

**Butterfield Select Invest Fund
Limited**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2016

Butterfield Select Invest Fund Limited

INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2016

Introduction

We are pleased to present the Annual Report of the Fund for the twelve months ended June 30, 2016. The Butterfield Select Invest Fund is divided into five share classes according to shareholders' risk appetite from Cautious to Dynamic and allocates 100% its investments to the three classes of the Butterfield Select Fund (Global Fixed Income, Equity and Alternative).

Butterfield Select Fund - Global Fixed Income Class

The net asset value (NAV) per share increased from \$18.59 to \$19.57 over the Fiscal year to 30 June, 2016, representing a 5.27% return for the year, net of all fees and expenses.

Financial markets had an eventful year between 30 June, 2015 and 30 June, 2016 as China devalued its currency twice and the Federal Reserve finally raised interest rates for the first time in nine years. Volatility in August 2015 rose to its highest level since 2011 followed by several periods of risk aversion which impacted U.S. Treasury yields and credit spreads. Elevated market volatility, lower oil prices and weaker U.S. economic data ultimately prompted policy makers to keep interest rates on hold through 30 June, 2016.

A brief period of calm remained in place until close to the end of the Fiscal year when the British people, against broad market expectations, voted to leave the European Union. This triggered a rush to safety and a downgrade of inflation and growth outlooks globally.

During the second half of calendar 2015 U.S. Treasury yields were mostly range-bound, with the 10 year ending the year only 8bps lower than at 30 June, 2015. However, risk aversion surged in January of 2016 and U.S. Treasuries fell to a new low, whilst credit spreads rose to oversold levels. We remained invested in good quality credit throughout this volatile period.

Our underweight duration positioning detracted from performance over the course of the year, but this was offset by our overweight to credit. In anticipation of Brexit-induced volatility we also sold all of the Emerging Market debt position and reinvested the proceeds into a floating rate note and cash reserves.

As at 30 June, 2016 the Class remained overweight investment grade credit versus its benchmark and maintained a small, diversified exposure to global High Yield bonds. Duration as at 30 June, 2016 was 4.6 which was 72% of the benchmark index. The overall credit quality of the fund increased to BBB, as rated by Standard & Poor's.

Butterfield Select Invest Fund Limited

INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2016

Butterfield Select Fund - Equity Class

The net asset value (NAV) per share decreased from \$13.02 to \$12.36 over the Fiscal year to 30 June, 2016, representing a -5.07% return for the year, net of all fees and expenses.

U.S. stock markets continued to outperform the MSCI World as weak markets in Europe and in Japan impacted the total return of the Class. Equity markets in the U.S. are relatively expensive by historical standards, however, the broad US economic picture is healthier than most of the world and this has continued to support further inflows to the asset class. Europe and Japan remain locked in a sub-par growth environment and further monetary stimulus has been implemented in both regions over the Fiscal year.

The Equity Class was overweight Europe and underweight North America for a period over the Fiscal year, which detracted from performance. However, good stock selection by the underlying managers generated significant alpha offsetting some of the impact.

During the year the fund sold its entire position in both the Acadian Global Equity Fund and the Morgan Stanley Global Brands Fund. Acadian's performance had been below par for some time and we ultimately lost confidence in the largely quantitative investment process. In contrast, Global Brands Fund's performance was exceptional, significantly outperforming its benchmark and going beyond the Fund's stated performance objective, so we took profits on the entire position.

The fund continues to avoid large sector deviations from the benchmark, but is overweight the Consumer Cyclical, Financial Services and Energy sectors with underweights to Communications and Utilities. Subsequent to the British Referendum vote to leave the European Union, we moved the portfolio back to a neutral position in North American Equities and a neutral position in European equities.

Butterfield Select Invest Fund Limited

INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2016

Butterfield Select Fund - Alternative Class

The net asset value (NAV) per share decreased from \$15.63 to \$14.82 over the Fiscal year to 30 June, 2016, representing a -5.18% return for the year, net of all fees and expenses.

The Sub-Advisor to the Fund, GCM Grosvenor, had all underlying Hedge Funds positioned in their preferred providers by 31 January, 2016, versus being 83% invested as at 30 June 2015. The Class is allocated to 18 investment managers with an average allocation of approximately 5% to each manager. The largest allocation the Fund had as at 30 June, 2016 was to the Macro and Commodities sector, with just over 30%, followed by Equities Strategies at 25%. Thematically, the Class is invested along three paths where the Sub-Advisor sees the best opportunities to capture manager skill, Hedged Equities, Opportunistic Credit and Diversifying Strategies. Within Hedged Equities, the portfolio is focused on managers that have low net exposure to equity directionality and event driven managers, whilst investments in Relative Value, Macro and Commodities managers provide for a low overall portfolio correlation to equity market returns and volatility.

Michael Neff
President
Butterfield Select Invest Fund Limited
October 6, 2016

Independent Auditors' Report

The Board of Directors

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

We have audited the accompanying financial statements of Butterfield Select Invest Fund Limited, comprising Cautious Class, Conservative Class, Balanced Class, Dynamic Class, and Growth Class, which comprise the statements of financial position as at June 30, 2016 and 2015, and the statements of comprehensive income, changes in net assets attributable to shareholders and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

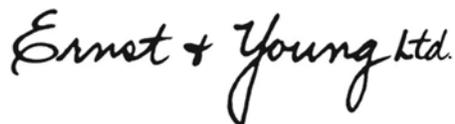
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 Invest Fund Limited, comprising Cautious Class, Conservative Class, Balanced Class, Dynamic Class, and Growth Class, as at June 30, 2016 and 2015, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.



October 6, 2016

Butterfield Select Invest Fund Limited

COMPANY INFORMATION

DIRECTORS

Michael Neff
Andrew Baron
Richard Saunders (resigned as of October 1st, 2015)
Richard Foley (appointed as of October 1st, 2015)

INVESTMENT ADVISER

Butterfield Asset Management Limited
65 Front Street
Hamilton HM12
Bermuda

CUSTODIAN

Butterfield Trust (Bermuda) Limited
65 Front Street
Hamilton HM12
Bermuda

REGISTRAR, TRANSFER AGENT AND ADMINISTRATOR

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

AUDITORS

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

Butterfield Select Invest Fund Limited

STATEMENT OF FINANCIAL POSITION

As at June 30, 2016

(Expressed in US Dollars)

		CAUTIOUS CLASS	
		June 30, 2016	June 30, 2015
		US\$	US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	23,632	18,094
Financial assets at fair value through profit or loss (Cost 2016: - \$3,091,954; 2015 - \$3,471,923)	3, 4	3,394,745	3,847,444
Prepaid expenses		568	713
Total assets		3,418,945	3,866,251
Liabilities			
Accrued expenses	6, 7	9,048	8,745
Subscriptions received in advance		150	-
		9,198	8,745
Net assets attributable to shareholders		3,409,747	3,857,506
Number of common shares in issue	5	279,933	314,640
Net asset value per common share		12.18	12.26

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2016

(Expressed in US Dollars)

		CONSERVATIVE CLASS	
		June 30, 2016	June 30, 2015
		US\$	US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	30,711	16,425
Financial assets at fair value through profit or loss (Cost 2016: - \$3,170,858; 2015 - \$3,029,194)	3, 4	3,516,466	3,327,216
Prepaid expenses		580	721
Total assets		3,547,757	3,344,362
Liabilities			
Accrued expenses	6, 7	9,397	8,149
		9,397	8,149
Net assets attributable to shareholders		3,538,360	3,336,213
Number of common shares in issue	5	314,001	300,059
Net asset value per common share		11.27	11.12

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2016

(Expressed in US Dollars)

		BALANCED CLASS	
		June 30, 2016	June 30, 2015
		US\$	US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	65,235	44,427
Financial assets at fair value through profit or loss (Cost 2016: - \$7,387,123; 2015 - \$6,886,167)	3, 4	7,883,148	7,656,248
Prepaid expenses		1,381	1,501
Total assets		7,949,764	7,702,176
Liabilities			
Accrued expenses	6, 7	13,453	12,200
Subscriptions received in advance		8,000	-
		21,453	12,200
Net assets attributable to shareholders		7,928,311	7,689,976
Number of common shares in issue	5	676,948	636,496
Net asset value per common share		11.71	12.08

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2016

(Expressed in US Dollars)

		DYNAMIC CLASS	
		June 30, 2016 US\$	June 30, 2015 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	9,263	4,871
Financial assets at fair value through profit or loss (Cost 2016: - \$269,058; 2015 - \$578,645)	3, 4	287,843	660,725
Prepaid expenses		-	59
Total assets		297,106	665,655
Liabilities			
Accrued expenses	6, 7	3,713	4,028
		3,713	4,028
Net assets attributable to shareholders		293,393	661,627
Number of common shares in issue	5	25,000	52,796
Net asset value per common share		11.74	12.53

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2016

(Expressed in US Dollars)

		GROWTH CLASS	
		June 30, 2016	June 30, 2015
		US\$	US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	25,533	11,465
Financial assets at fair value through profit or loss (Cost 2016: - \$2,543,838; 2015 - \$1,783,668)	3, 4	2,579,448	1,925,044
Prepaid expenses		506	430
Total assets		2,605,487	1,936,939
Liabilities			
Accrued expenses	6, 7	5,872	5,013
Subscriptions received in advance		2,000	-
		7,872	5,013
Net assets attributable to shareholders		2,597,615	1,931,926
Number of common shares in issue	5	223,606	157,449
Net asset value per common share		11.62	12.27

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS

As at June 30, 2016

(Expressed in US Dollars)

CAUTIOUS CLASS

		2016	
	Number of Shares	Fair Value	% of Portfolio
Investment Funds			
Butterfield Select Fund Limited – Alternative Class	32,617	\$ 483,378	14.24%
Butterfield Select Fund Limited – Equity Class	97,639	1,206,820	35.55%
Butterfield Select Fund Limited – Global Fixed Income Class	87,100	1,704,547	50.21%
TOTAL INVESTMENTS (Cost: 2016 - \$3,091,954)		\$ 3,394,745	100.00%

CONSERVATIVE CLASS

		2016	
	Number of Shares	Fair Value	% of Portfolio
Investment Funds			
Butterfield Select Fund Limited – Alternative Class	33,039	\$ 489,631	13.92%
Butterfield Select Fund Limited – Equity Class	43,860	542,113	15.42%
Butterfield Select Fund Limited – Global Fixed Income Class	126,966	2,484,722	70.66%
TOTAL INVESTMENTS (Cost: 2016 - \$3,170,858)		\$ 3,516,466	100.00%

BALANCED CLASS

		2016	
	Number of Shares	Fair Value	% of Portfolio
Investment Funds			
Butterfield Select Fund Limited – Alternative Class	73,322	\$ 1,086,637	13.78%
Butterfield Select Fund Limited – Equity Class	385,790	4,768,366	60.49%
Butterfield Select Fund Limited – Global Fixed Income Class	103,635	2,028,145	25.73%
TOTAL INVESTMENTS (Cost: 2016 - \$7,387,123)		\$ 7,883,148	100.00%

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2016

(Expressed in US Dollars)

DYNAMIC CLASS

	Number of Shares	2016 Fair Value	% of Portfolio
Investment Funds			
Butterfield Select Fund Limited – Alternative Class	540 \$	7,999	2.78%
Butterfield Select Fund Limited – Equity Class	22,579	279,076	96.95%
Butterfield Select Fund Limited – Global Fixed Income Class	39	768	0.27%
TOTAL INVESTMENTS (Cost: 2016 - \$269,058)		\$ 287,843	100.00%

GROWTH CLASS

	Number of Shares	2016 Fair Value	% of Portfolio
Investment Funds			
Butterfield Select Fund Limited – Alternative Class	23,827 \$	353,114	13.69%
Butterfield Select Fund Limited – Equity Class	168,782	2,086,151	80.88%
Butterfield Select Fund Limited – Global Fixed Income Class	7,163	140,183	5.43%
TOTAL INVESTMENTS (Cost: 2016 - \$2,543,838)		\$ 2,579,448	100.00%

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2016

(Expressed in US Dollars)

		CAUTIOUS CLASS	
		2016 US\$	2015 US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		73,894	27,201
Net change in unrealised loss on financial assets at fair value through profit or loss		(72,738)	(8,955)
Total income		1,156	18,246
Expenses			
Management fee	6 a)	8,817	4,616
Administration fee	7	11,784	13,385
Audit fee		2,587	2,520
Custodian fee	6 b)	1,272	1,236
Exchange fee		1,019	1,148
Government fee		481	480
Investment services fee	6 c)	911	1,049
Miscellaneous		4,211	1,020
Total expenses		31,082	25,454
Net decrease in net assets resulting from operations attributable to shareholders		(29,926)	(7,208)

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

		CONSERVATIVE CLASS	
		2016 US\$	2015 US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		33,802	16,398
Net change in unrealised gain on financial assets at fair value through profit or loss		47,586	6,298
Total income		81,388	22,696
Expenses			
Management fee	6 a)	8,489	4,238
Administration fee	7	11,390	12,494
Audit fee		2,500	2,350
Custodian fee	6 b)	1,250	1,245
Exchange fee		985	1,215
Government fee		411	466
Investment services fee	6 c)	1,004	857
Miscellaneous		3,875	837
Total expenses		29,904	23,702
Net increase/(decrease) in net assets resulting from operations attributable to shareholders		51,484	(1,006)

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

		BALANCED CLASS	
		2016 US\$	2015 US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		91,914	30,390
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss		(274,055)	7,270
Total income		(182,141)	37,660
Expenses			
Management fee	6 a)	18,420	9,102
Administration fee	7	20,964	20,306
Audit fee		3,000	3,050
Custodian fee	6 b)	2,568	2,151
Exchange fee		2,139	1,997
Government fee		848	813
Investment services fee	6 c)	2,200	1,799
Miscellaneous		8,411	1,617
Total expenses		58,550	40,835
Net decrease in net assets resulting from operations attributable to shareholders		(240,691)	(3,175)

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

		DYNAMIC CLASS	
		2016 US\$	2015 US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		37,112	7,455
Net change in unrealised loss on financial assets at fair value through profit or loss		(63,295)	(4,437)
Total income		(26,183)	3,018
Expenses			
Management fee	6 a)	1,418	813
Administration fee	7	3,954	6,647
Audit fee		398	602
Custodian fee	6 b)	1,257	1,221
Exchange fee		234	182
Government fee		108	76
Investment services fee	6 c)	186	160
Miscellaneous		795	155
Total expenses		8,350	9,856
Net decrease in net assets resulting from operations attributable to shareholders		(34,533)	(6,838)

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

		GROWTH CLASS	
		2016 US\$	2015 US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		10,945	29,668
Net change in unrealised loss on financial assets at fair value through profit or loss		(105,764)	(12,721)
Total income		(94,819)	16,947
Expenses			
Management fee	6 a)	5,496	2,555
Administration fee	7	8,078	9,501
Audit fee		505	500
Custodian fee	6 b)	1,256	1,201
Exchange fee		617	575
Government fee		260	188
Investment services fee	6 c)	654	490
Miscellaneous		2,649	441
Total expenses		19,515	15,451
Net (decrease)/increase in net assets resulting from operations attributable to shareholders		(114,334)	1,496

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended June 30, 2016

(Expressed in US Dollars)

	CAUTIOUS CLASS	
	2016 US\$	2015 US\$
Net decrease in net assets resulting from operations attributable to shareholders	(29,926)	(7,208)
Capital stock transactions		
Issue of redeemable shares	299,824	1,019,159
Repurchase of redeemable shares	(717,657)	(207,311)
(Decrease)/increase in net assets attributable to shareholders from transactions in shares	(417,833)	811,848
Net (decrease)/ increase in net assets attributable to shareholders	(447,759)	804,640
Net assets attributable to shareholders – beginning of year	3,857,506	3,052,866
Net assets attributable to shareholders – end of year	3,409,747	3,857,506

	CONSERVATIVE CLASS	
	2016 US\$	2015 US\$
Net increase/(decrease) in net assets resulting from operations attributable to shareholders	51,484	(1,006)
Capital stock transactions		
Issue of redeemable shares	345,900	570,289
Repurchase of redeemable shares	(195,237)	(162,753)
Increase in net assets attributable to shareholders from transactions in shares	150,663	407,536
Net increase in net assets attributable to shareholders	202,147	406,530
Net assets attributable to shareholders – beginning of year	3,336,213	2,929,683
Net assets attributable to shareholders – end of year	3,538,360	3,336,213

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

	BALANCED CLASS	
	2016 US\$	2015 US\$
Net decrease in net assets resulting from operations attributable to shareholders	(240,691)	(3,175)
Capital stock transactions		
Issue of redeemable shares	1,513,490	1,949,511
Repurchase of redeemable shares	(1,034,464)	(252,116)
Increase in net assets attributable to shareholders from transactions in shares	479,026	1,697,395
Net increase in net assets attributable to shareholders	238,335	1,694,220
Net assets attributable to shareholders – beginning of year	7,689,976	5,995,756
Net assets attributable to shareholders – end of year	7,928,311	7,689,976

	DYNAMIC CLASS	
	2016 US\$	2015 US\$
Net decrease in net assets resulting from operations attributable to shareholders	(34,533)	(6,838)
Capital stock transactions		
Issue of redeemable shares	167,902	139,199
Repurchase of redeemable shares	(501,603)	(35,958)
(Decrease)/Increase in net assets attributable to shareholders from transactions in shares	(333,701)	103,241
Net (decrease)/increase in net assets attributable to shareholders	(368,234)	96,403
Net assets attributable to shareholders – beginning of year	661,627	565,224
Net assets attributable to shareholders – end of year	293,393	661,627

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

	GROWTH CLASS	
	2016 US\$	2015 US\$
Net (decrease)/increase in net assets resulting from operations attributable to shareholders	(114,334)	1,496
Capital stock transactions		
Issue of redeemable shares	1,014,540	943,802
Repurchase of redeemable shares	(234,517)	(342,710)
Increase in net assets attributable to shareholders from transactions in shares	780,023	601,092
Net increase in net assets attributable to shareholders	665,689	602,588
Net assets attributable to shareholders – beginning of year	1,931,926	1,329,338
Net assets attributable to shareholders – end of year	2,597,615	1,931,926

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CASH FLOWS

For the year ended June 30, 2016

(Expressed in US Dollars)

	CAUTIOUS CLASS	
	2016 US\$	2015 US\$
Cash flows from operating activities		
Net decrease in net assets resulting from operations attributable shareholders	(29,926)	(7,208)
<i>Adjustments for:</i>		
Purchase of financial assets	(539,825)	(1,034,505)
Net proceeds from sale of financial assets	993,680	262,788
Net realised gain on financial assets	(73,894)	(27,201)
Net change in unrealised loss on financial assets	72,738	8,955
Changes in:		
Prepaid expenses	145	43
Other assets	-	226
Accrued expenses	303	4,968
Net cash provided by/(used in) operating activities	423,221	(791,934)
Cash flows from financing activities		
Proceeds from issuance of shares	299,824	1,019,159
Payments on redemption of shares	(717,657)	(218,886)
Subscriptions received in advance	150	-
Net cash (used in)/provided by financing activities	(417,683)	800,273
Net increase in cash and cash equivalents	5,538	8,339
Cash and cash equivalents – beginning of year	18,094	9,755
Cash and cash equivalents – end of year	23,632	18,094

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

	CONSERVATIVE CLASS	
	2016 US\$	2015 US\$
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations attributable shareholders	51,484	(1,006)
<i>Adjustments for:</i>		
Purchase of financial assets	(553,099)	(579,961)
Net proceeds from sale of financial assets	445,237	203,475
Net realised gain on financial assets	(33,802)	(16,398)
Net change in unrealised gain on financial assets	(47,586)	(6,298)
Changes in:		
Prepaid expenses	141	107
Accrued expenses	1,248	3,939
Net cash used in operating activities	(136,377)	(396,142)
Cash flows from financing activities		
Proceeds from issuance of shares	345,900	570,289
Payments on redemption of shares	(195,237)	(162,753)
Net cash provided by financing activities	150,663	407,536
Net increase in cash and cash equivalents	14,286	11,394
Cash and cash equivalents – beginning of year	16,425	5,031
Cash and cash equivalents – end of year	30,711	16,425

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

	BALANCED CLASS	
	2016 US\$	2015 US\$
Cash flows from operating activities		
Net decrease in net assets resulting from operations attributable shareholders	(240,691)	(3,175)
<i>Adjustments for:</i>		
Purchase of financial assets	(2,023,505)	(1,967,396)
Net proceeds from sale of financial assets	1,614,464	338,771
Net realised gain on financial assets	(91,914)	(30,390)
Net change in unrealised loss/(gain) on financial assets	274,055	(7,270)
Changes in:		
Prepaid expenses	120	(453)
Accrued expenses	1,253	6,920
Net cash used in operating activities	(466,218)	(1,662,993)
Cash flows from financing activities		
Proceeds from issuance of shares	1,513,490	1,949,511
Payments on redemption of shares	(1,034,464)	(252,116)
Subscriptions received in advance	8,000	-
Net cash provided by financing activities	487,026	1,697,395
Net increase in cash and cash equivalents	20,808	34,402
Cash and cash equivalents – beginning of year	44,427	10,025
Cash and cash equivalents – end of year	65,235	44,427

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

	DYNAMIC CLASS	
	2016 US\$	2015 US\$
Cash flows from operating activities		
Net decrease in net assets resulting from operations attributable shareholders	(34,533)	(6,838)
<i>Adjustments for:</i>		
Purchase of financial assets	(172,212)	(186,416)
Net proceeds from sale of financial assets	518,911	94,030
Net realised gain on financial assets	(37,112)	(7,455)
Net change in unrealised loss on financial assets	63,295	4,437
Changes in:		
Prepaid expenses	59	52
Accrued expenses	(315)	3,062
Net cash provided by/(used in) operating activities	338,093	(99,128)
Cash flows from financing activities		
Proceeds from issuance of shares	167,902	139,399
Paid on redemption of shares	(501,603)	(35,958)
Net cash (used in)/provided by financing activities	(333,701)	103,441
Net increase in cash and cash equivalents	4,392	4,313
Cash and cash equivalents – beginning of year	4,871	558
Cash and cash equivalents – end of year	9,263	4,871

The accompanying notes are an integral part of these financial statements

Butterfield Select Invest Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2016

(Expressed in US Dollars)

	GROWTH CLASS	
	2016 US\$	2015 US\$
Cash flows from operating activities		
Net (decrease)/increase in net assets resulting from operations attributable shareholders	(114,334)	1,496
<i>Adjustments for:</i>		
Purchase of financial assets	(1,113,741)	(944,053)
Net proceeds from sale of financial assets	364,518	366,891
Net realised gain on financial assets	(10,945)	(29,668)
Net change in unrealised loss on financial assets	105,764	12,721
Changes in:		
Prepaid expenses	(76)	(217)
Accrued expenses	859	3,692
Net cash used in operating activities	(767,955)	(589,138)
Cash flows from financing activities		
Proceeds from issuance of shares	1,014,540	943,802
Payments on redemption of shares	(234,517)	(343,910)
Subscriptions received in advance	2,000	-
Net cash provided by financing activities	782,023	599,892
Net increase in cash and cash equivalents	14,068	10,754
Cash and cash equivalents – beginning of year	11,465	711
Cash and cash equivalents – end of year	25,533	11,465

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, 2016

1. CORPORATE INFORMATION

Butterfield Select Invest Fund Limited (the "Fund") is a mutual fund which was incorporated as an exempted company with limited liability and with unlimited duration under the laws of Bermuda on September 1, 2005.

The Fund commenced operations on October 6, 2005. Butterfield Trust (Bermuda) Limited acts as custodian (the "Custodian"). Butterfield Asset Management Limited acts as investment adviser (the "Investment Adviser"). MUFG Fund Services (Bermuda) Limited acts as registrar and transfer agent and as accountants/administrator (the "Registrar and Transfer Agent" or "Administrator") for the Fund. The Custodian and Investment Adviser are wholly owned subsidiaries of The Bank of N.T. Butterfield & Son Limited (the "Bank").

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

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

The objective of the Fund is to act as a fund of funds, investing in the three classes of Butterfield Select Fund Limited (BFSL), an affiliated fund, which offers a convenient and efficient vehicle for investing in mutual funds and index instruments which are anticipated to provide the best opportunity for capital appreciation having regard to diversification. The Fund may also hold money market instruments or mutual funds for cash management purposes.

The Fund offers five classes, namely, Cautious, Balanced, Conservative, Dynamic and Growth. Each of these share classes invests in various weightings of BFSL share classes in order to accomplish the risk objectives of the respective share classes of the Fund.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

2. BASIS OF PREPARATION

Accounting convention

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

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

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

Summary of significant accounting policies

a) Significant accounting judgements, estimates and assumptions

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

b) Financial instruments

i. Classification

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

Financial assets and liabilities at fair value through profit or loss

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

Financial assets and liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes investment funds. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial instruments designated at fair value through profit or loss upon initial recognition: these include investments in investment funds not held for trading. The Fund did not hold any financial instruments designated at fair value through profit or loss upon initial recognition as at June 30, 2016 and 2015.

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.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

b) Financial instruments (continued)

ii. Recognition

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

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

iii. Initial measurement

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

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

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

iv. Subsequent measurement

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

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

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

v. Derecognition

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

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

b) Financial instruments (continued)

v. Derecognition (continued)

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

c) Fair value measurement

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

It is the policy of the Fund to value any asset quoted, listed, traded or dealt with on an exchange or market by reference to the last traded price on or prior to the relevant Valuation Day on the major exchange or market in which the assets are dealt, to the extent that such valuation is based on a price within the bid-ask spread that is most representative of fair value on valuation date. 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.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting polices (continued)

e) Functional and presentation currency

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

f) Offsetting and financial instruments

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

Management has determined that, as at June 30, 2016 and 2015, 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 United States dollars at rates of exchange on the period end date. Transactions during the period are translated at the rate in effect at the date of the transaction. Foreign currency translation gains and losses are included in the statement of comprehensive income.

The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included in the net realised and change in unrealised gain/(loss) on investments in the statement of comprehensive income.

h) Cash and cash equivalents

Cash and cash equivalents 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.

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.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting policies (continued)

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.

n) Redeemable participating shares

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

o) Investment entity

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

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

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

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

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

2. BASIS OF PREPARATION (Continued)

Summary of significant accounting polices (continued)

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.

3. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management approach includes formal guidelines to govern the extent of exposure to various types of risk. The Investment Adviser also has various internal controls to oversee the Fund's investment activities, including monitoring compliance with the investment objective and strategies, internal guidelines and securities regulations.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Financial instruments that potentially expose the Fund to credit and counterparty risk consist primarily of cash and cash equivalents and balances held at brokers.

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

Substantially all of the assets of the Fund are held by the Fund's Custodian and the Bank. The Fund monitors its risk by monitoring the credit quality of the Custodian and the Bank. As at June 30, 2016, the credit ratings of the Custodian and the Bank, as provided by Standard and Poor's, were both BBB (2015 – BBB).

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

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. When the Fund enters into transactions which are denominated in currencies other than the Fund's reporting currency, the Investment Adviser attempts to mitigate the associated currency risk, which may include the use of forward currency contracts.

As at June 30, 2016 and 2015, the Fund's exposure to currencies other than the Fund's reporting currency was limited to small balances of cash and cash equivalents denominated in foreign currencies which are not significant to the class as a whole.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's exposure to cash flow interest rate risk is limited to its cash and cash equivalents which represent 0.69% (2015 – 0.47%) for Cautious Class, 0.87% (2015 – 0.49%) for the Conservative Class; 0.82% (2015 – 0.58%) for the Balanced Class; 3.16% (2015 – 0.74%) for the Dynamic Class and 0.98% (2015 – 0.59%) for the Growth Class; of each of the respective Class' net assets. The Fund does not have any other significant interest-bearing assets or liabilities.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to liquidity risk by way of weekly cash redemptions of redeemable units. The Fund invests solely in other investment companies which could expose the Fund to increased liquidity risk. However, the Fund's entire portfolio of investment companies is realizable on a weekly basis which mitigates the risk related to weekly cash redemptions. The Fund may be exposed to additional liquidity risks in extraordinary cases where underlying investment companies had periods in which redemptions are suspended due to adverse market conditions.

As of June 30, 2016 and 2015, all investments held by the Cautious, Conservative, Balanced, Dynamic and Growth Classes offer redemptions on a weekly basis.

Price/Market Risk

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

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

3. FINANCIAL RISK MANAGEMENT (Continued)

Price/Market Risk (continued)

As at June 30, 2016 and 2015, all of the investments held in the Cautious, Conservative, Balanced, Dynamic and Growth Classes were exposed to changes in portfolio prices. As at June 30, 2016 and 2015, if the portfolio prices had been 5% higher or lower with all other variables held constant the net assets of each class would have been impacted as follows:

	Impact on Net Assets	
	2016 US\$	2015 US\$
Cautious Class	169,737	192,372
Conservative Class	175,823	166,361
Balanced Class	394,157	382,812
Dynamic Class	14,392	33,036
Growth Class	128,972	96,252

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 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.

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, for the years ended June 30, 2016 and 2015.

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, 2016 and 2015. 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, 2016 and 2015. The Fund did not hold any level 3 investments at the beginning, during, or at the end of the years ended June 30, 2016 and 2015.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

5. SHARES ISSUED AND OUTSTANDING

The authorised share capital of the Fund is US\$10,001 (2015 – US\$10,001) divided into:

1,000,000,000 common shares of US\$0.00001 par value each, which have been designated as non-voting, participating shares.

100 organisational shares of US\$.01 par value each, which have been designated as voting, non-participating shares, allotted for cash at par to the Investment Adviser and its nominees.

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

Details of shares issued and outstanding during the years ended June 30, 2016 and 2015 are as follows:

CAUTIOUS CLASS COMMON SHARES

	2016	2015
Balance – beginning of year	314,640	248,669
Issue of common shares	25,100	82,729
Redemption of common shares	(59,807)	(16,758)
Balance – end of year	279,933	314,640

CONSERVATIVE CLASS COMMON SHARES

	2016	2015
Balance – beginning of year	300,059	263,467
Issue of common shares	31,437	51,245
Redemption of common shares	(17,495)	(14,653)
Balance – end of year	314,001	300,059

BALANCED CLASS COMMON SHARES

	2016	2015
Balance – beginning of year	636,496	495,471
Issue of common shares	128,635	161,957
Redemption of common shares	(88,183)	(20,932)
Balance – end of year	676,948	636,496

DYNAMIC CLASS COMMON SHARES

	2016	2015
Balance – beginning of year	52,796	44,521
Issue of common shares	14,319	11,139
Redemption of common shares	(42,115)	(2,864)
Balance – end of year	25,000	52,796

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

5. SHARES ISSUED AND OUTSTANDING (Continued)

GROWTH CLASS COMMON SHARES

	2016	2015
Balance – beginning of year	157,449	107,814
Issue of common shares	85,895	77,368
Redemption of common shares	(19,738)	(27,733)
Balance – end of year	223,606	157,449

Common shares are allotted to subscribers at a value determined by reference to the weekly valuation of the net assets of the class. Common shares may be redeemed for an amount equal to the net asset value per share as at the close of business on the Valuation Day, following receipt of the properly completed request for redemption, subject to the power of the directors to deduct therefrom an amount sufficient in their opinion to meet sale and fiscal charges incurred in realising assets to provide funds to meet the request.

Capital Management

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

6. RELATED PARTY TRANSACTIONS

a) Management Fee

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

Under the terms of the management agreement, the Investment Adviser is entitled to receive a monthly fee calculated at the rate of no more than 0.25% per annum of the average valuation of the net assets of each class in each month, and will be paid on the last Valuation Day in each month. Management fees were waived for all classes from July 1, 2014 to December 31, 2014, but were charged to the Fund from January 1, 2015 to June 30, 2015 and for the entire year ended June 30, 2016.

Class	Management fees charged		Management fees payable	
	2016 US\$	2015 US\$	2016 US\$	2015 US\$
Cautious	8,817	4,616	818	886
Conservative	8,489	4,238	856	766
Balanced	18,420	9,102	1,812	1,756
Dynamic	1,418	813	15	153
Growth	5,496	2,555	591	451

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

6. RELATED PARTY TRANSACTIONS (Continued)

b) Custodian Fee

In accordance with the custodian agreement, the Custodian receives a fee based on the fair value of assets under administration at the rate of 3.25 basis points per annum, subject to a minimum of \$1,250 for each of the Select Invest classes. Details of custodian fees charged and payable, as at June 30, 2016 and 2015 for each class are set out in the table below.

Class	Custodian fees charged		Custodian fees payable	
	2016 US\$	2015 US\$	2016 US\$	2015 US\$
Cautious	1,272	1,236	312	298
Conservative	1,250	1,245	312	312
Balanced	2,568	2,151	605	442
Dynamic	1,257	1,221	312	305
Growth	1,256	1,201	311	305

c) Investment Services Fee

The investment services fee is paid to the Bank for additional registrar and transfer agent services provided to the Fund which had been previously provided by the administrator. The investment services fee is a set fee for the Butterfield group of funds, allocated to the individual funds based on their proportion of Net Asset Value. Details of investment services fees charged and payable, as at June 30, 2016 and 2015 for each class are set out in the table below.

Class	Investment services fees charged		Investment services fees payable	
	2016 US\$	2015 US\$	2016 US\$	2015 US\$
Cautious	911	1,049	-	146
Conservative	1,004	857	-	-
Balanced	2,200	1,799	-	-
Dynamic	186	160	-	-
Growth	654	490	-	-

d) Others

The Bank owns 235,000, 235,000, 25,000, and 25,000 shares (2015 - 235,000, 235,000, 25,000, and 25,000 shares) of the Conservative Class, Balanced Class, Dynamic Class and Growth Class, respectively. The Bank did not own any shares of the Cautious Class as at June 30, 2016 and 2015.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

7. ADMINISTRATION FEE (INCLUDING ACCOUNTING FEE AND REGISTRAR AND TRANSFER AGENT FEE)

In accordance with the administration agreement, the Administrator receives a fee based upon the nature and extent of the services provided. Administration fee for the year was \$56,170 (2015: \$62,333). Details of administration fees charged and payable, as at June 30, 2016 and 2015 for each class are set out in the table below. Administration fees payable at June 30, 2016 and 2015 are included in accrued expenses in the statements of financial position.

Class	Administration fees charged		Administration fees payable	
	2016 US\$	2015 US\$	2016 US\$	2015 US\$
Cautious	11,784	13,385	4,638	2,159
Conservative	11,390	12,494	4,978	1,887
Balanced	20,964	20,306	6,713	4,240
Dynamic	3,954	6,647	2,764	365
Growth	8,078	9,501	3,889	1,130

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. On January 29, 2015 the Minister of Finance granted assurance to the Fund up to that date.

9. COMMITMENTS AND CONTINGENCIES

Management has determined that the Fund had no commitments or contingencies as at June 30, 2016 (2015: none).

10. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2016 through October 6, 2016, the date the financial statements were available to be issued. During this period, the prospectus of the Fund was revised to allow the Dynamic Class to invest directly in mutual funds and exchange-traded funds outside the Classes of the Butterfield Select Fund. Furthermore, the revised prospectus allows for a more tactical, higher frequency re-balancing approach for the Dynamic Class. The revisions to the prospectus were approved by the Bermuda Monetary Authority on August 15, 2016.

The Fund did not have any other material subsequent events.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

11. FINANCIAL HIGHLIGHTS

2016		Cautious Class		Conservative Class		Balanced Class
Per Share Information						
Net asset value - beginning of year	\$	12.26	\$	11.12	\$	12.08
Net investment income from operations						
Net investment loss****		(0.11)		(0.10)		(0.09)
Net realised and unrealised Gain/(loss) on investments		0.03		0.25		(0.28)
Total from investment operations		(0.08)		0.15		(0.37)
Net asset value - end of year	\$	12.18	\$	11.27	\$	11.71
Ratios / Supplemental Data						
Total net assets - end of year	\$	3,409,747	\$	3,538,360	\$	7,928,311
Weighted average net assets*	\$	3,494,502	\$	3,384,640	\$	7,377,528
Ratio of expenses to weighted average net assets		0.89%		0.88%		0.79%
Portfolio turnover rate**		15.52%		13.16%		21.98%
Annual rate of return***		(0.65%)		1.35%		(3.06%)

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

11. FINANCIAL HIGHLIGHTS (Continued)

2016		Dynamic Class	Growth Class
Per Share Information			
Net asset value - beginning of year	\$	12.53	\$ 12.27
Net investment income from operations			
Net investment loss****		(0.17)	(0.10)
Net realised and change in unrealised loss on investments		(0.62)	(0.55)
<hr/>			
Total from investment operations		(0.79)	(0.65)
Net asset value - end of year	\$	11.74	\$ 11.62
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Ratios / Supplemental Data			
Total net assets - end of year	\$	293,393	\$ 2,597,615
Weighted average net assets*	\$	582,213	\$ 2,224,496
Ratio of expenses to weighted average net assets		1.43%	0.88%
Portfolio turnover rate**		29.60%	16.44%
Annual rate of return***		(6.30%)	(5.30%)

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

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

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

****Net investment loss represents other income less expenses.

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

11. FINANCIAL HIGHLIGHTS (Continued)

2015	Cautious Class		Conservative Class		Balanced Class	
Per Share Information						
Net asset value - beginning of year	\$	12.28	\$	11.12	\$	12.10
Net investment income from operations						
Net investment loss****		(0.09)		(0.08)		(0.07)
Net realised and unrealised gain on investments		0.07		0.08		0.05
Total from investment operations		(0.02)		(0.00)		(0.02)
Net asset value - end of year	\$	12.26	\$	11.12	\$	12.08
Ratios / Supplemental Data						
Total net assets - end of year	\$	3,857,506	\$	3,336,213	\$	7,689,976
Weighted average net assets*	\$	3,561,974	\$	3,346,924	\$	6,943,369
Ratio of expenses to weighted average net assets		0.71%		0.71%		0.59%
Portfolio turnover rate**		7.40%		6.07%		4.90%
Annual rate of return***		(0.16%)		(0.00%)		(0.17%)

Butterfield Select Invest Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2016

11. FINANCIAL HIGHLIGHTS (Continued)

2015		Dynamic Class		Growth Class
Per Share Information				
Net asset value - beginning of year	\$	12.70	\$	12.33
Net investment income from operations				
Net investment loss****		(0.20)		(0.10)
Net realised and change in unrealised gain on investments		0.03		0.04
Total from investment operations		(0.17)		(0.06)
Net asset value - end of year	\$	12.53	\$	12.27
Ratios / Supplemental Data				
Total net assets - end of year	\$	661,627	\$	1,931,926
Weighted average net assets*	\$	617,082	\$	1,922,630
Ratio of expenses to weighted average net assets		1.60%		0.80%
Portfolio turnover rate**		15.39%		19.16%
Annual rate of return***		(1.34%)		(0.46%)

* 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 or loss represents other income less expenses.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Directors on October 6, 2016.