



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 December month end performance for Butterfield Select Alternative was 0.21%. New investments with a structured credit manager and a financial services long/short equity manager have been positive contributors to performance.

The top performing strategy in December was the long/short equity strategy. Most managers within this strategy produced strong, positive returns and Europe was the Fund's top contributing region.

Event driven managers also contributed meaningful gains, as exposure to mortgages and several company-specific situations drove the strategy's positive performance.

Credit also made gains, which is notable considering the more defensive nature of the strategy. The fixed income strategy continues to produce consistent returns while the macro strategy was also positive in December. CTAs ultimately generated losses for the Fund as their currency exposure was responsible for the majority of the negative performance.

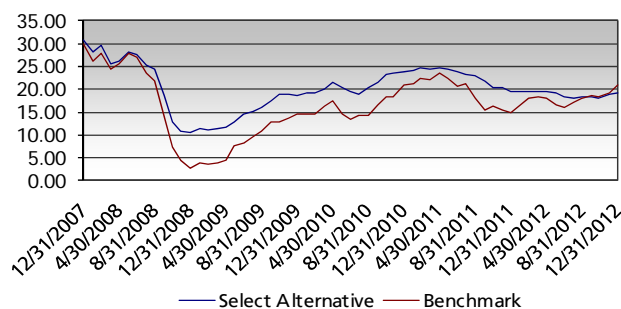
GENERAL INFORMATION

Currency: USD	Fiscal Year End: 30 June
Valuation: Thursday	Min. Investment: USD 10,000
Dealings: Friday	Total Expense Ratio: 1.36%
Front End Fee: None	Size of Fund (millions): USD 58.73
Units Available: Accumulation	NAV per share (31.12.2012): USD 14.15
Identifier: BUTSLAI BH	

Contact Information

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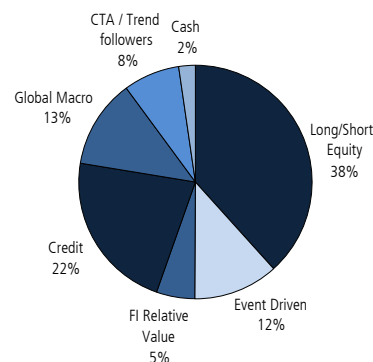
CHART MONTHLY



AVERAGE ANNUAL COMPOUND RETURNS

1 Year	3 Years	5 Years	7 Years	10 Years
-0.3%	0.2%	-1.9%	1.3%	3.2%

ASSET ALLOCATION



TOP 10 HOLDINGS

1.	Claren Road Credit Fund	6.9%
2.	Lakewood	6.5%
3.	Halcyon Offshore ABS	5.9%
4.	WCG Offshore Fund	5.6%
5.	Lansdowne UK Equity Fund	5.3%
6.	Dabroes Offshore	5.0%
7.	Criterion Capital Partners	4.8%
8.	IAM Trading Fund	4.2%
9.	Saba Capital Offshore	4.1%
10.	Clive Capital Limited	4.1%