

31 March 2013

# Fund Review



## SELECT FUND: ALTERNATIVE CLASS

### OBJECTIVE

To offer a convenient vehicle for investing in a diversified portfolio of alternative investment managers, which are anticipated to provide the best opportunities for capital growth.

### INVESTMENT POLICY

To invest in a diverse range of top performing offshore alternative investment managers that provide consistent returns while controlling risk.

### INVESTMENT PROCESS

A quantitative analysis of fund performance is undertaken relative to peer groups to ensure the consistency of performance. This is followed with a qualitative analysis to understand the manager's philosophy, process and style. IAM and professional hedge fund manager, act as the sub-advisor to this class of the Fund.

### FUND REVIEW

The return for Butterfield Select Alternative was flat for March month-end. The contribution was evenly split between the long/short equity, event driven, credit and macro strategies.

The long/short equity strategy generated positive returns, with US regional exposure producing the majority of the returns. Given the selloff in Emerging Markets equities, the contribution from this allocation was above expectations, due to strong manager selection.

The event driven strategy performed well and continued to benefit from exposure to equities, RMBS and liquidations. Despite a strong month for risk-assets, the Portfolio's more defensive strategies (credit and macro) generated positive returns and continue to provide strong downside protection. Within macro, profits were made across several asset class, most notable currencies. In the credit strategy, returns were driven by both structured credit and several idiosyncratic situations. On balance, most strategies and managers produced positive returns but given this is a balanced portfolio and it has a significant allocation of non-equity risk the portfolio trailed the MSCI World and the HFRX Global Index.

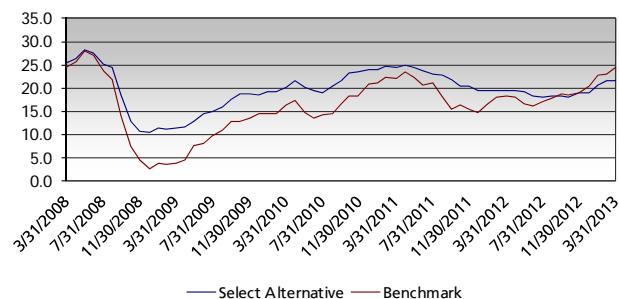
### GENERAL INFORMATION

Currency: USD	Fiscal Year End: 30 June
Valuation: Thursday	Min. Investment: USD 10,000
Dealings: Friday	Total Expense Ratio: 1.34%
Front End Fee: None	Size of Fund (millions): USD 59.28
Units Available: Accumulation	NAV per share (31.03.2013): USD 14.45
Identifier: BUTSLAI BH	

### Contact Information

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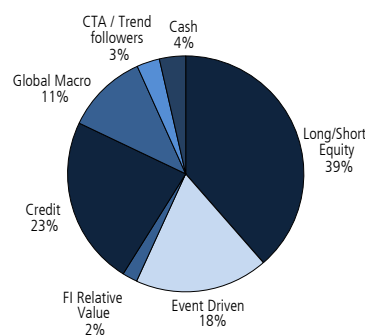
### CHART MONTHLY



### AVERAGE ANNUAL COMPOUND RETURNS

1 Year	3 Years	5 Years	7 Years	10 Years
1.69%	0.40%	-0.62%	0.84%	3.34%

### ASSET ALLOCATION



### TOP 10 HOLDINGS

1.	Claren Road Credit Fund	7.16%
2.	Lakewood	6.95%
3.	Halcyon Offshore ABS	6.04%
4.	WCG Offshore	5.77%
5.	Lansdowne Developed Markets	5.75%
6.	Criterion Capital Partners	4.91%
7.	Rimrock High Income	4.27%
8.	Saba Capital Offshore	4.19%
9.	PFM Diversified Offshore	4.09%
10.	Malta MLC Offshore	4.07%

[www.butterfieldgroup.com](http://www.butterfieldgroup.com)

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