

# Butterfield Select Fund Limited

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2022

# Butterfield Select Fund Limited

---

## INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2022

### Select Equity

The net asset value (NAV) per share fell from \$22.96 to \$18.68 over the fiscal year to June 30, 2022, representing a -18.64% return for the year, net of all fees and expenses. The benchmark for the Class, the MSCI World Free Net Total Return Index returned -14.34%.

Global equity markets had a strong year in 2021 and were positive in the second half of the year, however, the first six months of 2022 were a painful period for equities with the MSCI World falling by -5.15% in the first quarter and -16.19% in the second quarter. Inflationary pressures grew in the global economy as the world re-opened from the COVID-19 shock due to a combination of government stimulus and supply chain stress. Russia's invasion of Ukraine in February 2022 further exacerbated these inflationary pressures as commodity prices rose in response to sanctions imposed on Russia and Russia's retaliatory measures to reduce flows of natural gas to Europe.

Inflation rates in many Developed Markets reached levels not seen for over three decades and central banks responded by aggressively raising interest rates and removing policy. This hawkish shift presented a serious headwind for equity markets as Price/Earning multiples came under pressure. This shift in policy was particularly negative for Growth stocks, where investor positioning was stretched given multiple years of outperformance. This was negative for some of the more Growth focused managers in the fund, such as American Century Global Growth and Wellington Global Opportunities.

An important dynamic during the weakness in equity markets was the underperformance of the Quality factor. Historically, the Quality factor has performed well on a relative basis when equity markets fall, but that has not been the case in the first six months of 2022. The managers in the Fund generally have a Quality tilt to their process, so this has been a headwind. On the positive side, the Value factor outperformed the Growth factor as interest rates climbed. The Artisan Value fund and MFS US Value fund both contributed to relative performance.

### Select Alternative

The net asset value (NAV) per share increased marginally from \$16.74 to \$16.78 over the fiscal year to June 30, 2022, representing a 0.24% return for the year, net of all fees and expenses. In comparison the Hedge Fund Research HFRX Global Hedge Fund benchmark returned -5.12%.

The Class is sub-advised by GCM Grosvenor and as at June 30, 2022 was allocated to 15 investment managers with an average allocation of approximately 5% to each manager, with the largest allocation to any single manager being just over 13%. The largest sector allocation the Fund had as at June 30, 2022 was to the Equities strategy at around 43%. The equities strategy is allocated across directional, low net equity, fundamental market neutral, event driven and specialist managers.

Relative Value strategies, which included the largest position in the fund, performed well and contributed to overall returns as they were able to exploit market mispricing opportunities. Equity strategies detracted from overall performance over the period as equity market weakness in the first six months of 2022 proved a challenging backdrop for many long-biased managers. Global Macro exposure also detracted from performance as volatility in global bond markets proved challenging to navigate.

The Hedge Fund industry has had mixed performance, but the Butterfield Select Alternative Fund protected capital over the period against a difficult backdrop for both bond and equity markets. Net assets finished the period at \$21.92 million.

# Butterfield Select Fund Limited

---

## **Select Alternative Institutional**

The net asset value (NAV) per share fell from \$11.13 to \$10.45 over the fiscal year to June 30, 2022, representing a -6.11% return for the year, net of all fees and expenses. The benchmark for the Class, the Hedge Fund Research HFRX Global Hedge Fund returned -5.12%.

The Class was allocated to 20 investment managers with an average position size of approximately 4%, with the largest allocation to any single manager being around 8%. The Equities strategy was the largest at around 40%. Equity strategies detracted from overall performance over the period as equity market weakness in the first six months of 2022 proved a challenging backdrop for many long-biased managers. Market rotations proved a challenge for Long/Short equity managers, with weakness in Growth equities being particularly detrimental to a number of managers.

Macro and Credit managers had mixed performance as volatility in interest rates proved a challenging environment to navigate, but Macro strategies contributed to performance in the first six months of 2022 when bonds and equities were weak. Relative Value strategies performed well and contributed to overall returns as they were able to exploit market mispricing opportunities

Net assets finished the period at \$130.05 million.

## **Global Fixed Income Class**

The net asset value (NAV) per share decreased from \$23.47 to \$20.89 over the fiscal year to 30 June 2022, representing a -10.99% return for the year, net of all fees and expenses. The fund underperformed the BofA Merrill Lynch 5-10 Year AAA-A US Corporate and Government Benchmark Index by -97bps primarily due to the fund's exposure to corporate credit and Emerging Market debt as credit spreads have widened in 2022.

This fiscal year has been extremely volatile with the Federal Reserve pivoting to an aggressive monetary policy in an effort to contain the highest inflation in forty years leading to a rare year of negative returns in both fixed income and equity markets. In addition, the Russian invasion of Ukraine has led to heightened risk premiums and firmer commodity prices which have amplified the pressure on central bankers globally.

With little sign that headline or core inflation are abating and longer-term inflation expectations remaining firm policy makers have guided the market for the fastest pace of monetary tightening in decades. US base rates have been raised from 0.25% at the start of 2022 to 1.75% at the end of the fiscal year with market expectations that the terminal rate will reach 3.50% by the middle of 2023.

As a result, global bond yields have increased at a rapid rate with the risk-free US two-year Treasury now yielding over 3% with similar moves seen in other developed bond markets. The Federal Reserve is also acting to reduce the size of its US\$9tn balance sheet and quantitative tightening has begun and is projected to reach US\$95bn per month by September. With European economies extremely weak due to the energy crisis and Chinese growth constrained by COVID-19 restrictions and an overvalued property market the US economy remains one of the only positive drivers of global growth however, the inevitable slowdown of the US economy has begun.

As we enter the next fiscal year fund positioning remains neutral interest rate duration across the curve which we feel is appropriate given the risks surrounding global growth and the likely weakening of inflation in 2023. In corporate credit we remain overweight vs our benchmark, the weak performance of risk assets this year has subtracted from total return, but we remain confident that the fund's current holdings are secure and see no risk of default in the months ahead.

# Butterfield Select Fund Limited

---

Portfolio duration is neutral vs the benchmark at 6.6 years at the end of June 2022 which is 103% of the benchmark index, the overall credit quality of the fund remains equal to a weighted average S&P rating of BBB+.

**Dwayne Outerbridge, CFA**  
**President**  
**Butterfield Select Fund Limited**  
**July, 2022**

## Independent Auditor's Report

The Board of Directors  
Butterfield Select Fund Limited, comprising Equity Class, Global Fixed Income Class,  
Alternative Investment Class and Alternative Investment Institutional Class

### Opinion

We have audited the financial statements of Butterfield Select Fund Limited, comprising Equity Class, Global Fixed Income Class, Alternative Investment Class and Alternative Investment Institutional Class (collectively referred to as the Fund), which comprise the statement of financial position as at June 30, 2022, and the statement of comprehensive income, statement of changes in net assets attributable to shareholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information Included in the Fund's 2022 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the annual report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

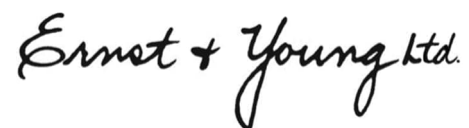
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jessel Mendes.



November 23, 2022

# Butterfield Select Fund Limited

---

## COMPANY INFORMATION

### DIRECTORS

Dwayne Outerbridge (alternative: Michael Neff)  
Jeffrey Abbott  
Richard Foley  
Dawn Griffiths (alternative: Elizabeth Denman)  
David Ware

### INVESTMENT ADVISER

Butterfield Asset Management Limited  
65 Front Street  
Hamilton HM 12  
Bermuda

### INVESTMENT SUB-ADVISED

Grosvenor Capital Management, L.P.  
900 North Michigan Avenue, Suite 1100  
Chicago  
IL 60611

### CUSTODIAN

The Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM 12  
Bermuda

### SUB-CUSTODIAN

Brown Brothers Harriman,  
140 Broadway 11<sup>th</sup> Floor  
New York  
NY 10005

### REGISTRAR, TRANSFER AGENT AND ADMINISTRATOR

MUFG Fund Services (Bermuda) Limited  
Cedar House, 4th Floor North  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

### AUDITORS

Ernst & Young Ltd.  
3 Bermudiana Road  
Hamilton HM 08  
Bermuda

# Butterfield Select Fund Limited

## STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

(Expressed in US Dollars)

		<b>EQUITY CLASS</b>	
		June 30, 2022 US\$	June 30, 2021 US\$
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	53,868	154,014
Financial assets at fair value through profit or loss (Cost: 2022-\$62,523,633; 2021-\$68,367,169)	3, 4	92,359,474	126,629,487
Other assets		11,139	10,931
<b>Total assets</b>		<b>92,424,481</b>	<b>126,794,432</b>
<b>Liabilities</b>			
Accrued expenses	6, 7	125,994	178,180
Subscriptions received in advance		65,482	10,507
<b>Total liabilities</b>		<b>191,476</b>	<b>188,687</b>
Organisational shares	5	12,000	12,000
<b>Total liabilities and equity (including net assets attributable to shareholders)</b>		<b>92,424,481</b>	<b>126,794,432</b>
<b>Net assets attributable to shareholders</b>		<b>92,221,005</b>	<b>126,593,745</b>
Number of redeemable shares in issue	5	4,936,103	5,514,005
<b>Net asset value per redeemable share</b>		<b>18.68</b>	<b>22.96</b>

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



# Butterfield Select Fund Limited

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2022

(Expressed in US Dollars)

		<b>GLOBAL FIXED INCOME CLASS</b>	
		<b>June 30, 2022</b>	<b>June 30, 2021</b>
		<b>US\$</b>	<b>US\$</b>
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	954,565	962,740
Financial assets at fair value through profit or loss (Cost: 2022-\$46,184,711; 2021-\$48,807,908)	3, 4	41,291,239	50,017,616
Dividends receivable		8,594	8,594
Interest receivable		288,911	335,432
Other assets		3,978	6,775
<b>Total assets</b>		<b>42,547,287</b>	<b>51,331,157</b>
<b>Liabilities</b>			
Accrued expenses	6, 7	57,219	74,609
Subscriptions received in advance		41,189	4,888
<b>Total liabilities</b>		<b>98,408</b>	<b>79,497</b>
<b>Net assets</b>		<b>42,448,879</b>	<b>51,251,660</b>
Number of redeemable shares in issue	5	2,031,675	2,183,908
<b>Net asset value per redeemable share</b>		<b>20.89</b>	<b>23.47</b>

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

# Butterfield Select Fund Limited

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2022

(Expressed in US Dollars)

		<b>ALTERNATIVE INVESTMENT CLASS</b>	
		<b>June 30, 2022 US\$</b>	<b>June 30, 2021 US\$</b>
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	<b>4,012,101</b>	626,486
Financial assets at fair value through profit or loss (Cost: 2022-\$14,092,270; 2021-\$12,190,919)	3, 4	<b>17,967,636</b>	15,932,824
Receivable for investments sold		-	525,000
Other assets		<b>4,228</b>	29,369
<b>Total assets</b>		<b>21,983,965</b>	17,113,679
<b>Liabilities</b>			
Accrued expenses	6, 7	<b>55,265</b>	53,624
Subscriptions received in advance		<b>7,207</b>	1,745
<b>Total liabilities</b>		<b>62,472</b>	55,369
<b>Net assets</b>		<b>21,921,493</b>	17,058,310
Number of redeemable shares in issue	5	<b>1,306,143</b>	1,019,191
<b>Net asset value per redeemable share</b>		<b>16.78</b>	16.74

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

# Butterfield Select Fund Limited

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2022

(Expressed in US Dollars)

		<b>ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS</b>	
		<b>June 30, 2022 US\$</b>	<b>June 30, 2021 US\$</b>
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	<b>18,928,554</b>	15,719,492
Financial assets at fair value through profit or loss (Cost: 2022-\$89,191,913; 2021-\$98,009,485)	3, 4	<b>105,004,798</b>	121,719,626
Receivable for investments sold		<b>6,384,472</b>	-
Other assets		<b>10,219</b>	10,936
<b>Total assets</b>		<b>130,328,043</b>	137,450,054
<b>Liabilities</b>			
Accrued expenses	6, 7	<b>274,911</b>	280,909
<b>Total liabilities</b>		<b>274,911</b>	280,909
<b>Net assets</b>		<b>130,053,132</b>	137,169,145
Number of redeemable shares in issue	5	<b>12,448,606</b>	12,321,217
<b>Net asset value per redeemable share</b>		<b>10.45</b>	11.13

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

# Butterfield Select Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS

As at June 30, 2022

(Expressed in US Dollars)

### EQUITY CLASS

		2022		
	Number of		Fair Value	% of
	Shares			Portfolio
<b>INVESTMENTS</b>				
<b>Exchange Traded Funds</b>				
Ishares MSCI World ETF	4,640	\$	495,923	0.54%
		\$	495,923	0.54%
<b>Investment Funds</b>				
American Century Emerging Markets Equity Fund	110,587	\$	12,789,968	13.84%
Artisan Value Fund - Institutional	664,035		8,559,412	9.27%
BNY Mellon Long Term Global Equity Fund	6,835,993		14,773,948	16.00%
Carmignac Portfolio Grande Europe	44,425		6,564,817	7.11%
Findlay Park American Fund	49,929		7,595,150	8.22%
Lazard US Equity Concentrated Fund	69,198		12,579,573	13.62%
MFS Meridian Funds - Global Equity Fund	20,857		7,215,070	7.81%
MFS Meridian Funds - US Value Fund	24,197		7,976,694	8.64%
Wellington Global Opportunities Equity Fund - SUHUSD	559,140		13,808,919	14.95%
		\$	91,863,551	99.46%
<b>TOTAL INVESTMENTS (Cost: 2022 - \$62,523,633)</b>		\$	92,359,474	100.00%

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

# Butterfield Select Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2022

(Expressed in US Dollars)

### GLOBAL FIXED INCOME CLASS

	2022		% of Portfolio
	Number of shares/ Nominal US\$	Fair Value	
<b>INVESTMENTS</b>			
<b>Corporate and Government Debt Securities</b>			
AbbVie Inc. 3.200% 11/21/29	1,005,000	\$ 926,197	2.24%
American Airlines 16-2 AA PTT 3.200% 12/15/29 SR:AA	1,112,258	1,018,140	2.47%
American Airlines 17-1 AA PTT 3.650% 08/15/30 SR:AA	537,068	501,267	1.21%
Anglo American Capital 4.875% 05/14/25 SR:144A	1,500,000	1,511,460	3.66%
Arcelormittal 6.125% 06/01/25	1,000,000	1,030,022	2.49%
AT&T Inc. 4.300% 02/15/30	1,000,000	978,101	2.37%
Bank of America Corp. 3.950% 04/21/25 SR:L	1,500,000	1,480,749	3.59%
Barclays PLC 4.337% 01/10/28	1,000,000	957,147	2.32%
Conocophillips Company 6.950% 04/15/29	1,000,000	1,147,383	2.78%
General Motors Financial Company Inc. 4.350% 01/17/27	1,000,000	960,592	2.33%
Kimco Realty Corp. 2.800% 10/01/26	550,000	515,097	1.25%
Natwest Group PLC 6.100% 06/10/23	1,500,000	1,519,157	3.68%
Renaissancere Finance 3.450% 07/01/27	1,900,000	1,811,697	4.39%
Schlumberger Holdings Corp. 4.000% 12/21/25 Sr:144A	1,000,000	994,938	2.41%
Teva Pharmaceuticals NE 3.150% 10/01/26	1,500,000	1,230,000	2.98%
Vale Overseas Limited 6.250% 08/10/26	1,000,000	1,040,847	2.52%
Walgreens Boots Alliance Inc. 3.450% 06/01/26	351,111	341,840	0.83%
Welltower Inc. 4.250% 04/15/28	1,000,000	971,998	2.35%
Government of Bermuda 4.854% 02/06/24 SR:REGS	1,500,000	1,509,765	3.66%
Strip Princ 0.000% 02/15/52	1,000,000	405,850	0.98%
US Treasury N/B 1.750% 08/15/41	1,000,000	765,195	1.85%
US Treasury N/B 2.875% 05/15/52	1,000,000	952,344	2.31%
US Treasury N/B 0.625% 05/15/30	1,500,000	1,253,789	3.04%
US Treasury N/B 0.625% 08/15/30	1,250,000	1,038,819	2.52%
US Treasury N/B 0.875% 11/15/30	1,900,000	1,608,097	3.89%
US Treasury N/B 1.125% 05/15/40	2,000,000	1,400,546	3.39%
US Treasury N/B 1.250% 04/30/28	1,750,000	1,581,221	3.83%
US Treasury N/B 1.375% 08/15/50	2,000,000	1,328,672	3.22%
US Treasury N/B 1.500% 02/15/30	2,250,000	2,024,912	4.90%
		\$ 32,805,842	79.46%

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

# Butterfield Select Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2022

(Expressed in US Dollars)

### GLOBAL FIXED INCOME CLASS (CONTINUED)

	2022		% of Portfolio
	Number of shares/ Nominal US\$	Fair Value	
<b>INVESTMENTS (Continued)</b>			
<b>Preferred Shares</b>			
Axis Capital Holdings Ltd. 5.500% perp SR:E	25,000	\$ 547,000	1.32%
		\$ 547,000	1.32%
<b>Mortgage-backed Securities</b>			
FN AS4884 3.000% 05/01/45	124,359	\$ 118,414	0.29%
FN AY4200 3.000% 05/01/45	132,929	126,604	0.31%
FN BC4764 3.000% 10/01/46	73,203	69,421	0.17%
FN BO3181 2.500% 10/01/49	126,411	114,565	0.28%
FN FM9841 2.500% 12/01/51	243,556	220,090	0.53%
FN FS0176 2.500% 01/01/52	242,912	219,268	0.53%
FN MA3745 3.500% 08/01/49	38,983	37,975	0.09%
FN MA3797 2.500% 10/01/34	79,862	76,865	0.19%
FN MA3810 2.500% 10/01/39	76,645	70,727	0.17%
FN MA3827 2.500% 11/01/34	88,367	85,050	0.21%
FN MA3830 2.500% 11/01/39	75,304	69,492	0.17%
FN MA3833 2.500% 11/01/49	105,571	96,145	0.23%
FN MA3871 3.000% 12/01/49	87,027	81,231	0.20%
FN MA3902 2.500% 01/01/50	121,659	110,203	0.27%
FN MA3937 3.000% 02/01/50	86,160	80,612	0.20%
FN MA3939 3.500% 02/01/50	53,098	51,672	0.13%
FN MA3960 3.000% 03/01/50	68,176	63,673	0.15%
FN MA4464 1.500% 11/01/51	242,798	202,494	0.49%
FN MA4465 2.000% 11/01/51	240,806	210,061	0.51%
FN MA4489 2.000% 11/01/51	241,253	204,021	0.49%
FN MA4511 2.000% 01/01/52	243,536	212,146	0.51%
FN MA4547 2.000% 02/01/52	245,197	213,605	0.52%
FN MA4600 3.500% 05/01/52	247,827	239,003	0.58%
FN MA4626 4.000% 06/01/52	249,124	246,247	0.60%
FN MA4644 4.000% 05/01/52	247,969	245,105	0.59%
FR RB5021 2.500% 10/01/39	70,297	64,829	0.16%
FR RB5026 2.500% 11/01/39	77,882	71,824	0.17%
FR SB8015 2.500% 11/01/34	93,182	89,683	0.22%
FR SD7546 2.000% 11/01/51	235,487	206,565	0.50%
FR SD8171 1.500% 10/01/51	240,991	200,869	0.49%
FR SD8172 2.000% 10/01/51	238,362	207,917	0.50%

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

# Butterfield Select Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2022

(Expressed in US Dollars)

### GLOBAL FIXED INCOME CLASS (CONTINUED)

	2022		
	Number of shares/ Nominal US\$	Fair Value	% of Portfolio
	<b>INVESTMENTS (Continued)</b>		
<b>Mortgage-backed Securities (Continued)</b>			
FR SD8188 2.000% 01/01/52	243,403	\$ 211,902	0.50%
FR SD8193 2.000% 02/01/52	244,575	213,016	0.52%
FR SD8214 3.500% 05/01/52	247,753	238,931	0.57%
FR SD8215 4.000% 05/01/52	248,503	245,744	0.60%
FR SD8221 3.500% 06/01/52	248,777	239,919	0.58%
FR SD8222 4.000% 06/01/52	248,894	246,019	0.60%
G2 MA6040 4.000% 07/20/49	50,561	50,590	0.11%
		\$ 5,752,497	13.93%
<b>Investment Funds</b>			
Wellington Blended Opportunistic Emerging Markets Debt Fund	284,737	2,185,900	5.29%
		\$ 2,185,900	5.29%
<b>TOTAL INVESTMENTS (Cost: 2022 - \$46,184,711)</b>		\$ 41,291,239	100.00%

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

# Butterfield Select Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2022

(Expressed in US Dollars)

### ALTERNATIVE INVESTMENT CLASS

		2022	
	Number of Shares	Fair Value	% of Portfolio
<b>INVESTMENTS</b>			
<b>Investment Funds</b>			
Ako Global UCITS Fund - Class A2 - Series USD	5,366	\$ 877,333	4.88%
BlackRock Strategic Equity Hedge Fund Limited - Class I - Series USD	4,395	1,968,580	10.94%
Citadel Kensington Global Strategies Fund Ltd.	1,408	2,927,599	16.29%
Coatue Offshore Fund, Ltd. - Class BG66R - Series 010322	7,750	693,801	3.86%
Concordia G-10 Fixed Income Relative Value, Ltd. - Class B - Series 0522	125	118,550	0.66%
Concordia G-10 Fixed Income Relative Value, Ltd. - Class B - Series INT	761	1,239,260	6.90%
Egerton Long-Short Fund (USD) Limited - Class B - Series 0622	25,000	236,975	1.32%
Egerton Long-Short Fund (USD) Limited - Class B - Series 1	2,730	638,112	3.55%
Element Capital Feeder Fund Limited - Class B - Series 1	1,175	2,017,123	11.23%
Eversept ELS Offshore Fund Ltd. - Class NNI - Series 1	708	1,185,705	6.60%
GCM Grosvenor Equity Opportunities Fund Ltd. - Class USD - Series 1	725	828,541	4.61%
Pentwater Equity Opportunities Fund Ltd. - Class C - Series INT	598	668,259	3.72%
PIMCO Global Investment Grade Credit Fund - Class INSACC - Series USD	23,549	441,552	2.46%
Select Partners ELS Fund, Ltd. - Class A2-2	837	1,488,784	8.29%
Shaolin Capital Partners International Fund, Ltd. - Class A2 - Series 0522	650	619,373	3.45%
Voloridge Fund Ltd. - Class B - Series BFINIT	783	1,179,687	6.57%
WT China Offshore Fund Limited - Class A1R - Series 01	543	838,402	4.67%
<b>Investment Funds (Cost: 2022 - \$14,092,270)</b>		<b>\$ 17,967,636</b>	<b>100.00%</b>

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



# Butterfield Select Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 31, 2022

(Expressed in US Dollars)

### ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS

		2022	
	Number of Shares	Fair Value	% of Portfolio
<b>INVESTMENTS</b>			
<b>Investment Funds</b>			
BlackRock Emerging Companies Hedge Fund Limited - Class USD - Series I60-S2	36,828	\$ 4,251,470	4.05%
BlackRock Strategic Equity Hedge Fund Limited - Class I - Series USD	7,687	3,554,755	3.39%
Canyon Opportunistic Credit (GRF) Fund (Cayman) Ltd. Class B - Series 00051	550	712,128	0.68%
Canyon Opportunistic Credit (GRF) Fund (Cayman) Ltd. Class B - Series 00051-2	200	256,097	0.24%
Canyon Opportunistic Credit (GRF) Fund (Cayman) Ltd. Class B - Series 00051-3	1,400	1,738,716	1.66%
Canyon Opportunistic Credit (GRF) Fund (Cayman) Ltd. Class B - Series 00051-4	275	326,886	0.31%
Canyon Opportunistic Credit (GRF) Fund (Cayman) Ltd. Class B - Series 00051-5	250	291,426	0.28%
Canyon Opportunistic Credit (GRF) Fund (Cayman) Ltd. Class B - Series 00051-6	300	328,174	0.31%
Chenavari European Structured Credit Fund Ltd. - Class US - Series 0413	42	20,585	0.02%
Citadel Kensington Global Strategies Fund Ltd. - Main - Butterfield Select Fund	4,813	10,577,427	10.07%
Coatue Offshore Fund, Ltd. - Class BG66R - Series 010322	55,000	4,923,751	4.69%
Element Capital Feeder Fund Limited - Class BNR - Series 44	431	757,672	0.72%
Element Capital Feeder Fund Limited - Class BNR - Series 45	1,033	1,809,536	1.72%
Element Capital Feeder Fund Limited BNR - Series 1	3,941	6,955,516	6.62%
GCM Grosvenor Equity Opportunities Fund Ltd. - Class USD - Series USD	4,800	5,485,512	5.22%
Hawk Ridge Partners Offshore Ltd. - Class A - Series INT	3,909	7,149,927	6.81%
Magnetar Constellation Fund Ltd. - Class E - Series 207	5,381	8,235,983	7.84%
ML Fund Ltd. - Class USD - Series BSFLAI	6,164	6,492,387	6.18%
PCI Fund Ltd. - Class A - Series BSFLAI	7,898	8,676,359	8.26%
Pentwater Equity Opportunities Fund Ltd. - Class A - Series INT	5,028	5,645,001	5.38%
Redmile Capital Offshore Fund (ERISA) Ltd. - Class ANP3 - Series 082113	563	626,607	0.60%
Redmile Capital Offshore Fund (ERISA) Ltd. - Class ANP3 - Series 082114	450	396,405	0.38%
Redmile Capital Offshore Fund (ERISA) Ltd. - Class ANP3 - Series 082115	413	346,191	0.33%
Redmile Capital Offshore Fund (ERISA) Ltd. - Class ANP3 - Series 082116	263	247,808	0.24%
Redmile Capital Offshore Fund (ERISA) Ltd. - Class ANP3 - Series 082117	1,125	1,076,158	1.02%
Redmile Capital Offshore Fund (ERISA) Ltd. - Class ANP3 - Series 082118	1,125	1,077,192	1.03%
Rokos Global Macro Fund Ltd. - Class B1	34,213	5,088,104	4.85%
Select Partners ELS Fund Ltd. - Class A1-1	1,673	4,437,277	4.23%
STM LCB LLC - Class 2AF - Series BFAI29	1	120,081	0.11%
TPG Public Equity Partners B Ltd. - Class B - Series 0814TR	2,167	3,761,726	3.58%
Voleon Institutional Strategies International Ltd. - Class A - Series Initial 01-16	2,871	4,026,009	3.83%
Voleon International Investors, Ltd. - Class A - Series 41365	5,949	1,049,392	1.00%
WT China Offshore Fund Limited - Class A1R - Series 01	2,958	4,562,540	4.35%
<b>TOTAL INVESTMENTS (Cost: 2022 - \$89,191,913)</b>		<b>\$ 105,004,798</b>	<b>100.00%</b>

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, 2022

(Expressed in US Dollars)

		EQUITY CLASS	
		2022 US\$	2021 US\$
	Notes		
<b>Income</b>			
Net realised gain on financial assets at fair value through profit or loss		7,256,441	11,553,552
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss		(28,426,477)	25,898,318
Net foreign exchange loss		(7,612)	-
Dividend income		1,346,581	790,031
Other income		19,164	18,811
<b>Total (loss)/income</b>		<b>(19,811,903)</b>	<b>38,260,712</b>
<b>Expenses</b>			
Management fee	6 a)	1,017,038	1,042,684
Administration fee	7	163,253	165,785
Audit fee		25,121	24,029
Custodian fee	6 b)	58,117	59,582
Government fee		4,665	4,731
Other expenses		24,314	19,704
<b>Total expenses</b>		<b>1,292,508</b>	<b>1,316,515</b>
Less: Withholding tax on dividend income		68,882	40,488
<b>Net (decrease)/increase in net assets resulting from operations attributable to shareholders</b>		<b>(21,173,293)</b>	<b>36,903,709</b>

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, 2022

(Expressed in US Dollars)

		<b>GLOBAL FIXED INCOME CLASS</b>	
		<b>2022</b>	<b>2021</b>
		<b>US\$</b>	<b>US\$</b>
	<b>Notes</b>		
<b>Income</b>			
Net realised (loss)/gain on financial assets at fair value through profit or loss		<b>(38,195)</b>	901,929
Net change in unrealised loss on financial assets at fair value through profit or loss		<b>(6,103,179)</b>	(969,162)
Net foreign exchange gain		-	50,136
Bonds interest		<b>1,182,158</b>	1,429,081
Dividend income		<b>141,331</b>	145,301
<b>Total (loss)/income</b>		<b>(4,817,885)</b>	1,557,285
<b>Expenses</b>			
Management fee	6 a)	<b>419,648</b>	484,286
Administration fee	7	<b>67,272</b>	77,443
Other expenses		<b>14,627</b>	10,734
Audit fee		<b>14,300</b>	10,394
Custodian fee	6 b)	<b>23,980</b>	28,136
Government fee		<b>1,524</b>	2,261
<b>Total expenses</b>		<b>541,351</b>	613,254
<b>Net (decrease)/increase in net assets resulting from operations attributable to shareholders</b>		<b>(5,359,236)</b>	944,031

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, 2022

(Expressed in US Dollars)

	Notes	ALTERNATIVE INVESTMENT CLASS	
		2022 US\$	2021 US\$
<b>Income</b>			
Net realised gain on financial assets at fair value through profit or loss		197,156	439,757
Net change in unrealised gain on financial assets at fair value through profit or loss		133,461	1,272,822
Other income		3,267	-
<b>Total income</b>		<b>333,884</b>	<b>1,712,579</b>
<b>Expenses</b>			
Management fee	6 a)	339,385	309,567
Administration fee	7	31,020	28,021
Other expenses		8,752	5,575
Audit fee		9,300	13,850
Custodian fee	6 b)	9,697	8,291
Government fee		-	844
Sub investment management fee		4,117	4,404
<b>Total expenses</b>		<b>402,271</b>	<b>370,552</b>
<b>Net (decrease)/increase in net assets resulting from operations attributable to shareholders</b>		<b>(68,387)</b>	<b>1,342,027</b>

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, 2022

(Expressed in US Dollars)

	Notes	ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
		2022 US\$	2021 US\$
<b>Income</b>			
Net realised gain/(loss) on financial assets at fair value through profit or loss		2,132,097	(1,675,678)
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss		(7,897,258)	19,988,428
Interest income		-	191,046
<b>Total (loss)/income</b>		<b>(5,765,161)</b>	<b>18,503,796</b>
<b>Expenses</b>			
Management fee	6 a)	2,356,924	2,242,796
Administration fee	7	216,300	202,885
Other expenses		23,482	18,741
Audit fee		16,800	20,971
Custodian fee	6 b)	67,343	63,728
Government fee		4,465	4,481
Sub investment management fee		30,372	30,023
<b>Total expenses</b>		<b>2,715,686</b>	<b>2,583,625</b>
<b>Net (decrease)/ increase in net assets resulting from operations attributable to shareholders</b>		<b>(8,480,847)</b>	<b>15,920,171</b>

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, 2022

(Expressed in US Dollars)

	EQUITY CLASS	
	2022 US\$	2021 US\$
<b>NET (DECREASE)/INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>(21,173,293)</b>	<b>36,903,709</b>
<b>CAPITAL STOCK TRANSACTIONS</b>		
Issue of redeemable shares	5,751,699	10,411,772
Redemption of redeemable shares	(18,951,146)	(24,227,744)
Decrease in net assets attributable to shareholders from transactions in shares	(13,199,447)	(13,815,972)
<b>NET (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>(34,372,740)</b>	<b>23,087,737</b>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR</b>	<b>126,593,745</b>	<b>103,506,008</b>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR</b>	<b>92,221,005</b>	<b>126,593,745</b>

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, 2022

(Expressed in US Dollars)

	2022 US\$	2021 US\$
<b>GLOBAL FIXED INCOME CLASS</b>		
<b>NET (DECREASE)/INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>(5,359,236)</b>	944,031
<b>CAPITAL STOCK TRANSACTIONS</b>		
Issue of redeemable shares	3,346,898	6,286,751
Redemption of redeemable shares	<b>(6,790,443)</b>	(14,310,078)
Decrease in net assets attributable to shareholders from transactions in shares	<b>(3,443,545)</b>	(8,023,327)
<b>NET DECREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>(8,802,781)</b>	(7,079,296)
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR</b>	<b>51,251,660</b>	58,330,956
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR</b>	<b>42,448,879</b>	51,251,660

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, 2022

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT CLASS	
	2022 US\$	2021 US\$
<b>NET (DECREASE)/INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>(68,387)</b>	<b>1,342,027</b>
<b>CAPITAL STOCK TRANSACTIONS</b>		
Issue of redeemable shares	7,055,841	1,957,602
Redemption of redeemable shares	(2,124,271)	(3,922,798)
Increase/(decrease) in net assets attributable to shareholders from transactions in shares	4,931,570	(1,965,196)
<b>NET INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>4,863,183</b>	<b>(623,169)</b>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR</b>	<b>17,058,310</b>	<b>17,681,479</b>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR</b>	<b>21,921,493</b>	<b>17,058,310</b>

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, 2022

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
	2022 US\$	2021 US\$
<b>NET (DECREASE)/INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>(8,480,847)</b>	15,920,171
<b>CAPITAL STOCK TRANSACTIONS</b>		
Issue of redeemable shares	5,407,201	9,950,000
Redemption of redeemable shares	(4,042,367)	(5,350,531)
Increase in net assets attributable to shareholders from transactions in shares	1,364,834	4,599,469
<b>NET (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>(7,116,013)</b>	20,519,640
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR</b>	<b>137,169,145</b>	116,649,505
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR</b>	<b>130,053,132</b>	137,169,145

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, 2022

(Expressed in US Dollars)

	EQUITY CLASS	
	2022 US\$	2021 US\$
<b>Cash flows from operating activities</b>		
Net (decrease)/increase in net assets resulting from operations attributable to shareholders	(21,173,293)	36,903,709
<i>Adjustments for:</i>		
Purchase of financial assets	(13,739,252)	(29,289,697)
Proceeds from sale of financial assets	26,839,228	43,756,350
Net realised gain on financial assets at fair value through profit or loss	(7,256,441)	(11,553,552)
Net change in unrealised loss/(gain) on financial assets at fair value through profit or loss	28,426,477	(25,898,318)
Changes in:		
Dividends receivable	-	10,793
Other assets	(208)	(4,244)
Accrued expenses	(52,186)	(1,376)
<b>Net cash provided by operating activities</b>	<b>13,044,325</b>	<b>13,923,665</b>
<b>Cash flows from financing activities</b>		
Change in redemptions payable	-	(317,839)
Change in subscriptions received in advance	54,975	5,507
Proceeds from issuance of shares	5,751,699	10,411,772
Payments for redemption of shares	(18,951,145)	(24,227,744)
<b>Net cash used in financing activities</b>	<b>(13,144,471)</b>	<b>(14,128,304)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(100,146)</b>	<b>(204,639)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>154,014</b>	<b>358,653</b>
<b>Cash and cash equivalents – end of year</b>	<b>53,868</b>	<b>154,014</b>
<b>Supplemental cash flow information:</b>		
Dividend received, net of withholding taxes	1,277,699	760,336

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, 2022

(Expressed in US Dollars)

	<b>GLOBAL FIXED INCOME CLASS</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<b>Cash flows from operating activities</b>		
Net (decrease)/increase in net assets resulting from operations attributable to shareholders	<b>(5,359,236)</b>	944,031
<i>Adjustments for:</i>		
Purchase of financial assets	<b>(7,010,400)</b>	(16,056,362)
Proceeds from sale of financial assets	<b>9,595,403</b>	22,179,248
Net realised loss/(gain) on financial assets at fair value through profit or loss	<b>38,195</b>	(901,929)
Net change in unrealised loss on financial assets at fair value through profit or loss	<b>6,103,179</b>	969,162
Changes in:		
Interest receivable	<b>46,521</b>	27,983
Other assets	<b>2,797</b>	(2,258)
Dividends receivable	-	10,635
Due to brokers	-	(1,460,000)
Accrued expenses	<b>(17,390)</b>	(24,976)
<b>Net cash provided by operating activities</b>	<b>3,399,069</b>	5,685,534
<b>Cash flows from financing activities</b>		
Change in subscriptions received in advance	<b>36,301</b>	4,888
Proceeds from issuance of shares	<b>3,346,898</b>	6,286,751
Payments for redemption of shares	<b>(6,790,443)</b>	(14,404,168)
<b>Net cash used in financing activities</b>	<b>(3,407,244)</b>	(8,112,529)
<b>Net decrease in cash and cash equivalents</b>	<b>(8,175)</b>	(2,426,995)
<b>Cash and cash equivalents – beginning of year</b>	<b>962,740</b>	3,389,735
<b>Cash and cash equivalents – end of year</b>	<b>954,565</b>	962,740
<b>Supplemental cash flow information:</b>		
Interest received	<b>1,228,679</b>	1,457,064
Dividend received	<b>141,331</b>	155,936

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, 2022

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT CLASS	
	2022 US\$	2021 US\$
<b>Cash flows from operating activities</b>		
Net (decrease)/increase in net assets resulting from operations attributable to shareholders	(68,387)	1,342,027
<i>Adjustments for:</i>		
Purchase of financial assets	(2,550,000)	(2,577,601)
Proceeds from sale of financial assets	1,370,805	4,686,656
Net realised gain on financial assets at fair value through profit or loss	(197,156)	(439,757)
Net change in unrealised gain on financial assets at fair value through profit or loss	(133,461)	(1,272,822)
Changes in:		
Other assets	25,141	(27,201)
Accrued expenses	1,641	(8,882)
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,551,417)</b>	<b>1,702,420</b>
<b>Cash flows from financing activities</b>		
Change in subscriptions received in advance	5,462	1,745
Proceeds from issuance of shares	7,055,841	1,957,602
Payments for redemption of shares	(2,124,271)	(4,082,219)
<b>Net cash provided by/(used in) financing activities</b>	<b>4,937,032</b>	<b>(2,122,872)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,385,615</b>	<b>(420,452)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>626,486</b>	<b>1,046,938</b>
<b>Cash and cash equivalents – end of year</b>	<b>4,012,101</b>	<b>626,486</b>

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, 2022

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
	2022 US\$	2021 US\$
<b>Cash flows from operating activities</b>		
Net (decrease)/increase in net assets resulting from operations attributable to shareholders	(8,480,847)	15,920,171
<i>Adjustments for:</i>		
Purchase of financial assets	(24,048,348)	(27,466,883)
Proceeds from sale of financial assets	28,613,543	36,663,527
Net realised (gain)/loss on financial assets at fair value through profit or loss	(2,132,097)	1,675,678
Net change in unrealised loss/(gain) on financial assets at fair value through profit or loss	7,897,258	(19,988,428)
Changes in:		
Other assets	717	(2,167)
Accrued expenses	(5,998)	7,146
<b>Net cash provided by operating activities</b>	<b>1,844,228</b>	<b>6,809,044</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	5,407,201	9,950,000
Payment for redemption of shares	(4,042,367)	(5,350,531)
<b>Net cash provided by financing activities</b>	<b>1,364,834</b>	<b>4,599,469</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,209,062</b>	<b>11,408,513</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>15,719,492</b>	<b>4,310,979</b>
<b>Cash and cash equivalents – end of year</b>	<b>18,928,554</b>	<b>15,719,492</b>
<b>Supplemental non-cash information:</b>		
Interest received	-	191,046

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

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

### 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. The Bank of N. T. Butterfield & Son Limited acts as custodian (the "Custodian" or the "Bank") to the Fund. 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 Investment Adviser is wholly owned subsidiary of The Bank.

The registered address of the Fund is c/o MUFG Fund Services (Bermuda) Limited, Cedar House, 4th Floor North, 41 Cedar Avenue, Hamilton HM 12, Bermuda.

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

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

Grosvenor Capital Management, L.P. provides sub-advisory services to the Fund. 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 Alternative Investment Class and Alternative Investment Institutional Class the policy is to invest with professional money managers, predominately in "Hedge Fund" format, but may, at the Investment Adviser's discretion, invest in listed securities or limited partnership investments. The Investment Adviser will attempt to minimise the risks involved by selecting money managers who utilise strategies such as hedged investing and by diversification of both manager and strategy.

All four 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, 2022

### 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.

#### **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 materially differ from these estimates.

##### **b) Financial Instruments**

###### **i. Classification**

In accordance with IFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

###### **Financial assets**

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

###### ***Financial assets measured at amortised cost***

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other assets.

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 2. BASIS OF PREPARATION (CONTINUED)

#### Summary of significant accounting policies (continued)

##### b) Financial Instruments (continued)

###### i. Classification (continued)

###### ***Financial assets measured at fair value through profit or loss (FVPL)***

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category:

*Debt instruments:* These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

*Instruments held for trading:* This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. This category also includes derivative contracts in an asset position.

###### **Financial liabilities**

###### ***Financial liabilities measured at fair value through profit or loss (FVPL)***

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Fund includes in this category, derivative contracts in a liability position and equity and debt instruments sold short since they are classified as held for trading.

###### ***Financial liabilities measured at amortised cost***

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes in this category other short-term payables.

###### **Receivables and Loans**

Receivables and Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category collateral on derivatives, securities borrowed and other short-term receivables.

###### **Other financial liabilities**

This category includes all financial liabilities, other than those classified at FVPL. The Fund includes in this category debentures, collateral on derivatives, securities lent and other short-term payables.



# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 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 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 FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

###### iv. Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gains or losses in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Financial liabilities, other than those classified at FVPL, are measured at amortised cost using the effective interest method (the "EIR"). Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the amortisation process.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

###### 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 when 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 the Fund has:

(a) Transferred substantially all of the risks and rewards of the asset, or

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 2. BASIS OF PREPARATION (CONTINUED)

#### Summary of significant accounting policies (continued)

##### b) Financial instruments (continued)

###### v. Derecognition (continued)

(b) 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 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 holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. As at June 30, 2022 and 2021, the Fund had no ECLs and had, therefore, not recognised a loss allowance.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 2. BASIS OF PREPARATION (CONTINUED)

#### Summary of significant accounting policies (continued)

##### d) Impairment of financial assets (continued)

The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

##### 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 is reported in the statement of financial position if, and only 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. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Management has determined that, as at June 30, 2022 and 2021, 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 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 do 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. As at June 30, 2022 and 2021, there was no restricted cash held.

##### 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 EIR.

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 2. BASIS OF PREPARATION (CONTINUED)

#### Summary of significant accounting policies (continued)

**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.

**n) Share capital**

The Fund's Organisational Shares are classified as equity in accordance with IFRS and 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 (with respect to the Equity Class, Global Fixed Income Class and Alternative Investment Class: normally the next business day following the Valuation Day, which is on the Friday in each week; and with respect to the Alternative Investment Institutional Class: being the first Business Day of each calendar month) at a value equal to a proportionate share of the NAV. The NAV per share is calculated by dividing the net assets attributable to shareholders with the total number of outstanding redeemable shares.

**p) 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

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 2. BASIS OF PREPARATION (CONTINUED)

#### Summary of significant accounting policies (continued)

##### p) Investment entity (continued)

- Measure and evaluate performance of substantially all of its investments on a fair value basis.

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

##### q) Impact of new accounting pronouncements

For the year ended June 30, 2022, there are no new accounting pronouncements that are expected to have a material impact on the financial statements.

##### r) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

#### *Fair value*

For fair value of financial instruments please refer to Note 4.

### 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 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, balances held at the brokers/custodian/sub-custodian 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.

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Credit Risk (Continued)

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 2022	% of Portfolio 2021
<b>Debt Securities by Credit Rating</b>		
AA+	46.97	34.63
AA	0.00	2.20
AA-	0.00	2.25
A+	3.92	3.60
A	2.58	2.40
A-	10.31	15.20
BBB+	10.10	9.93
BBB	12.32	14.28
BBB-	5.37	7.54
BB+	3.94	3.58
BB-	3.19	3.11
Not Rated by S&P	1.30	1.28
	<b>100.00</b>	<b>100.00</b>

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 2022	% of Portfolio 2021
<b>Debt Securities by Credit Rating</b>		
Baa1	1.30	1.28
	<b>1.30</b>	<b>1.28</b>

Substantially all of the assets of the Fund are held by the Fund's Custodian and the Sub-custodian. The Fund monitors its risk by monitoring the credit quality of the Custodian and the Sub-custodian. As at June 30, 2022, the credit ratings of the Custodian, as provided by Standard and Poor's, was BBB+ (2021 – BBB+). As at June 30, 2022, the credit rating of the Fund's Sub-custodian, as provided by Fitch Ratings, was A+ (2021 – A+).

#### 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 may utilise 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.

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Currency Risk (continued)

As at June 30, 2022 and 2021, 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 Fund as a whole.

#### 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, 2022, had the interest rates increased or decreased by 25 basis points and assuming a direct impact to the net assets by 25 basis points, the net assets of Global Fixed Income Class would have increased or decreased by approximately US\$95,381 (2021: US\$114,869). 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. The Equity Class, Alternative Investment Class and Alternative Investment Institutional Class are not subject to significant 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 shares of the Equity Class, Global Fixed Income Class and Alternative Investment Class.

The Alternative Investment Institutional Class has a higher risk and return objective and reduced liquidity constraints than the other Classes and, as a result, shares can only be redeemed quarterly. Each Fund Class retains sufficient holdings in underlying funds which offer redemptions on a quarterly, monthly, weekly and daily basis or actively traded marketable securities which, combined with cash and cash equivalents, provide adequate liquidity to address the risk of cash redemptions of redeemable shares.

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

Debt Securities by Maturity	Fair Value	
	2022 US\$	2021 US\$
Less than 1 year	1,519,157	-
1 - 3 years	5,531,996	6,771,585
3 - 5 years	5,083,314	7,093,114
Greater than 5 years	26,423,872	32,082,897
	<b>38,558,339</b>	<b>45,947,596</b>

As of June 30, 2022 and 2021, all investment funds (2022: US\$92,359,474; 2021: US\$126,629,487) held by the Equity Class offer redemptions on a daily basis.

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Liquidity Risk (continued)

As of June 30, 2022 and 2021, all investment funds (2022: US\$2,185,900; 2021: US\$2,863,745) held by the Global Fixed Income Class offer redemptions on a daily basis.

As of June 30, 2022, investment funds held by the Alternative Investment Class representing US\$6,392,636 (35.58%) offer redemptions on a quarterly basis, US\$10,256,115 (57.08%) offer redemptions on a monthly basis, US\$877,333 (4.88%) offer redemptions on a weekly basis and US\$441,552 (2.46%) offer redemptions on a daily basis. As of June 30, 2021, investment funds held by the Alternative Investment Class representing US\$5,095,139 (31.98%) offer redemptions on a quarterly basis, US\$9,581,259 (60.13%) offer redemptions on a monthly basis, US\$733,629 (4.60%) offer redemptions on a weekly basis and US\$522,797 (3.28%) offer redemptions on a daily basis. Investment funds' initial lock-up periods range from zero to one year. As of June 30, 2022, investment funds held by the Alternative Investment Class amounting to US\$1,313,174 remain subject to un-expired initial lock-up periods ranging from 1 month to 12 months. As of June 30, 2021, no investment funds held by the Alternative Investment Class remain subject to un-expired initial lock-up periods.

As of June 30, 2022, investment funds held by the Alternative Investment Institutional Class representing US\$72,434,522 (68.98%) offer redemptions on a quarterly basis, US\$32,450,195 (30.91%) offer redemptions on a monthly basis and US\$120,081 (0.11%) have other liquidity. Investment funds' initial lock-up periods range from zero to one year. As of June 30, 2022, investment funds held by the Alternative Investment Institutional Class amounting to US\$4,923,751 remain subject to un-expired initial lock-up periods ranging from 1 month to 12 months. As of June 30, 2021, investment funds held by the Alternative Investment Institutional Class representing US\$81,551,260 (67.00%) offer redemptions on a quarterly basis, US\$39,442,123 (32.40%) offer redemptions on a monthly basis and US\$726,243 (0.60%) have other liquidity. Investment funds' initial lock-up periods range from zero to one year. As of June 30, 2021, investment funds held by the Alternative Investment Institutional Class amounting to US\$5,230,881 remain subject to un-expired initial lock-up periods ranging from 1 month to 12 months.

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, 2022, all of the Equity Class' investments were exposed to changes in portfolio prices. As at June 30, 2022, 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\$4,617,974 (2021 - US\$6,331,474) higher or lower.

As at June 30, 2022, all of the Global Fixed Income Class' investments were exposed to changes in portfolio prices. As at June 30, 2022, 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 US\$2,064,562 (2021 - US\$2,500,881) higher or lower.

As at June 30, 2022, all of the Alternative Investment Class' investments were exposed to changes in portfolio prices. As at June 30, 2022, 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 US\$898,382 (2021 - US\$796,641) higher or lower.



# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Price/Market Risk (continued)

As at June 30, 2022, all of the Alternative Investment Institutional Class' investments were exposed to changes in portfolio prices. As at June 30, 2022, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Alternative Investment Institutional Class would have been US\$5,250,240 (2021 - US\$6,085,981) 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.

#### Financial risk related to COVID-19

The Investment Adviser continues to monitor developments related to the COVID-19 pandemic and the potential impact on the financial performance of the Fund. The Investment Adviser has evaluated the impact of these events on the financial statements for the year ended June 30, 2022 and has determined the impact of COVID-19 has been taken into account where necessary and no material events have been identified which would require further adjustment to or disclosure in the financial statements.

### 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; and
- 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.

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 4. FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

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.

**2022**

#### EQUITY CLASS

<b>Classification</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
Investment funds	-	91,863,551	-	91,863,551
Exchange traded funds	495,923	-	-	495,923
<b>Total financial assets</b>	<b>495,923</b>	<b>91,863,551</b>	<b>-</b>	<b>92,359,474</b>

#### GLOBAL FIXED INCOME CLASS

<b>Classification</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
Corporate and government debt securities	-	32,805,842	-	32,805,842
Preferred shares	-	547,000	-	547,000
Mortgage-backed securities	-	5,752,497	-	5,752,497
Investment funds	-	2,185,900	-	2,185,900
<b>Total financial assets</b>	<b>-</b>	<b>41,291,239</b>	<b>-</b>	<b>41,291,239</b>

#### ALTERNATIVE INVESTMENT CLASS

<b>Classification</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
Investment funds	-	17,967,636	-	17,967,636
<b>Total financial assets</b>	<b>-</b>	<b>17,967,636</b>	<b>-</b>	<b>17,967,636</b>

#### ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS

<b>Classification</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
Investment funds	-	105,004,798	-	105,004,798
<b>Total financial assets</b>	<b>-</b>	<b>105,004,798</b>	<b>-</b>	<b>105,004,798</b>

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 4. FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

2021

#### EQUITY CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets</b>				
Investment funds	-	114,929,215	-	114,929,215
Exchange traded funds	11,700,272	-	-	11,700,272
Total financial assets	11,700,272	114,929,215	-	126,629,487

#### GLOBAL FIXED INCOME CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets</b>				
Corporate and government debt securities	-	43,357,249	-	43,357,249
Preferred shares	-	1,206,275	-	1,206,275
Mortgage-backed securities	-	2,590,347	-	2,590,347
Investment funds	2,863,745	-	-	2,863,745
Total financial assets	2,863,745	47,153,871	-	50,017,616

#### ALTERNATIVE INVESTMENT CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets</b>				
Investment funds	-	15,932,824	-	15,932,824
Total financial assets	-	15,932,824	-	15,932,824

#### ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets</b>				
Investment funds	-	121,719,626	-	121,719,626
Total financial assets	-	121,719,626	-	121,719,626

#### 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, 2022 and 2021. 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, 2022 and 2021.

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 4. FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

#### Reconciliation of Financial Asset and Liability Movement - Level 3

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

	2022 US\$	2021 US\$
Beginning balance	-	2,196,732
Transfer of assets between Level 2 and Level 3	-	-
Sales	-	(2,196,732)
Ending balance	-	-

The Fund's Equity Class, Global Fixed Income Class, and Alternative Investment Class did not hold any Level 3 investments at the beginning, during, or at the end of the year ended June 30, 2022 and June 30, 2021.

### 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 redeemable shares of US\$0.10 divided into four classes designated as Equity Class, Global Fixed Income Class, Alternative Investment Class and Alternative Investment Institutional Class.

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, 2022 and 2021 were as follows:

#### EQUITY CLASS REDEEMABLE SHARES

	2022	2021
Balance – beginning of year	5,514,005	6,180,171
Issue of redeemable shares	255,018	524,647
Redemption of redeemable shares	(832,920)	(1,190,813)
Balance – end of year	4,936,103	5,514,005

#### GLOBAL FIXED INCOME CLASS REDEEMABLE SHARES

	2022	2021
Balance – beginning of year	2,183,908	2,528,330
Issue of redeemable shares	146,136	268,045
Redemption of redeemable shares	(298,369)	(612,467)
Balance – end of year	2,031,675	2,183,908

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 5. SHARES ISSUED AND OUTSTANDING (CONTINUED)

#### ALTERNATIVE INVESTMENT CLASS REDEEMABLE SHARES

	2022	2021
Balance – beginning of year	1,019,191	1,139,846
Issue of redeemable shares	411,826	118,800
Redemption of redeemable shares	(124,874)	(239,455)
Balance – end of year	1,306,143	1,019,191

#### ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS REDEEMABLE SHARES

	2022	2021
Balance – beginning of year	12,321,217	11,914,718
Issue of redeemable shares	495,976	915,146
Redemption of redeemable shares	(368,587)	(508,647)
Balance – end of year	12,448,606	12,321,217

Redeemable shares are allotted to subscribers at a value determined by reference to the weekly valuation of the net assets of Equity Class, Global Fixed Income Class, and Alternative Investment Class and monthly for Alternative Investment Institutional Class. Shares may be redeemed weekly from Equity Class, Global Fixed Income Class and Alternative Investment Class and quarterly from Alternative Investment Institutional Class 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 Investment Class and Alternative Investment Institutional Class. However, because the liquidity of the investments in investment funds does not match the liquidity offered to shareholders of these Classes, the Directors have determined it is in the best interest of the Alternative Investment Class and Alternative Investment Institutional Class to retain the discretion to impose a gate on redemptions. The Directors may, with respect to any redemption day, impose a gate if redemption requests in the aggregate exceed 15% of the net asset value of the respective classes on the relevant redemption day and the eleven redemption days prior for Alternative Investment Class and three redemption days prior for Alternative Investment Institutional Class. When outstanding redemption requests exceed the gate, redemptions will be reduced and satisfied on a pro rata basis, based on the total amount of requested redemptions as of such redemption day. If the Fund receives redemption requests that exceed the gate it shall carry forward the balance of any redemption requests which are not processed as a result of the gate to the next following redemption day and so on to each succeeding redemption day until such request has been complied with in full.

With respect to the Alternative Investment Institutional Class, the Directors may also declare any dealing day to be an additional redemption day for such Class, (each a “Special Dealing Day”) provided that (i) no more than five (5) percent of the then outstanding Alternative Investment Institutional Class shares may be redeemed as of any Special Dealing Day; and (ii) a notice of redemption with respect to a Special Dealing Day is received by the Administrator by no later than 5:00 pm no less than 40 calendar days before the applicable Special Dealing Day.

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 5. SHARES ISSUED AND OUTSTANDING (CONTINUED)

In addition, the Directors may impose such additional requirements, limitations, terms and conditions with respect to redemptions on a Special Dealing Day as they may determine in their sole discretion.

#### 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 (CONTINUED)

#### 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% (2021: 1%) per annum of the net asset value of each of the Equity and Global Fixed Income Classes and 2% (2021: 2%) per annum of the Alternative Investment and Alternative Investment Institutional Classes. Presently, the monthly fee is calculated at the rate of 0.875% (2021: 0.875%) per annum for each of the Equity and Global Fixed Income Classes, 1.75% (2021: 1.75%) per annum for the Alternative Investment Class and Alternative Investment Institutional 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, 2022 and 2021 for each class are set out in the table below.

Class	Management fees charged		Management fees payable	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Equity	1,017,038	1,042,684	79,759	103,207
Global Fixed	419,648	484,286	35,727	41,675
Alternative Investment	339,385	309,567	36,767	27,560
Alternative Investment Institutional	2,356,924	2,242,796	187,332	197,582

#### 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. On March 1, 2018 this rate increased to 5 basis points per annum. 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, 2022 and 2021 for each class are set out in the table below.

Class	Custodian fees charged		Custodian fees payable	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Equity	58,117	59,582	4,557	5,898
Global Fixed	23,980	28,136	2,042	2,381
Alternative Investment	9,697	8,291	1,051	787
Alternative Investment Institutional	67,343	63,728	5,353	5,645

# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 6. RELATED PARTY TRANSACTIONS (CONTINUED)

#### c) Investment Transactions

As of June 30, 2022, Butterfield Select Invest Fund Limited (“Select Invest”) held 477,147 shares (2021: 499,604) having a fair value of US\$8,913,110 (2021: US\$11,470,912) in the Equity Class, 273,341 shares (2021: 270,073) having a fair value of US\$5,710,083 (2021: US\$6,338,609) in the Global Fixed Income Class, 183,237 shares (2021: 179,650) having a fair value of US\$3,074,713 (2021: US\$3,007,339) in the Alternative Investment Class and did not hold shares in Alternative Investment Institutional Class. Select Invest is related through common directorship. In addition, Select Invest is also managed by the Fund’s Investment Adviser.

#### d) Credit Facility

On September 30, 2021 (2021: August 7, 2020), the Fund renewed the unsecured credit facility agreement with the Bank. The renewed credit facility bears an interest rate of the United States Dollar Prime Rate minus 1%, subject to a minimum rate of 2%. The other terms remain unchanged from the previous agreement. 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 principal amount will be limited to a maximum of US\$43,000,000. Notwithstanding this aggregate total the individual classes of the fund will be limited to: Equity Class US\$12,000,000, Global Fixed Income Class US\$5,000,000, Alternative Investment Class US\$8,000,000 and Alternative Investment Institutional Class US\$18,000,000. 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 expired on June 30, 2022 (2021: June 30, 2021).

On July 19, 2022, the Fund renewed the unsecured credit facility agreement with the Bank. The interest rate changed to 1% per annum above the funding cost incurred by the Bank in making the revolving facility available on drawdown date. The other terms remain unchanged from the previous agreement. The renewed unsecured facility expires on June 30, 2023. As at June 30, 2022 and 2021 no drawings were made on the credit.

#### e) Other

The Bank owns shares of the classes as outlined below:

Class	Shares	
	2022	2021
Equity	1,317,538	1,509,765
Alternative Investment Institutional	1,274,409	1,274,409

### 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, 2022 and 2021 for each class are set out in the table below. Administration fees payable at June 30, 2022 and 2021 are included in accrued expenses in the Statements of Financial Position.

# Butterfield Select Fund Limited

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 7. ADMINISTRATION FEE (CONTINUED)

Class	Administration fees charged		Administration fees payable	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Equity	163,253	165,785	12,941	43,915
Global Fixed	67,272	77,443	5,735	18,325
Alternative Investment	31,020	28,021	3,367	6,936
Alternative Investment Institutional	216,300	202,885	17,291	54,415

### 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 exempted the Fund from any such Bermuda taxes up to 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 granted assurance to the Fund up to that date.

In accordance with IFRIC 23 'Uncertainty over income tax treatments' ("IFRIC 23"), the Fund has analysed its tax positions and has concluded that no asset/liability for unrecognised tax benefits/obligations should be recorded relating to uncertain tax positions for the year ended June 30, 2022. Currently, the only taxes recorded by the Fund are withholding taxes applicable to certain income. For the year ended June 30, 2022 and 2021, no other income tax liability or expense has been recorded in the accompanying financial statements.

### 9. COMMITMENTS AND CONTINGENCIES

Management has determined that the Fund had no commitments or contingencies as at June 30, 2022 (2021: none).

### 10. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2022 through November 23, 2022, the date the financial statements were available to be issued, and concluded that there are no subsequent events requiring disclosure in the financial statements.



# Butterfield Select Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2022

### 11. FINANCIAL HIGHLIGHTS

2022	EQUITY CLASS		GLOBAL FIXED INCOME CLASS		ALTERNATIVE INVESTMENT CLASS		ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
<b>Per Share Information</b>								
Net asset value - beginning of the year	\$	22.96	\$	23.47	\$	16.74	\$	11.13
<b>Net investment income/(loss) from operations</b>								
Net investment gain/(loss)****		(0.00)		0.44		(0.35)		(0.23)
Net realised and change in unrealised gain/(loss) on investments		(4.28)		(3.02)		0.39		(0.45)
<hr/>								
Total from investment operations		(4.28)		(2.58)		0.04		(0.68)
<hr/>								
Net asset value - end of the year	\$	18.68	\$	20.89	\$	16.78	\$	10.45

#### Ratios / Supplemental Data

Total net assets - end of year	\$	92,221,005	\$	42,448,879	\$	21,921,493	\$	130,053,132
Weighted average net assets*	\$	115,052,069	\$	47,756,036	\$	19,428,823	\$	134,459,457
Ratio of expenses to weighted average net assets		1.12%		1.13%		2.07%		2.02%
Portfolio turnover rate**		11.94%		15.02%		5.08%		19.72%
Annual rate of return***		(18.64)%		(10.99)%		0.24%		(6.11)%

\* 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, 2022

### 11. FINANCIAL HIGHLIGHTS (CONTINUED)

2021	GLOBAL		ALTERNATIVE	
	EQUITY CLASS	FIXED INCOME CLASS	ALTERNATIVE INVESTMENT CLASS	INVESTMENT INSTITUTIONAL CLASS
<b>Per Share Information</b>				
Net asset value - beginning of the year	\$ 16.75	\$ 23.07	\$ 15.51	\$ 9.79
Net investment income/(loss) from operations	(0.10)	0.44	(0.34)	(0.20)
Net investment gain/(loss) <sup>****</sup>				
Net realised and change in unrealised gain/(loss) on investments	6.31	(0.04)	1.57	1.54
Total from investment operations	6.21	0.40	1.23	1.34
<b>Net asset value - end of the year</b>	<b>\$ 22.96</b>	<b>\$ 23.47</b>	<b>\$ 16.74</b>	<b>\$ 11.13</b>

#### Ratios / Supplemental Data

Total net assets - end of year	\$ 126,593,745	\$ 51,251,660	\$ 17,058,310	\$ 137,169,145
Weighted average net assets*	\$ 119,218,429	\$ 54,972,818	\$ 17,688,941	\$ 128,014,467
Ratio of expenses to weighted average net assets	1.10%	1.12%	2.09%	2.02%
Portfolio turnover rate**	24.61%	30.02%	15.52%	24.87%
Annual rate of return***	37.07%	1.73%	7.93%	13.69%

\* 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.

### 12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Directors on November 23, 2022.