in portfolio prices. As at June 30, 2015, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Global Fixed Income Class would have been \$2,613,807 (2014 - US\$2,467,126) higher or lower.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

3. FINANCIAL RISK MANAGEMENT (Continued)

Price/Market Risk (continued)

As at June 30, 2015, all of the Alternative Investment Class' investments were exposed to changes in portfolio prices. As at June 30, 2015, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Alternative Investment Class would have been \$2,619,998 (2014 - US\$2,906,704) 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 table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The inputs used by the Fund to value its investments in each of the investment funds or other financial instruments may differ from the inputs used to value the underlying holdings of such investment funds or other financial instruments. Thus, an investment fund with all of its underlying investments classified as Level 1 may be classified as a Level 2 or Level 3 investment.

The Fund measures the fair value of its investments in investment funds on the basis of the NAV per share (or its equivalent) of such investment funds.

Unless the investment funds have been suspended or are subject to similar liquidity restrictions, the Fund has the ability to redeem its investments in investment funds at NAV per share (or its equivalent) and the investments in investment funds are categorized as Level 2. Where the investment fund is suspended for an extended period, the Fund classifies its investments in investment funds as Level 3.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

4. FAIR VALUE OF FINANCIAL ASSETS (Continued)

2015

EQUITY CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	72,380,007	-	72,380,007
Exchange traded funds	46,158,542	-	-	46,158,542
Open-ended fund	-	3,109,160	-	3,109,160
Total financial assets	46,158,542	75,489,167	-	121,647,709

GLOBAL FIXED INCOME CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Corporate and government debt securities	-	42,707,582	-	42,707,582
Investment funds	-	9,568,561	-	9,568,561
Total financial assets	-	52,276,143	-	52,276,143

ALTERNATIVE INVESTMENT CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	52,307,678	92,277	52,399,955
Total financial assets	-	52,307,678	92,277	52,399,955

2014

EQUITY CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	90,015,137	-	90,015,137
Exchange traded funds	36,334,889	-	-	36,334,889
Total financial assets	36,334,889	90,015,137	-	126,350,026

GLOBAL FIXED INCOME CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Corporate and government debt securities	-	38,896,017	-	38,896,017
Investment funds	-	10,446,500	-	10,446,500
Total financial assets	-	49,342,517	-	49,342,517

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

4. FAIR VALUE OF FINANCIAL ASSETS (Continued)

2014

ALTERNATIVE INVESTMENT CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	58,031,982	102,101	58,134,083
Total financial assets	-	58,031,982	102,101	58,134,083

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 from Level 1 to Level 2 during the years ended June 30, 2015 and 2014. Financial assets and liabilities transferred from Level 2 to Level 1 are the result of the securities now being traded in an active market. There were no transfers of financial assets and liabilities from Level 2 to Level 1 during the years ended June 30, 2015 and 2014.

Reconciliation of Financial Asset and Liability Movement - Level 3

The movement in financial assets held in the Alternative Investment Class classified as Level 3 is as follows:

	2015 US\$	2014 US\$
Beginning balance	102,101	214,107
Purchases	-	15,259
Sales/redemptions	(11,225)	(79,730)
Transfers in	-	-
Transfers out	-	-
Realised loss	(2,737)	(27,903)
Net change in unrealised gain/(loss)	4,138	(19,632)
Ending balance	92,277	102,101

Net change in unrealised loss included in the statement of comprehensive income related to Level 3 investments still held at year end

4,138 (21,419)

Reconciliation of Financial Asset and Liability Movement - Level 3 (continued)

The Fund's Equity Class and Global Fixed Income Class did not hold any Level 3 investments at the beginning, during, or at the end of the year ended June 30, 2015 and June 30, 2014.

5. SHARES ISSUED AND OUTSTANDING

The authorised share capital of the Fund is US\$100,000,000 divided into 1,000,000,000 shares of US\$0.10 par value each, of which 120,000 shares of US\$0.10 par value have been designated as non-participating, voting organisational shares and have been allotted for cash at par to the Investment Adviser and its nominees.

The remaining share capital consists of 999,880,000 participating, non-voting common shares of US\$0.10 divided into three classes designated as Equity Class, Global Fixed Income Class, and Alternative Investment Class.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

5. SHARES ISSUED AND OUTSTANDING (Continued)

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

Details of shares issued and outstanding during the years ended June 30, 2015 and 2014 were as follows:

EQUITY CLASS COMMON SHARES

	2015	2014
Balance – beginning of year	9,802,529	10,997,880
Issue of common shares	644,496	1,293,470
Redemption of common shares	(1,082,247)	(2,488,821)
Balance – end of year	9,364,778	9,802,529

GLOBAL FIXED INCOME CLASS COMMON SHARES

	2015	2014
Balance – beginning of year	2,819,184	3,646,121
Issue of common shares	459,324	387,733
Redemption of common shares	(303,830)	(1,214,670)
Balance – end of year	2,974,678	2,819,184

ALTERNATIVE INVESTMENT CLASS COMMON SHARES

	2015	2014
Balance – beginning of year	3,929,833	4,027,540
Issue of common shares	337,569	515,267
Redemption of common shares	(386,259)	(612,974)
Balance – end of year	3,881,143	3,929,833

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 weekly 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 Directors of the Fund will use commercially reasonable efforts to timely meet redemption requests for the Alternative Class. However, because the liquidity of the investments in investment funds does not match the liquidity offered to shareholders of the Alternative Class, the Directors have determined it is in the best interest of the Alternative Class to retain the discretion to impose a gate, from time to time, as deemed necessary in the sole and absolute discretion of the Directors, the effect of which would be to limit the redemptions of the Alternative Class as of any dealing day.

Capital Management

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

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

6. RELATED PARTY TRANSACTIONS

a) Management Fee

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

Under the terms of the management agreement, the Investment Adviser is entitled to receive a monthly fee calculated at the rate of no more than 1% per annum of the net asset value of each of the Equity and Global 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 Global Fixed Income Classes and 1.5% per annum for the Alternative Investment Class.

Management fees are accrued daily and paid on the last valuation day of each month. Details of management fees charged and payable, as at June 30, 2015 and 2014 for each class are set out in the table below.

Class	Management fees charged		Management fees payable	
	2015 US\$	2014 US\$	2015 US\$	2014 US\$
Equity	1,091,179	1,091,162	99,265	97,247
Global Fixed	456,668	472,287	42,854	38,003
Alternative Investment	841,163	900,197	75,570	76,201

b) Custodian Fee

In accordance with the custodian agreement, the Custodian receives a fee based on the fair value of assets under administration at the rate of 3.25 basis points per annum, subject to a minimum of US\$10,000 for each of the Fund's classes. Relevant out-of-pocket expenses may also be charged to the Fund by the Custodian. Details of custodian fees charged and payable, as at June 30, 2015 and 2014 for each class are set out in the table below.

Class	Custodian fees charged		Custodian fees payable	
	2015 US\$	2014 US\$	2015 US\$	2014 US\$
Equity	40,896	40,518	10,176	6,562
Global Fixed	17,284	18,055	4,527	3,070
Alternative Investment	18,980	20,743	4,825	3,645

c) Investment Transactions

As of June 30, 2015, Butterfield Select Invest Fund Limited ("Select Invest") held 657,174 shares (2014: 512,373) having a fair value of US\$8,556,410 (2014: US \$6,671,113) in the Equity Class, 386,883 shares (2014: 317,898) having a fair value of US\$7,192,150 (2014: US\$5,874,757) in the Global Fixed Income Class and 106,725 shares (2014: 87,057) having a fair value of US\$1,668,117 (2014: US\$1,325,864) in the Alternative Investment Class. Select Invest is related through common directorship. In addition, Select Invest is also managed by the Fund's Investment Adviser.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

6. RELATED PARTY TRANSACTIONS (continued)

d) Credit Facility

On July 15, 2013, the Fund renewed the unsecured credit facility agreement with the Bank in the amount of \$28,500,000 (2013: \$21,500,000). The individual classes of the Fund will be limited to \$9,500,000 (2013: \$5,000,000) for Equity Class, \$7,500,000 (2013: \$5,000,000) for Global Fixed Income Class, and \$11,500,000 (2013: \$11,500,000) for Alternative Investment Class. Advances will be limited to 10% of the class net asset value, except for Alternative Investment Class which will be limited to 20% of its net asset value. The agreement bears an interest rate of 1% per annum above the higher of the LIBOR or the funding costs incurred by the Bank in making the revolving facility available on any date of drawdown with accrued interest payable monthly in arrears.

On July 4, 2014, the Fund renewed the unsecured credit facility agreement with the Bank in the amount of US\$29,000,000 (2014: US\$28,500,000). The individual classes of the Fund will be limited to \$12,000,000 (2014: US\$9,500,000) for the Equity Class; US\$5,000,000 (2014: US\$7,500,000) for the Global Fixed income Class; US\$12,000,000 (2014: US\$11,500,000) for the Alternative Investment Class. Advances will be limited to 10% of the class net asset value, except for Alternative Investment Class which will be limited to 20% of its net asset value. The agreement bears an interest rate of 1% per annum above the higher of the LIBOR or the funding costs incurred by the Bank in making the revolving facility available on any date of drawdown with all accrued interest payable monthly in arrears.

On June 26, 2015, the Fund renewed the unsecured credit facility agreement with the Bank. The terms remain unchanged from the previous agreement, as outlined above, with the exception of the repayment terms. The renewed agreement states that the full amount of any amount advanced under the revolving facility, together with the accrued interest and other amounts payable by the Borrower to the Bank, is payable on the earlier of sixty days following the utilization date or the expiry date, unless extended at the Bank's sole discretion. If any payment falls due and payable on a day which is not a business day the payment shall be made on the next following business day. The renewed unsecured facility expires on June 30, 2016.

e) Investment Services Fee

The investment services fee is paid to the Bank for additional registrar and transfer agent services provided to the Fund which had been previously provided by the administrator. The investment services fee is a set fee for the Butterfield group of funds, allocated to the individual funds based on their proportion of Net Asset Value. The fee for 2015 was US\$72,073 (2014: US\$75,583). Details of investment services fees charged and payable, as at June 30, 2015 and 2014 for each class are set out in the table below.

Class	Investment services fees charged		Investment services fees payable	
	2015 US\$	2014 US\$	2015 US\$	2014 US\$
Equity	37,741	36,799	-	419
Global Fixed	15,732	19,128	-	168
Alternative Investment	18,600	19,656	216	215

f) Other

The Bank owns 2,823,531 shares and 688,281 shares (2014 – 2,823,531 shares and 688,281 shares) of the Equity Class and Alternative Investment Class, respectively. The Bank did not own shares of the Global Fixed Income Class as at June 30, 2015 and 2014.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

7. ADMINISTRATION FEE

In accordance with the administration agreement, the Administrator receives a fee based upon the nature and extent of the services provided. Details of administration fees charged and payable, as at June 30, 2015 and 2014 for each class are set out in the table below. Administration fees payable at June 30, 2015 and 2014 are included in accrued expenses in the Statements of Financial Position.

Class	Administration fees charged		Administration fees payable	
	2015 US\$	2014 US\$	2015 US\$	2014 US\$
Equity	275,320	276,228	68,806	50,950
Global Fixed	118,550	120,881	30,661	20,837
Alternative Investment	133,098	141,651	32,497	24,660

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.

9. COMMITMENTS AND CONTINGENCIES

Management has determined that the Fund had no commitments or contingencies as at June 30, 2015 (2014: none).

10. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2015 through October 9, 2015, the date the financial statements were available to be issued. During this period, the Fund did not have any material subsequent events.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

11. FINANCIAL HIGHLIGHTS

2015		EQUITY CLASS	GLOBAL FIXED INCOME CLASS	ALTERNATIVE INVESTMENT CLASS
Per Share Information				
Net asset value - beginning of year	\$	13.02	\$ 18.48	\$ 15.23
Net investment income from operations				
Net investment gain/(loss)****		0.01	0.35	(0.28)
Net realised and change in unrealised gain on investments		(0.01)	(0.24)	0.68
Total from investment operations		(0.00)	0.11	0.40
Net asset value - end of year	\$	13.02	\$ 18.59	\$ 15.63
Ratios / Supplemental Data				
Total net assets - end of year	\$	121,961,102	\$ 55,308,345	\$ 60,650,479
Weighted average net assets*	\$	124,727,374	\$ 54,001,571	\$ 59,651,238
Ratio of expenses to weighted average net assets		1.37%	1.19%	1.82%
Portfolio turnover rate**		18.32%	37.04%	124.83%
Annual rate of return***		0.00%	0.59%	2.63%

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

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

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

****Net investment gain/(loss) represents interest, dividend income and other income net of expenses.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

11. FINANCIAL HIGHLIGHTS (Continued)

2014		EQUITY CLASS	GLOBAL FIXED INCOME CLASS	ALTERNATIVE INVESTMENT CLASS
Per Share Information				
Net asset value - beginning of year	\$	10.89	\$ 17.33	\$ 14.81
Net investment income from operations				
Net investment (loss)/gain****		(0.04)	0.03	(0.26)
Net realised and change in unrealised gain on investments		2.17	1.12	0.68
Total from investment operations		2.13	1.15	0.42
Net asset value - end of year	\$	13.02	\$ 18.48	\$ 15.23
Ratios / Supplemental Data				
Total net assets - end of year	\$	127,664,731	\$ 52,094,893	\$ 59,836,276
Weighted average net assets*	\$	126,317,511	\$ 54,923,898	\$ 61,657,312
Ratio of expenses to weighted average net assets		1.17%	1.21%	1.82%
Portfolio turnover rate**		65.15%	104.62%	79.52%
Annual rate of return***		19.56%	6.64%	2.84%

* 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 is calculated by comparing the end of year net asset value to the beginning of year net asset value.

****Net investment (loss)/gain represents interest, dividend income and other income net of expenses.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Directors on October 9, 2015.