

All of the authorised and issued shares in the capital of the Fund are approved for listing on the Bermuda Stock Exchange and the Cayman Islands Stock Exchange.

The Directors of the Butterfield US\$ Bond Fund Limited whose names appear in this Prospectus have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

If this Prospectus is received in electronic form, the Directors take no responsibility for changes made subsequent to its transmission nor for any errors or omissions arising therefrom.

OFFER BY

BUTTERFIELD US\$ BOND FUND LIMITED

(incorporated in and under the laws of Bermuda with limited liability)
to make a continuous offering
of up to 25,000,000 Shares
of US\$0.10 par value

Dated: July 2019

The latest audited financial statements which are published under separate cover are an integral part of the prospectus.

NEITHER THE BERMUDA STOCK EXCHANGE NOR THE CAYMAN ISLANDS STOCK EXCHANGE TAKE RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EACH OF THEM EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS DOCUMENT.

Permission under the Exchange Control Act 1972 (and Regulations made thereunder) has been obtained from the Bermuda Monetary Authority for the issue of up to 25,000,000 shares (the "Shares") in the Butterfield US\$ Bond Fund Limited (the "Fund"). In addition, a copy of this Prospectus has been delivered to the Registrar of Companies in Bermuda for filing pursuant to The Companies Act 1981 of Bermuda as amended.

This Prospectus, together with the most recent audited financial statements constitute the Listing Particulars of the Fund and include information given in compliance with the Listing Rules of the Cayman Islands Stock Exchange. The Directors of the Fund collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made reasonable inquiry, that to the best of their knowledge and belief there are no facts or omissions of which would make any statement in this Prospectus misleading.

Admission of the Shares (as hereinafter defined) to the Official List of the Cayman Islands Stock Exchange would not in any event constitute a warranty or representation by the Cayman Islands Stock Exchange as to the competence of any party connected with the Fund, the adequacy of the information contained in this Prospectus or the suitability of the Fund for investment purposes. The Cayman Islands Stock Exchange has not reviewed or in any respect approved this Prospectus or the offering of the Shares.

The Fund has been classified as a Bermuda Standard Fund. As such, the Fund is subject to regulation and supervision as provided for in the Investment Funds Act 2006 of Bermuda. However the Fund should be viewed as an investment suitable only for investors who can fully evaluate and bear the risks involved.

Authorisation by the Bermuda Monetary Authority and the acceptance of the Prospectus for filing at the Registrar of Companies does not constitute a guarantee by the Bermuda Monetary Authority or the Registrar of Companies as to the performance of the funds or its creditworthiness. The Bermuda Monetary Authority and the Registrar of Companies shall not be liable for the performance of the fund or the default of its operators or service providers, nor for the correctness of any opinions or statements expressed in the Prospectus.

Subject to the said filing and permission, no action has been taken to permit an offering of Shares in the Fund or the distribution of this Prospectus in any jurisdiction where action would be required for such purposes. Accordingly, this Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised. In particular:

(a) the Shares in the Fund have not been registered under any United States securities legislation and are not being offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions or areas subject to its jurisdiction or to U.S. persons. As used in this Prospectus, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction including the Commonwealth of Puerto Rico. "U.S. person" means: (i) any resident of the United States; (ii) a corporation, partnership or other entity incorporated, created or organised in or under the laws of the United States or any political subdivision thereof; (iii) an estate of which any executor or administrator is an U.S. person; (iv) a trust of which any trustee is a U.S. person; (v) an agency or branch of a non-U.S. entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and (vii) any partnership or corporation if it is organised or incorporated by a U.S. person under the laws of a jurisdiction outside the United States primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended (unless it is organised and incorporated, and owned, by accredited investors, as defined in regulation D promulgated under such Act, who are not natural persons, estates or trusts); provided, however, that the term "U.S. person" shall not include (i) a branch or agency of a U.S. bank or insurance company operating outside the United States for valid business reasons; (ii) a discretionary or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States; (iii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, provided that an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by non-U.S. law; (iv) any trust of which any professional fiduciary acting as a trustee is a U.S. person, provided that a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; or (v) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; and

(b) this Prospectus has not been delivered for registration to the Registrar of Companies in London and accordingly may not be used for the purpose of an offer or solicitation, and Shares may not be offered, in or from Great Britain.

Any information or representation made by any dealer, salesperson or other person and not contained herein must be regarded as unauthorised and must accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

Potential subscribers of Shares in the Fund should inform themselves as to

- (a) the possible tax consequences,
- (b) the legal requirements, and
- (c) any foreign exchange restrictions or exchange control requirements

which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding and disposal of Shares in the Fund.

Butterfield US\$ Bond Fund Limited is managed by Butterfield Asset Management Limited, a subsidiary of The Bank of N.T. Butterfield & Son Limited (the “Bank”) and licensed to conduct Investment business by the Bermuda Monetary Authority. It is an investment company owned by its investors as shareholders, and therefore is an independent entity from the Bank. The Fund is subject to its market risk and its investments are not guaranteed by the Bank.

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TABLE OF CONTENTS

	Page
Preamble	6
The Fund	6
Introduction	6
Investment Objectives and Strategies	6
Investment Guidelines	7
Risk Factors	8
Fees and Expenses	11
Exchange Control	12
Management of the Fund	12
Board of Directors	12
Directors Interest	13
Investment Advisor	14
Potential Conflict of Interest	15
Administrator	16
Custodian	16
Material Contracts	16
Shares	17
Classes of Shares	17
Issuance of Shares	17
Share Registration	17
Share Price Determination	17
Buying, Selling and Exchanging Shares	19
Anti-money Laundering	19
Applications	20
Redemptions	20
Transfer of Shares	21
Compulsory Redemptions	21
Application Procedure	21
Additional Information	22
General	22
Bye-laws	22
Inspection of Documents	23
Annual General Meetings	23
Reports and Accounts	23
Regulatory Reporting	24
Glossary	26

PREAMBLE

Butterfield US\$ Bond Fund Limited is a mutual fund which was incorporated as an exempted company with limited liability and unlimited duration on 26th May, 1992, in and under the laws of Bermuda.

The objective of the Fund is to offer a convenient and efficient vehicle for investing in a diversified portfolio of U.S. dollar denominated bonds, debentures and other debt instruments. There can be no assurances that such objectives will always be attained.

The investment adviser is Butterfield Asset Management Limited (the "Investment Adviser"). The custodian is The Bank of N.T. Butterfield & Son Limited (the "Custodian"). The administrator is MUFG Fund Services (Bermuda) Limited (the "Administrator"). The Administrator shall also be the Registrar and Transfer Agent. The Investment Adviser is a wholly owned subsidiary the Custodian, Bermuda's first bank, which was established in 1858. Through its principal headquarters located in Bermuda with offices in The Bahamas, Canada, Cayman Islands, Guernsey, Jersey, Mauritius, Singapore, Switzerland and the United Kingdom, the Bank is engaged in a wide range of international banking, trust and investment services.

This Prospectus is published in connection with the offering of shares of US\$0.10 par value each in the Fund (the "Shares").

The initial minimum subscription for the Class A Shares is US\$10,000. The initial minimum subscription for the Class B Shares is US\$5,000,000 and the initial subscription for the Class C shares is \$10,000,000, subject to the discretion of the directors of the Fund (the "Directors") to vary such minimum from time to time.

As an open-ended investment company, the Fund has the ability to repurchase its shares at the request of its members. As described on page 21, (Compulsory Redemption), the Fund will periodically repurchase its Shares at their net asset value. The Fund also plans to make a continuous offering of shares on each Valuation day. Valuation days are any day that both banks in Bermuda are open for business and banks in the principal financial centre for payments in the relevant currency are open for business (the "Valuation Day").

It is the intention of the Directors, at their discretion, to distribute quarterly dividends on the Class A and Class B Shares which may be paid out of net income or net realised investment gains. Members will have the option to have their dividends automatically reinvested in Shares or paid in cash. Class C Shares will be an accumulating share Class.

In addition, the Directors are authorised to issue debt, but they have no plans for debt under present conditions, nor do they plan to use debt to leverage or gear the net asset value.

The Directors may exercise all powers of the Fund in order to borrow funds as and when deemed necessary by the Investment Adviser.

THE FUND

Introduction

The Fund was incorporated on 26th May, 1992, under the provisions of the Companies Act 1981 OF Bermuda, as amended.

The present authorised share capital of the Fund is US\$2,512,000 divided into 25,120,000 shares of US\$0.10 par value each, of which 120,000 shares of US\$0.10 par value have been designated as organisational shares (the "Organisational Shares") and have been allotted for cash at par to the Investment Adviser and its nominees;

8,300,000 shares of US\$0.10 par value each have designated as Class A Shares,
8,300,000 shares of US\$0.10 par value each have designated as Class B Shares,
8,400,000 shares of US\$0.10 par value each have designated as Class C Shares.

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

The Memorandum of Association and the Bye-Laws comprise the constitution of the Fund.

The Fund has not established a place of business outside Bermuda.

Investment Objectives and Strategies

The investment objective of the Fund is to maximise total return whether through income or capital gains by investing in investment grade U.S. dollar denominated debt securities which may consist of bonds, debentures (including convertibles), notes, bills, mortgages, certificates and whatsoever suitable quality investments which, in the opinion of the Investment Adviser will help to achieve the Fund's objectives. Although not limited to the aforementioned investments, other investments could include U.S. dollar money market instruments and funds (including

money market funds managed by the Investment Adviser) and bank time deposits. Up to 10% of the portfolio may be invested in securities denominated in currencies other than USD, The Fund may also lend securities and write covered options on its portfolio in order to enhance its total return.

To achieve the stated objective, the portfolio will be structured to take advantage of anticipated changes in interest rates in order to enhance the total return of the portfolio. Investments will also be made to take advantage of cyclical changes in the market. However, when in the opinion of the Investment Adviser, the general trend in interest rates is upwards, a substantial portion of the Fund's assets may be held defensively in the form of bank deposits and other short-term financial instruments including U.S. dollar money market funds. The overall interest rate volatility of the Fund will seek to be less than or equal to a portfolio comprised of government securities maturing within three to seven years, denominated in US Dollars. At the discretion of the Investment Adviser, forward exchange contracts including US Treasury futures, credit default swaps, options and other forms of financial instruments may be utilised from time to time for hedging purposes and in the management of the Fund's portfolio risk.

The investments will be managed with the intention of maintaining sufficient liquidity to meet anticipated redemptions so as to minimise the possibility that investments will have to be sold for this purpose, before maturity.

The Class A, Class B and Class C shares have different minimums set for investors to subscribe to them, and there will be differences in the management fees payable to the Investment Adviser in respect of such shares. They will be accounted for separately, for the purposes of the calculation of net value but share in the common underlying investment pool. It is the responsibility of each individual investor to determine which class of share best meets their investment requirements. Neither the Fund nor the Investment Adviser will be held liable for ensuring that any investor is appropriately invested. All subscriptions will be automatically placed into Sub-Class A unless clearly marked otherwise on the application form.

Investment on an international basis involves fluctuations in the prices of assets, foreign exchange rates, taxes, exchange controls and other political and economic developments. Availability of information, standards of accounting, auditing and financial reporting and the size, expense and liquidity of markets vary widely from country to country and may limit the diversification of the Fund. There can be no assurances that the Fund will be successful or that investment objectives will be attained, but the intent of the Investment Adviser will be to follow such policies as the environment in the future appears to dictate in order to meet those objectives.

Investment in the Fund involves risks and could result in losses. Prospective investors are expected to be aware of the risks of investing in the Fund. See "Risk Factors" below.

The assets of the Fund will be held by the Custodian, or by other agents on behalf of the Custodian.

Investment Guidelines

Ratings

The Fund does not invest in securities rated below "investment grade" at the time of purchase, although the Fund is not precluded from holding such securities should they be downgraded to below investment grade subsequent to their purchase. The overall credit quality of the Fund is currently determined by applying a numerical score to each of the ratings categories (using S&P's Fund Credit Quality Matrix).

The Fund seeks to attain an overall weighted credit "score" of the portfolio equal to or below AA-. Under certain circumstances, the credit score may exceed AA- for short periods of time with the express objective of minimizing realized losses. Although the Fund seeks to remain within the credit quality guidelines outlined above, the Directors reserve the right to alter such guidelines as market conditions warrant.

Maturity

At purchase, all securities must have a maturity or weighted average life less than or equal to 10 years.

Portfolio Concentration

The maximum exposure to any single issuer is 10%, with the exception of securities issued or guaranteed by the US Government its Agencies or Instrumentalities, including securities guaranteed by the FDIC. The maximum exposure to any single issue shall be 7%, with the exception of securities issued or guaranteed by the US Government its Agencies or Instrumentalities, including securities guaranteed by the FDIC, although at the discretion of the Investment Adviser, this limit may be increased to 10% in order to minimize immediate realized capital loss to existing shareholders.

Securitized Products

The Fund may invest in securitized products including, but not limited to, Residential Mortgage-Backed Securities, Asset-Backed Securities and Commercial Mortgage-Backed Securities. Investments in these types of securities are limited to combined total of 30% of the Fund. Securitized products have unique risk and return characteristics that may change the expected return and/or average life of the securities over time.

Risk Factors

Prospective investors should carefully consider the risks involved in an investment in the Fund, including but not limited to those discussed below. Prospective investors should consult their own legal, tax and financial advisors as to all of these risks and an investment in the Fund generally.

The Fund will endeavour to reduce excessive risk, as much as possible by:

1. Diversifying credit risk across a wide range of different assets classes and issuers
2. Applying risk management techniques to the strategy

However, prospective investors should consider the following factors in determining whether an investment in the Fund is a suitable investment:

Counterparty Risk:

To the extent that investors in the Fund have exposure to financial instruments through third parties, they may be subject to risk of loss of its assets on deposits with a broker, FX dealer, or bank in the event of their bankruptcy or insolvency, or that of any broker through which the Fund executes and clears transactions, or the bankruptcy or insolvency of an exchange or clearing house. In the case of any such bankruptcy or insolvency, the Fund may recover only a pro rata share of all property available for distribution to all of the counterparty's customers. Such amount may be less than the amounts owed to the Fund. Therefore, investors in the Fund could lose substantial amounts or even their entire investment.

Interest Rate Risk:

Debt securities are subject to interest rate risk. In general, if prevailing interest rates rise, the value of debt securities will tend to fall, and if interest rates fall, the value of debt securities will tend to rise. Changes in the value of a debt security usually will not affect the amount of income the Fund receives from it but could affect the value of the Fund's Shares. Interest rate risk is generally greater for long-term debt securities.

Investment and Trading Risks in General:

All securities investments risk the loss of capital. No guarantee or representation is made that the Fund's investment program, diversification strategies or risk monitoring goals will be successful. Investment in funds along with the securities and other instruments they invest in involves credit risks. Although the Fund's investment program is expected to provide a high level of protection from the risk of loss inherent in the ownership of such a wide array of diversified investments, there can be no assurance that these strategies will completely protect against this risk or that the Fund's investment objectives will be obtained.

Hedging Transactions:

The Fund may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of its investment portfolios; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in the Fund's portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Fund's securities; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Advisor deems appropriate. The Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. The Investment Advisor may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolios will always be exposed to certain risks that cannot be hedged.

Lack of Management Rights:

Except as may be otherwise provided in the constituent instruments of the Fund, the holders of the Fund's Shares generally have no right to participate in the management of the Fund. The Fund's Organizational Shares, which carry only nominal rights, have been issued exclusively to the Investment Adviser.

Management Risk:

There is no guarantee that the investment techniques and risk analyses used by the Fund's portfolio managers will produce the desired results.

Other Activities of the Investment Advisor and Portfolio Managers:

The Investment Advisor and its affiliates and the Fund's portfolio managers may provide discretionary investment management services to managed accounts and other investment partnerships or funds, some of which may have similar or dissimilar investment objectives to those of the Fund and/or which may or may not follow the same investment strategy. The portfolio strategies the Investment Advisor and its affiliates and the Fund's portfolio managers may use for other investment funds or accounts could conflict with the transactions and strategies described herein and affect the prices and availability of the securities and other financial instruments in which the Fund invests.

Dependence on Service Providers:

The Fund is also dependent upon its affiliates, its counterparties and the third-party service providers disclosed in this Prospectus, including the Investment Advisor and its affiliates, the portfolio managers, the Sub-Advisor, the Administrator, the Custodian, legal counsel and the auditors and any other service provider described herein (the "Service Providers"). Errors are inherent in the business and operations of any business, and although the Investment Advisor will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Fund and the Shareholders' investments therein.

As the Fund has no employees, the Fund is reliant on the performance of the Investment Advisor and other Service Providers. Each Shareholder's relationship in respect of its Shares is with the Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Shareholder will have any contractual claim against any Service Provider for any reason related to its services to the Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant Service Provider is, *prima facie*, the Fund.

Cybersecurity Risk:

As part of their businesses, the Service Providers process, store and transmit large amounts of electronic information, including information relating to the transactions of the Fund, and personally identifiable information of the Shareholders. Similarly, service providers to the Investment Advisor and its affiliates, the Fund, especially the portfolio managers and the Administrator, may process, store and transmit such information. The Service Providers have procedures and systems in place that they believe are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Service Providers may be susceptible to compromise, leading to a breach of the network. The Service Providers' systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of a Service Providers information systems may cause information relating to the transactions of the Fund, and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed.

The service providers to the Investment Advisor, the Fund and the portfolio funds are subject to the same electronic information security threats as the Service Providers. If a Service Provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed. In addition, such incidents could affect issuers in which the Fund invests, and thereby cause the Fund's investments to lose value.

The loss or improper access, use or disclosure of the a Service Providers' proprietary information may cause such Service Provider and/or The Fund, among other things, financial loss, the disruption of their respective business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Shareholders' investments therein.

Market Risk:

Market risk refers to the possibility that the market values of securities that the Fund holds will rise or fall, sometimes rapidly or unpredictably. Security values may fall because of factors affecting individuals, companies, industries or sectors or the markets as a whole, reducing the value of an investment in the Fund. Accordingly, an investment in the Fund could lose money over short or even long periods. The market values of the securities the Fund holds also can be affected by changes or perceived changes in the United States or foreign economies and financial markets and the liquidity of securities, among other factors.

Possible Effect of Redemptions:

Shareholders may redeem their Shares in accordance with the bye-laws of the Fund. Substantial redemptions could require the Fund to liquidate investments more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and to achieve a market position appropriately reflecting a smaller asset and shareholder base. This could adversely affect the value of the Shares.

Repurchase Agreement Risk:

Repurchase agreements are agreements in which the seller of a security to the Fund agrees to repurchase that security from the Fund at a mutually agreed upon price and time. Repurchase agreements carry the risk that the counterparty may not fulfill its obligations under the agreement. This could cause the Fund's income and the value of your investment in the Fund to decline.

Transferability of Shares:

Shares are freely transferable, subject to certain restrictions (see "Transfer", below). However, there is no assurance that there will be a resale market for the Shares. If there is not, Shareholders will generally only be able to dispose of their Shares by means of redemption.

Systemic Risk:

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Fund interacts are all subject to systemic risk. A systemic failure could have material adverse consequences on the Fund and on the markets for the securities in which the Fund seeks to invest.

Operational Risk:

The Fund depends on the Investment Advisor and its affiliates to develop and implement appropriate systems for the Fund's activities. The Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain securities, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Fund's activities. In addition, the Fund relies on information systems to store sensitive information about the Service Providers and the Shareholders. Certain of the Fund's and the Investment Advisor's activities will be dependent upon systems operated by third parties, including the portfolio managers, the Administrator, market counterparties and other service providers, and the Investment Advisor may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Service Providers, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. In addition, despite the security measures established by the Service Providers and third parties to safeguard the information in these systems, such systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft, loss or public dissemination of the information stored therein. A breach of the Fund's information systems or the loss, improper access, use or disclosure of a Service Providers or the Fund's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed, which may cause the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. In addition, such incidents could affect issuers in which the Fund invests, and thereby cause the Fund's investments to lose value. Any of the foregoing failures or disruptions could have a material adverse effect on the Fund and the Shareholders' investments therein.

General Economic and Market Conditions; Liquidity:

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund and the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). Other events, including but not limited to measures to address U.S. federal and state budget deficits (including ongoing difficulties agreeing on a long-term federal budget), downgrade of U.S. long-term sovereign debt, debt crises in the Eurozone, and declines in certain commodity prices, have resulted and may result in the future in an unusually high degree of volatility in both the U.S. and non-U.S. financial markets. Additionally, global economies and financial markets are becoming increasingly interconnected, which increases the possibility that conditions in one country or region might adversely impact issuers in a different country or region. These factors may affect the level and volatility of the prices, the liquidity of the Fund's investments and the availability of certain investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. Market disruptions may from time to time cause dramatic losses for the Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Access to Information and Effect on Redemptions

Because of the wide range of potential investments, potentially rapid shifts in the concentration of investments among types of securities or strategies, the inherent complexity of many of the Fund's investment strategies and other factors, prospective Shareholders and Shareholders will not have sufficient information to analyse or evaluate in detail the specific risks and potential returns of the Fund's investment programs prospectively. The Investment Advisor generally will not provide detailed information about the Fund's portfolios or any advance notice of anticipated changes in the composition of the Fund's portfolios, nor will the Investment Advisor provide information to prospective Shareholders as to how the Fund voted proxies. Furthermore, in response to questions and requests and in connection with due diligence meetings and other communications, the Fund and the Investment Advisor may provide additional information to certain Shareholders and prospective Shareholders that is not distributed to other Shareholders and prospective Shareholders. Such information may affect a prospective Shareholder's decision to invest in the Fund, and Shareholders may be able to act on such additional information and redeem their Shares potentially at higher values than other investors. Any such redemption may result in reduced liquidity for other investors and, in order to meet larger or more frequent redemptions, the Fund may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Fund. Each Shareholder is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Investment Advisor and the Fund is sufficient for its needs and must accept the foregoing risks. Additionally, the Fund may share portfolio holdings with certain service providers or regulators or certain investors in order to comply with various applicable regulatory requirements.

Although the Fund has policies, procedures, agreements, and/or similar safeguards in place to prevent the further sharing of this information in such instances, there is no guarantee that such information will remain confidential.

Identity of Beneficial Ownership and Withholding on Certain Payments

Under U.S. legislation commonly referred to as the “Foreign Account Tax Compliance Act” or “FATCA,” unless a “foreign financial institution,” as defined in the U.S. Internal Revenue Code of 1986, as amended (the “IRC”) and United States Treasury Regulations, timely agrees to collect and disclose to the U.S. Treasury certain information with respect to its investors and its investors’ investments, or collects and discloses such information to a foreign government pursuant to an applicable intergovernmental agreement between the U.S. and that foreign government, and meets certain other conditions, certain payments to that foreign financial institution of dividends, interest, and certain other categories of investment income from sources within the U.S., and, after December 31, 2018, certain payments of proceeds from the sale of property that can produce dividends, interest, and certain other categories of income from sources within the U.S., will generally, assuming certain other conditions are met, be subject to a 30% U.S. federal withholding tax. The Fund expects to be treated as a foreign financial institution for these purposes. The Fund is subject to the terms of an intergovernmental agreement entered into by the U.S. and Bermuda to implement FATCA (the “IGA”). In order to comply with the IGA, the Fund has registered with the Service and generally will be required to identify, and report information with respect to, certain direct and indirect U.S. account holders (including debt holders and equity holders). A non-U.S. investor in the Fund will generally be required to provide to the Fund information which identifies its direct and indirect U.S. ownership. Any such information provided to the Fund and certain financial information related to such investor’s investment in the Fund will be shared with the Service. A non-U.S. investor that is a “foreign financial institution” will also generally be required to either (a) timely register with the Service, and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debt holders and equity holders), or (b), in certain circumstances comply with the terms of an applicable intergovernmental agreement. A non-U.S. investor who fails to provide such information to the Fund, or timely comply with its FATCA-related obligations, would be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the Board of Directors may take any action in relation to an investor’s Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information gave rise to the withholding.

Taxation

THE DISCUSSION THAT FOLLOWS IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE BERMUDA TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

At the date of this Prospectus, there is no Bermuda income, corporation, or profits tax, withholding tax, capital tax, capital transfer tax, estate duty or inheritance tax payable by the Fund or its Shareholders. The Fund has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax will not, until March 31, 2035, be applicable to the Fund or to any of its operations, or to the shares, debentures or other obligations of the Fund, except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the Fund or any land leased or let to the Fund.

No Separate Counsel:

Conyers Dill & Pearman Limited (“Conyers”) acts as Bermuda legal counsel to the Fund and the Investment Advisor (collectively the “Parties”). No separate counsel has been retained to act on behalf of the Shareholders. Conyers is not responsible for any acts or omissions of the Parties (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Parties. This Prospectus was prepared based on information furnished by the Investment Advisor; Conyers has not independently verified such information.

The foregoing list of risk factors does not purport to be complete or fully explain the risks involved in an investment in the Fund.

Fees and Expenses

The Fund will bear all its own operating, brokerage and out-of-pocket expenses, including (in so far as they relate to the Fund) the fees and expenses of the Directors, the Investment Advisers, the Custodian, the Administrator, the Registrar and Transfer Agent, the Accountants, the Auditors of and the Legal Advisers to the Fund, the costs of printing and distributing the financial reports and statements, the annual government fee and the license fee payable in Bermuda and any other applicable taxes including the Bermuda Stock Exchange, Bermuda Monetary Authority and the Cayman Islands Stock Exchange.

The minimum account balance requirement for the US\$ Bond Fund is US\$10,000. To encourage shareholders to meet their minimum balance requirements, a monthly fee is applied to accounts that remain below the minimum balance. The monthly fee, which is US\$12, is applied to accounts that are below the minimum balance on the 15th day of each month (or last business day prior to that date). Accounts with zero-balances do not incur a fee.

Under the terms of the Investment Advisory Agreement referred to below, the Investment Adviser will be entitled to receive a monthly fee which is by additional agreement calculated at a rate of no more than 1% per annum of the average of the valuations of the net asset value of the entire Fund in each month. Currently this is calculated at the rate of 0.50% per annum for the Class A Shares, 0.25% for the Class B Shares and 0.25% maximum for Class C shares subject to the Director's discretion and will be paid on the last Valuation Day in each month. The fee of the Investment Adviser will be reduced to take account of the management fee already levied on assets held in shares of other Funds managed by the Investment Adviser. The Investment Adviser is, in addition, entitled to receive the commission referred to on page 14, of up to 5%, but does not intend to charge such commission at the present time.

The Investment Adviser, and not the Fund, will be responsible for the fees of any consultants utilised by the Investment Adviser exclusively for the Fund (or except that where consultancy services are provided by a Director or Directors the fees and expenses payable to such Director or Directors will be borne by the Fund and determined by the other Directors in accordance with the Bye-Laws). However, no such fee will be payable where the Director is employed by the Bank or one of its subsidiaries or affiliates.

Under the terms of the Custody agreement, referred to below, the Custodian is entitled to receive a quarterly fee calculated and can be up to the rate of 0.10% per annum in accordance with the Custodian's published fee schedule. Relevant out-of-pocket expenses may also be charged to the Fund by the Custodian. Administrator fees for Registrar and Transfer Agency Services, and Accounting and Valuation Services, will be an all inclusive fee for services rendered subject to a minimum fee of US \$5,000 per valuation.

As an exempted company, the Fund is liable for annual registration fee based on the assessable capital of the fund payable to the Bermuda Government.

Annual listing fees are payable to the Bermuda Stock Exchange and the Cayman Islands Stock Exchange.

All expenses will be borne out of the income or capital of the Fund as determined by the Directors for classes of A and B shares.

Requests for statements outside of the normal interval may be charged a flat rate of \$25.00.

Fees for investigations may be charged out at the normal hourly rate.

Exchange Control

The Fund has been classified as non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority, whose permission for the issue of the Shares pursuant to this Prospectus has been obtained. The transfer of the Shares between persons (irrespective of whether or not such persons are regarded as resident outside Bermuda for exchange control purposes) and the issue and redemption of the Shares to or by such persons may be effected without specific consent under the Bermuda Exchange Control Act, 1972 and regulations made thereunder.

MANAGEMENT OF THE FUND

Board of Directors

The Directors are responsible for the overall investment and administrative policies and the management of the Fund.

Dwayne Outerbridge
Head of Global Asset Management
The Bank of N.T. Butterfield & Son Limited
65 Front Street
Hamilton HM 12, Bermuda

Jeffrey Abbott
Vice President, Private Clients Portfolio Manager
Butterfield Asset Management Limited
65 Front Street
Hamilton HM 12, Bermuda

Nigel Garrard
Head of Asset Management, Guernsey
Butterfield Bank (Guernsey) Limited
Guernsey, Channel Islands

Registered Office

The Belvedere Building
69 Pitts Bay Road

Pembroke HM08, Bermuda

Investment Adviser

Butterfield Asset Management Limited
65 Front Street
Hamilton HM 12, Bermuda
Telephone: 441-299-3817
Fax: 441-292-9947

Custodian and Bankers

Bank of N.T. Butterfield & Son Limited
65 Front Street
Hamilton HM 12, Bermuda
Telephone: 441-295-1111
Fax: 441-292-1258

Registrar and Transfer Agent and Administrator

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08, Bermuda
Telephone: 441- 295-1355
Fax: 441-295-6759

Accountants

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08, Bermuda
Telephone: 441-295-1355
Fax: 441-295-6759

Auditors

Ernst & Young Ltd.
3 Bermudiana Road
Hamilton HM 11, Bermuda

Legal Advisers

Conyers Dill & Pearman Limited
2 Church Street
Hamilton HM 11, Bermuda

Listing Sponsor

Butterfield Securities (Bermuda) Limited
65 Front Street
Hamilton HM 12, Bermuda

Secretary

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda
Telephone: 441-295-1355
Fax: 441-295-6759

Director's Interest

- (a) No Director presently has any beneficial interest in any Shares.
- (b) Dwayne Outerbridge Michael Neff, Jeffrey Abbott and Reece Jarvis are Directors of the Investment Adviser, which will be receiving fees from the Fund. The Investment Adviser may, as described on page 14, also receive a commission on the issue of shares.
- (c) Dwayne Outerbridge, Nigel Garrard and Jeffrey Abbott are Directors or Officers of the Bank, or the Investment Adviser, or both.

Dwayne Outerbridge (Bermudian)

Mr. Outerbridge was promoted to Senior Vice President, Head of Global Asset Management in March 2017. He is responsible for the Asset Management teams in Bermuda, Cayman, and Guernsey who manage offerings for discretionary management, brokerage, and mutual funds, as well as the Group's Strategy and Research Team. Dwayne joined Butterfield Asset Management in May 2016 as the Head of Private Client Investing. He serves on the Executive Committee and Investment Policy Team for Group Asset Management. Dwayne has over 30 years of discretionary and investment management and trading experience. Before joining Butterfield Asset Management, he was Head of Portfolio

Management at HSBC Bank Bermuda Ltd and sat on the board of HSBC Private Bank Global Investment Committee and Private Bank Investment Group Executive board. Prior to HSBC he worked at Bank of Bermuda where he was promoted to Head of Portfolio Management from Senior Portfolio Manager in 1999; Refco Capital Markets in New York and Bermuda where he was a Global Fixed Income and Equity trader from 1994 to 1997; and Bermuda Commercial Bank as Senior Investment Officer from 1988 to 1994. Dwayne graduated from St Mary's University in 1985 with a B.Comm in Finance and Economics. He is also a CFA charterholder.

Jeffrey Abbott (*Bermudian*)

Mr. Abbott joined Butterfield Asset Management in May 2016 as a Senior Portfolio Manager and is responsible for the development, implementation and management of global investment portfolios. He contributes to the strategic investment planning and development at Butterfield Asset Management by taking part in investment committee meetings. Mr. Abbott has 20 years of experience within the investment industry with clientele ranging from individual to institutional clients including trusts, pensions and insurance structures. Before joining Butterfield Asset Management Mr. Abbott was a Portfolio Manager at HSBC Bank Bermuda Ltd. Prior to HSBC he worked at Zurich Investment Services Limited where he was an Investment Analyst; PRP Performa Limited where he worked as a Portfolio Manager assistant; and The Bank of NT Butterfield & Son Limited where he began his career at Butterfield Asset Management, working in project management, brokerage and investment services. Mr. Abbott graduated from St Mary's University in 1999 with a B.Comm (Finance) and a B.Comm (Economics). He is a CFA charterholder, and member of the local Bermuda CFA Society.

Nigel Garrard (*British*)

Mr. Garrard has worked within the investment industry since 1995, providing discretionary investment management services to institutions, trusts and private clients. Having joined Butterfield in 2005 as a senior investment manager, he was appointed Head of Asset Management for the Guernsey business in 2015. As part of his role, Mr. Garrard is responsible for the team who provide discretionary investment services across a broad base of international clients. He has extensive experience in the management of investment portfolios, as well as the formulation of global investment strategy. He is the vice-chairman of Butterfield Investment Committee, which is charged with the formulation of ongoing investment strategy. Mr. Garrard is a member of Butterfield Guernsey's Asset and Liability Committee and Trustee of its pension fund. He is a Director of Butterfield Money Market Fund Limited and Butterfield US\$ Bond Fund Limited.

It is estimated that the aggregate emoluments of the Directors will not exceed \$10,000 per annum. No Director that is currently employed or associated with the Bank or its subsidiaries is permitted to review compensation related to their position as Director of the Funds. None of the Directors have entered into a contract with the Fund with respect to the provision of the director's services to the Fund.

For those Directors not employed or associated with the Bank or its subsidiaries the Fund will purchase director's and officer's liability insurance for their benefit.

Investment Adviser

Under an investment advisory agreement dated March 21, 2019 (the "Investment Advisor Agreement"); Butterfield Asset Management Limited has been appointed as Investment Adviser of the Fund.

Butterfield Asset Management Limited (a wholly owned subsidiary of the Bank of N.T. Butterfield & Son Limited) is a limited liability company incorporated in Bermuda in, 1993, to carry on the investment business started over 50 years ago by the Bank.

Butterfield Asset Management Limited is responsible for the management of a wide range of investment products and provides investment management services to a diverse range of customers, including individuals, trusts, high net worth individuals, corporations and pension plans. Butterfield Asset Management Limited has a dedicated team of investment professionals in Bermuda, but also has a number of investment professionals in many of the other key jurisdictions.

The Investment Advisory Agreement may be terminated by either party thereto giving to the other not less than three months' written notice.

There has been no criminal conviction or disciplinary action taken by a securities supervisory or other regulatory body against the Investment Adviser.

The Investment Advisory Agreement may be terminated by either party thereto giving to the other not less than three months' written notice.

Directors of the Investment Adviser are:

Dwayne Outerbridge (*Bermudian*)

See information under Fund Directors.

Jeffrey Abbott (*Bermudian*)

See information under Fund Directors.

Michael Neff (*American*)

Mr. Neff is the Managing Director of Bermuda. He has over 30 years' experience in financial services, having held senior roles in wealth management, client services, and business development functions. He began his career at Chemical Bank's Private Banking Group where he ultimately served on the Executive Committee and lead relationship management across the Group. Mr. Neff then led the implementation of the global wealth management client relationship model at Citibank's Private Bank before leaving the firm to establish AnswerSpace Inc., a financial planning technology consultancy in 1998. He later founded Monetaire Inc., a leading provider of financial and investment planning software that was acquired by the RiskMetrics Group. At RiskMetrics, he initially served as Global Head of Wealth Management rising to become Co-Head of the firm's Global Financial Risk Management business in 2009. Mr. Neff holds a Bachelor of Arts from Middlebury College and a Master of Business Administration from Columbia Business School.

Reece Jarvis (*British*)

Mr. Jarvis joined Butterfield Asset Management in 2012 as a Senior Portfolio Manager and was subsequently promoted to Head of Fixed Income. He is involved in the management of both the Butterfield funds and segregated institutional accounts. Mr. Jarvis is also a member of Butterfield's Investment Councils charged with the formulation of ongoing investment strategy and research. Mr. Jarvis has over 17 years of experience within the investment industry with clientele ranging from individual to institutional clients including trusts, pensions and insurance structures. Prior to coming to Bermuda, Mr. Jarvis worked within Fixed Income at Schroders, Daiwa Asset Management and Aberdeen Asset Management based in London. He is also a Chartered Financial Analyst and a member of the local Bermuda CFA Society

Potential Conflict of Interest

The Directors, Investment Advisor and its affiliates, the Portfolio Funds, the portfolio managers are subject, and the Fund is exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Fund and the Shareholders' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Fund. When a conflict of interest arises, the Directors, the Fund, the Portfolio Funds, the Investment Advisor and its affiliates and the portfolio managers (the "Conflict Parties") will endeavour to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with their respective fiduciary and other duties to the Fund. The Investment Advisor has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest. Unless the context clearly indicates otherwise, references in this section to conflicts of interest that may apply to the Investment Advisor should be understood to apply to the Investment Advisor and its affiliates.

The Conflict Parties may from time to time act as director, manager, investment manager, custodian, registrar, broker, administrator, depository, investment advisor or dealer in relation to, or be otherwise involved in, other investment funds established by parties other than the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund, particularly if such other investment funds have similar objectives to those of the Fund. The Conflict Parties will, at all times, have regard in such event to their respective obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The Conflict Parties or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Investment Advisor, the portfolio managers nor any of their respective affiliates nor any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but they will, as necessary, allocate such opportunities on an equitable basis between the Fund and other clients

Directors of the Fund may also be directors of the Investment Adviser, or directors of companies in which the Fund's assets are or may be invested. As such, the Directors may have a conflict between their obligation to act in the best interests of the Fund and their interest in generating revenues or other benefits for other entities with persons with which they are affiliated. A Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of director, or may act in a professional capacity to the Fund on such terms as the directors may determine. No Director shall be disqualified by his office from contracting with the Fund in any capacity, nor shall any such contract or arrangement entered into by the Fund in which any director is in any way interested be liable to be voided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. A Director may not vote nor be counted in the quorum on any resolutions by which he is appointed to hold any office or place of profit under the Fund or at which the terms of any such appointment are arranged.

Prospective Shareholders should understand that (i) the relationships among the Conflict Parties are complex and dynamic and (ii) as the Conflict Parties' businesses change over time, the Conflict Parties may be subject, and the Fund may be exposed, to new or additional conflicts

of interest. There can be no assurance that this Prospectus addresses or anticipates every possible current or future conflict of interest that may arise or that is or may be detrimental to the Fund or the Shareholders. Prospective Shareholders should consult with their own advisers regarding the possible implications on their investment in the Fund of the conflicts of interest described in this Prospectus.

Administrator

Under an administration agreement dated July 2014, (the “Administration Agreement”) MUFG Fund Services (Bermuda) Limited has been appointed Administrator of the Fund and pursuant to the Administration Agreement; the Administrator will perform certain administrative and clerical functions for the Fund.

The Administrator has responsibility, under the general supervision of the Directors of the Fund, for maintaining corporate records and disbursing payment of fees and other expenses of the Fund and providing clerical and administrative services. The Administrator will also be responsible for maintaining and keeping of all financial books and records for the Fund and for the preparation and calculation of the Fund’s Net Asset Value (NAV), the register of shareholders and for administering the issuance, redemption and transfer of shares of the Fund.

Under the Administration Agreement, the Fund has indemnified the Administrator and its servants or agents, from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs expenses or distributions of any kind or nature whatsoever, other than those resulting from fraud, dishonesty, wilful negligence or wilful default on its part in performing its obligations or duties.

In performing its duties as administrator, the Administrator is entitled to rely and generally will rely, on information provided to it by persons designated by the Fund, including but not limited to the Fund’s accountants, the Investment Adviser, the Custodian and brokers and shall not be responsible for errors contained in such information received from such persons.

The Administrator, MUFG Fund Services (Bermuda) Limited, is responsible for maintaining the register of holders of Shares (under Bermuda law, referred to as “members”) and for administering the issue, redemption and transfer of Shares on behalf of the Fund.

The fees and expenses of the Administrator will be borne by the Fund (see page 11 - Fees and Expenses)

The Administration Agreement may be terminated by either party thereto, giving to the other not less than 90 days written notice. Less than 90 days notice may be given if (i) either party fails to perform its obligations under the agreements and fails to rectify such breach within 30 days or (ii) the Fund or the Administrator goes into liquidations (other than voluntary liquidation).

Custodian

Pursuant to the terms of a custody agreement dated 5th October 2018, (the “Custody Agreement”) the Custodian, Bank of N.T. Butterfield & Son Limited, has been appointed by the Fund and the Investment Adviser as custodian of the assets and uninvested cash of the Fund, which will be held on behalf of the Fund either directly by the Custodian or through other sub-custodians, nominees, agents, or delegates of the Custodian. The Fund may maintain certain of its assets in interest bearing instruments with the Custodian. In addition, the Custodian is responsible for recording investment transactions entered into for the account of the Fund.

The Custody Agreement may be terminated by either party thereto, giving to the other not less than 90 days written notice. Less than 90 days notice may be given if (i) either party fails to perform its obligations under the Custody Agreement and fails to rectify such breach within 30 days or (ii) the Fund or the Custodian goes into liquidations (other than voluntary liquidation).

The fees and expenses of the Custodian will be borne by the Fund (see page 11 - Fees and Expenses).

The Custody Agreement may be terminated by either party thereto, giving to the other not less than 90 days written notice. Less than 90 days notice may be given if (i) either party fails to perform its obligations under the Custody Agreement and fails to rectify such breach within 30 days or (ii) the Fund or the Custodian goes into liquidations (other than voluntary liquidation).

Material Contracts

The following contracts, not being contracts in the ordinary course of business, have been entered into since the incorporation of the Fund and are, or may be, material:

1. Investment Advisory Agreement dated 21st March 2019, between the Fund and the Investment Adviser pursuant to which the Investment Adviser was appointed Investment Adviser of the Fund.
2. Custody Agreement, dated 5th October 2018 amongst the Fund, the Investment Adviser and the Custodian pursuant to which the Custodian was appointed Custodian of the assets of the Fund.

- Administration Agreement, dated July 2014, amongst the Fund, the Investment Adviser and the Administrator pursuant to which the Administrator was appointed administrator of the Fund.

SHARES

Classes of Shares

Through the issuance of different classes of shares, which the Directors of the Fund are empowered under the Bye-Laws to create, the Fund will make possible for investors to participate in a portfolio consistent with the investment policies and objectives of the particular class of share. Additionally, in order to maintain adequate liquidity, the Fund will maintain a portion of its assets in bank deposits. Where required, Shares in the Fund can be issued up to any amount and divided into classes with different rights, privileges and conditions.

Members are entitled to convert their Shares between classes, save and except into or from Organisational Shares.

Issuance of Shares

The Fund will issue Shares on Dealing Days (normally the next Business Day following the Valuation Day) as long as a completed application form and cleared funds are received by close of business, 5 p.m. Bermuda time on the preceding Valuation Day. The Bye-Laws of the Fund provide that Shares may not be issued at less than the net asset value per Share. Further, Shares may not be issued at less than their par value. The Directors' intention is that there shall be a Valuation Day on Wednesday in each week (or if Wednesday is not a Business Day in Bermuda, or a Business Day in a principal market area for the Fund's assets, the next Business Day following Wednesday) and/or such other days as may from time to time be determined by the Directors either in any particular case or generally in Bermuda, except at quarter end when a weekly NAV will be suspended and the quarter end valuation will be completed for that week.

New member subscriptions will be accepted only in respect of amounts of no less than US\$10,000 for the Class A Shares, US\$5,000,000 for the Class B Shares and US\$10,000,000 for the Class C Shares. The right is reserved to reject any application or to accept any application in part only. If any application is not accepted, the amount paid on application will be returned, together with any accrued interest (at the Bank's overnight interest rate) and, if any application is accepted for fewer Shares than the number applied for, the balance of the amount paid on application will be returned together with any accrued interest (at the Bank's overnight interest rate).

Share Registration

It is not intended to issue physical share certificates. Contract Notes will be issued to an applicant or member normally within two weeks after the relevant Dealing Day (as defined in the Glossary). Fractional Shares will be issued.

The Fund is not bound to see to the execution of any trust, whether express, implied or constructive, to which any of its Shares are subject. Shares purchased for those under 18 years of age must be registered in the name of the parent or guardian.

Statements of account will be forwarded by post to the person in whose name the Shares are registered or, in the case of joint holders, to the registered address of the first-named holder.

Share Price Determination

The price of Shares will be determined by reference to their net asset value, which is the value calculated after the deduction of liabilities attributable to the Class account in respect of such shares, from the total assets attributable to such Class account from the total liabilities. Rounding adjustments to the nearest two decimal places are permitted to give convenient figures for dealing. There will be a separate net asset value calculation in respect of Class A Shares, Class B Shares and Class C Shares.

The assets of the Fund comprise the aggregate of: (i) investments owned or contracted to be acquired; (ii) cash on hand or on deposit including accrued interest; (iii) cash payments outstanding on any Shares allotted; (iv) bills and demand notes and amounts receivable including net amounts receivable in respect of investments contracted to be realised; (v) interest accrued on interest-bearing investments held except that accrued and included in the quoted price of the relevant investment; and (vi) other property and assets of any kind and nature including futures contracts, options and prepaid expenses as valued and defined from time to time by the Directors.

The liabilities of the Fund are deemed to include: (i) bills and accounts payable; (ii) management and administrative expenses payable and/or accrued; (iii) the gross acquisition consideration of investments or other property contracted to be acquired; (iv) reserves authorised or approved by the Directors for duties, charges, taxes or contingencies; (v) the aggregate amount of all borrowings and interest, commitment fees, and other charges arising in connection therewith; and (vi) other liabilities of the Fund of whatsoever nature (except liabilities represented by outstanding Shares and surplus of the Fund) including outstanding payments on any Shares previously redeemed (contingent liabilities (if any) being valued in such manner as the Directors may determine from time to time or in any particular case).

The value of the net assets of the Fund will be determined in accordance with the Bye-Laws of the Fund which provide, amongst other things, that:

- (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that the same is not worth the full amount thereof in which event the value thereof shall be such as the Directors deem to be the reasonable value thereof;
- (ii) any asset quoted, listed, traded or dealt in on an exchange or market is to be valued by reference to the last traded price on the relevant Valuation Day on the major exchange or market in which the said assets are so dealt;
- (iii) any non-negotiable asset may be valued by accruing to the acquisition cost, on a daily basis any interest earned and the amortised capital value of such asset, increased over the acquisition price to reflect the reducing period to maturity;
- (iv) in respect of any asset referred to in (ii) above, the Directors may instead adopt prices ruling on another exchange or market in respect thereof if they consider that such prices provide in their opinion a fairer criterion of value; and
- (v) the Directors at their absolute discretion may permit some other method of valuation to that described in (ii), (iii) and (iv) above to be used if they consider that such valuation better reflects the fair value of any investment or investments.

It is the intention of the Directors that, where an asset is not quoted, listed, traded or dealt in on an exchange or market and a bona fide arm's length sale or other transaction occurs with respect to assets of the same class, the Directors may have regard to the price at which such transaction is effected and may utilise such price for the purpose of the calculations.

It is also the intention of the Directors that so long as it is the general policy of the Fund to hold all negotiable assets to maturity such assets may be valued on an amortised cost basis by accruing to the acquisition cost, on a daily basis, any interest earned and the amortised capital value of such asset, increased or following a sale, the sale proceeds, over the acquisition price to reflect the reducing period to maturity.

Following the valuation of the Fund's net assets, the net asset value of a Share is found by dividing the value of the said total net assets by the number of Shares in issue.

The Bye-Laws of the Fund provide that any statement as to the net asset value per Share made by or on behalf of the Directors is binding on all parties.

The net asset value per Share so determined will be published from time to time but at least once a month in a newspaper in Bermuda. It may also be obtained from the Registrar and the Custodian.

The Bye-Laws provide that the Directors may at any time and from time to time suspend the determination of the net asset value (and consequently the issue and redemption of Shares and the payment of redemption moneys to persons who have applied to redeem Shares) for the whole or any part of a period (a) during which any principal exchange or market on which any significant portion of the assets of the Fund is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such principal exchange or market is restricted, or (b) when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Fund to dispose of its investments or as a result of which any such disposal would be materially prejudicial to the Shareholders, or (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of assets or when for any other reason the value of any of the assets of the Fund cannot in the opinion of the Directors be reasonably or fairly be ascertained, or (d) during which the Fund is unable to repatriate, receive or transfer funds required for the purpose of making payments on the redemption or purchase of Shares or during which any transfer of funds involved in the realisation or acquisition of assets or payments due on redemption of Shares class cannot in the opinion of the Directors be effected at normal rates of exchange, or (e) when the business operations of a service provider to the Fund in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God, or (f) when, as a result of exchange restrictions or other restrictions affecting the repatriation or transfer of funds, transactions on behalf of the Fund are rendered impracticable, or where purchases, sales, deposits or withdrawals of any asset of the Fund cannot be effected at the normal rates of exchange, as determined by the Board, or (g) when the Fund has resolved to wind up, or (h) where the Directors deems it necessary to do so to comply with anti-money laundering laws and regulations or any other law or regulations applicable to the Fund or any service provider, directly or indirectly, in any jurisdiction, or (i) when it is not reasonably practicable to accurately ascertain the value of a material portion of the Fund's assets due to such as the closure of or suspension of trading on any underlying funds or individual investment accounts and segregated accounts; or (j) when the Directors otherwise determine that it is in the best interest of the Fund or its Shareholders to do so, no Shares may be issued or redeemed during such a period of suspension. The Directors will cause notice of their declaration of such a suspension to be published in Bermuda in such newspapers as they may determine.

BUYING, SELLING AND EXCHANGING SHARES

Anti-Money Laundering

Shares may be applied for, redeemed or transferred by means of the procedures outlined below. All applications, redemptions and transfers of shares are subject to the rules of the Proceeds of Crime Act 1997 (as amended). In particular this requires that any such applicant must produce satisfactory evidence of his identity as soon as practicable after first making contact with the Administrator.

As part of the Administrator's responsibility for protection against money laundering, the Administrator may require a detailed verification of a person or entity applying for Shares. Depending on the circumstances of each application, a detailed verification might not be required where:

- (a) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution; or
- (b) the application is made through a recognised intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised as having sufficient anti-money laundering regulations. In the case of (a) above, the applicant should ensure that its remitting bank includes the applicant's full name and account number in any confirmation sent to avoid any delays. In the case of (b) above, the recognised intermediary should provide a written assurance to the effect that evidence of the identity of the applicant has been obtained and recorded under procedures maintained by it.

By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and date of birth. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or the equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto.

If any person who is resident in Bermuda, including the Fund, its Directors, the Administrator and its servants or agents knows or has a suspicion that a payment to the Fund (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to The Proceeds of Crime Act 1997 (as amended), The Proceeds of Crime Act (Anti-Money Laundering and Anti-Terrorism Financing) Regulations 2008 and the Anti-Terrorism (Financial and other Measures) Act 2004 of Bermuda in force at the time of this Prospectus and such shall not be treated as a breach of any restriction upon disclosure of information imposed by law or otherwise.

It is further acknowledged that the Administrator, in the performance of its delegated duties, shall be held harmless by the subscriber against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

The Fund, the Investment Advisor and the Administrator reserve the right to request such information as is necessary to verify such information. The Administrator may use the information provided by an investor in support of anti-money laundering or similar reviews, including sharing the information with other funds in which the investor may invest as part of such reviews. Depending on the circumstances of each application, a detailed verification might not be required.

In the event of delay or failure by the subscriber or Shareholder to produce any information required for verification purposes, the Board of Directors may refuse to accept a subscription or may compulsorily redeem such Shareholder's Shares in the Fund. The Board of Directors, by written notice to any Shareholder, or as permitted by law, may suspend the payment of redemption proceeds to a redeeming Shareholder if it reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Fund, the Investment Advisor or any of the Fund's service providers. Each subscriber and Shareholder will be required to make such representations to the Fund as the Fund, the Investment Advisor or the Administrator will require in connection with applicable anti-money laundering programs, including, without limitation, representations to the Fund that such subscriber or Shareholder is not a prohibited country, territory, individual or entity listed on the U.S. Department of Treasury Office of Foreign Assets Control ("OFAC") website, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs. Such subscriber or Shareholder will also represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene applicable local, state or international laws and regulations, including, without limitation, any applicable anti-money laundering laws and regulations. Each subscriber and Shareholder must notify the Fund promptly in writing should it become aware of any change in the information set forth in its representations.

Applications

Shares may be applied for by submitting a completed application form. A contract note confirming the transaction will be mailed to the purchaser. Subsequent applications should be accompanied by written instructions giving the name of the Fund, the relevant Fund account number and the exact name(s) of the account.

All Subscriptions must be filled by way of a transfer from the Shareholder's retail bank account at The Bank of N.T. Butterfield & Son Limited in the same name as the Shareholder's account unless there is specific approval from the Directors.

The Administrator will accept facsimile instruction from members who elect this option. A member may select this option by so indicating in writing. The Administrator shall not be liable for any loss incurred by the member by reason of the Administrator acting on facsimile instructions whether or not it may be shown that the instructions were not originally signed or sent by the authorised signatories of the Shares. Authorisation will remain in force until notice in writing of its termination is received by the Administrator.

Upon the determination of the Directors to designate an investment of the Fund as a "Special Investment", a *pro rata* portion of each series and class of Shares (based on the net asset value of each such series and class) will be automatically exchanged for Class S Shares of a series, so that such series of Class S Shares will have an initial aggregate net asset value equal to the fair value of such Special Investment. Class S Shares issued in connection with any single Special Investment will generally constitute a separate series of Class S Shares. Shares exchanged for a series of Class S Shares will be treated as if redeemed as of the date of exchange. A Series of Class S Shares entitle the holder thereof to participate indirectly on a *pro rata* basis in the Special Investment in respect of which such series of Class S Shares has been issued and to the same voting rights as the other classes of Shares. Class S Shares must be held by an Investor until the Special Investment in respect of which they have been issued is realised, or upon the determination of the Directors, in their discretion, that such investment need not be treated as a Special Investment any longer (such determination, a "deemed realization" of such Special Investment). Class S Shares are not redeemable by a Shareholder.

Upon the realization or deemed realisation of a particular Special Investment, all (or, if only a portion of the Special Investment is realised or deemed realised, a portion) of a Shareholder's Series of Class S Shares attributable to such Special Investment will be exchanged back into Shares of the Original class. The exchange of Shares will occur as of the last day of the calendar month in which the Fund's realization or deemed realization of the relevant Special Investment occurred. If the shareholder has redeemed all of its Shares, such shareholder will receive payment in cash or in kind in respect of the Class S Shares, net of expenses.

Redemptions

A form of request to redeem Shares will be supplied and signed by the investor. Redeeming members must sign the request in the exact name or names in which the Shares are registered and should indicate any special capacity in which they are signing (such as trustee or custodian or on behalf of a partnership, corporation or other entity). The completed form of request must be sent to the Administrator. If sent by mail, the Fund recommends using registered mail.

All redemption proceeds will be paid into a retail bank account at The Bank of N.T. Butterfield & Son Limited in the same name as the Shareholder's account at The Bank of N.T. Butterfield & Son Limited at the Shareholder's risk and expense. Should the Shareholder no longer maintain a retail bank account at The Bank of N.T. Butterfield & Son Limited the holding will be redeemed in full and payment made only in the name of the registered Shareholder by cheque, draft or wire transfer at the Shareholder's request, risk and expense unless there is specific approval from the Directors.

The Bye-Laws provide that, save in the case of Class S Shares, Shares will be redeemed on the next Dealing Day following receipt of the redemption request in proper form. The present intention of the Directors is that, so far as practicable, there shall be a Valuation Day on Wednesday in each week (or if Wednesday is not a Business Day in Bermuda or a Business Day in a principal market area for the fund's assets, the next business Day following Wednesday) and/or such other days as may from time to time be determined by the Directors either in any particular case or in Bermuda, except at quarter end when a weekly NAV will be suspended and the quarter end valuation will be completed for that week. The provisions in the Bye-Laws, which allow greater intervals between Valuation Days and which permit the suspension of redemptions in defined circumstances (see page 17 – Issuance of Shares) are designed to give necessary flexibility. Generally, an amount equal to the net asset value per Share on 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) will be transferred by the Fund to a member redeeming Shares within four Business Days of such redemption. The Directors may pay the redemption price in whole or part or in specie. Subject to the foregoing, the amount due to the redeeming member will be paid in US Dollars. The Directors may establish at any time reserves or holdbacks for estimated costs, expenses, liabilities and contingencies which could reduce the amount of the payment of the redemption price.

Redemption of part of a holding of Shares is permitted provided that it will not result in the member remaining registered as a holder of Class A Shares with a net asset value of less than US\$10,000, Class B Shares with a net asset value of less than US\$5,000,000, or Class C Shares with a net asset value of less than US\$10,000,000 unless the Directors otherwise agree.

Class S Shares are not redeemable at the option of Shareholders but may be redeemed at any time by the Fund. The Directors may compulsorily redeem any or all shareholders at any time for any reason on five (5) days' notice.

The Administrator, acting either as principal or as agent, may elect to purchase Shares presented for redemption at a price not less than the relevant redemption price.

The Directors reserve the right to limit the number of redemptions that may be affected on any Dealing Day as may be advised to Shareholders, in advance, from time to time.

The Administrator will accept facsimile instruction from members who elect this option. A member may select this option by so indicating in writing. The Administrator shall not be liable for any loss incurred by the member by reason of the Administrator acting on facsimile instructions whether or not it may be shown that the instructions were not originally signed or sent by the authorised signatories of the Shares. Authorisation will remain in force until notice in writing of its termination is received by the Administrator.

Transfer of Shares

Shares are transferable by instrument in writing signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and recorded in the register of members of the Fund. Unless the Directors otherwise agree, no transfer may be made which result in either the transferor or the transferee remaining or being registered as the holder of Class A Shares with a net asset value of less than US\$10,000, Class B Shares with a net asset value of less than US\$5,000,000 and Class C Shares with a net asset value of less than US\$10,000,000. The Directors may decline to register any transfer of Shares over which the Fund has a lien and may suspend the registration of transfers for not more than a total of 30 business days in any year. In the case of the death of any one of joint members, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint member in the Shares registered in the names of such joint members.

The form of transfer will be supplied on request. Members wishing to transfer Shares must sign the transfer in the exact name or names in which the Shares are registered, and indicate any special capacity in which they are signing and all other required details. The completed form of transfer, duly stamped if applicable, must be sent to the Administrator.

The Fund will not be liable for any stamp duty in connection with any transfer, sale, assignment, disposal of or other transactions in the Shares, which is the responsibility of the parties to such transactions.

Compulsory Redemption

The Directors may compulsorily redeem any or all Shares held by a Shareholder at any time for any reason. The Directors are required by the Fund's Bye-laws to give any affected Shareholder five (5) days written notice of any such redemption.

Application Procedures

Initial applications must be made on the Initial Application form enclosed with this document, subsequent applications for Shares may be made either (i) on the application form enclosed with this document or (ii) by written application (a) stating the number of Shares applied for, (b) undertaking to pay the amount due if the application is accepted, (c) stating the name and address in which the Shares are to be registered and the address to which the Contract Note is to be dispatched, and (d) confirming that the applicant has received and considered this Prospectus and the latest audited financial statements and that application is made on the terms of this Prospectus and subject to the Bye-Laws of the Fund.

The initial minimum subscription for Class A Shares is US\$10,000, the initial minimum subscription for Class B Shares is US\$5,000,000 and the initial minimum subscriptions for Class C Shares is US\$10,000,000. Additional subscriptions may be made in any amount.

Applications should be sent to Butterfield Asset Management Limited, P.O. Box HM 195, Hamilton HM AX, Bermuda.

Applications which do not fulfil the conditions stated in this document may be rejected and the right is reserved to reject any application which does fulfil such conditions.

Contract Notes will be awarded by ordinary post no later than two (2) following the relevant Valuation Day to the person(s) in whose name(s) the Shares are to be registered or, in the case of joint holders, to the registered address of the first-named holder.

ADDITIONAL INFORMATION

General

Save as disclosed in this document, no Director is materially interested in any contract or arrangement subsisting at the date hereof, which is significant in relation to the business of the Fund. None of the Shares of the Fund are under option. As at the date of this Prospectus, no Director has any material interest in any contract or arrangement with the Fund.

The Fund is not engaged in any litigation and does not have any claim of material importance pending or threatened by or against it.

No commission has been or will be paid by the Fund for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in the Fund, other than any sums paid to the Investment Adviser as described under the headings, "Investment Adviser", and "Fees and Expenses" above.

Save as disclosed in this Prospectus, no amount or benefit has been paid or given, or is intended to be paid or given by the Fund to any promoter or Director, or any firm of which a Director is a partner. So far as is known to the Directors of the Fund, no person is, directly or indirectly, interested in five percent (5%) or more of the nominal value of the Shares at the last Annual General Meeting.

In accordance with standard practice in the securities industry, telephone calls may be recorded.

Any complaint may be filed with Butterfield Asset Management at the address provided in the prospectuses above. Additionally complaints maybe telephoned into 441-299-3817 or facsimile 441-292-9947. All complaints will be acknowledged within 24 hours.

Bye-Laws

The Bye-Laws of the Fund contain provisions governing, amongst other things, the following matters (please note that in this section, the words "member" or "members" are used in place of the words "shareholder" or "shareholders")

- (a) The quorum at general meetings and the voting rights of members. At any general meeting not less than two members representing not less than ten percent of the Shares, represented in person or by proxy, constitute a quorum for the transaction of business. Subject to Shares having special voting rights, at any general meeting each member shall, on a show of hands, have one vote and, on a poll, one vote for each Share held. A proxy need not himself be a member. The holders of the Organisational Shares have voting rights only when no other Shares are in issue.
- (b) The requisition of Special General Meetings by the members. Members of the Fund holding at the date of deposit of their requisition not less than one-tenth of the paid-up voting capital of the Fund shall be entitled to requisition a meeting of the members and the Directors shall be obliged forthwith duly to convene a Special General Meeting of the Fund.
- (c) The location of general meetings. It is not the Director's intention to hold general meetings outside Bermuda unless exceptional circumstances justify it, but the Bye-Laws permit the Directors to authorise this.
- (d) The remuneration of Directors. This will be determined by the members in general meeting. However, it is intended that any Director who is an employee of the Bank or of any of its subsidiaries or affiliates shall not be entitled to any remuneration in his capacity as a Director.
- (e) The ability of Directors to hold any office or place of profit with the Fund (other than as auditor), to act in a professional capacity to the Fund and otherwise to contract with the Fund. In general, a Director shall not vote or be counted in the quorum on any resolution of the Directors concerning his own appointment as the holder of any office or place of profit with the Fund or any other company in which the Fund is interested (including the arrangement or variation of the terms or the termination thereof). No Director or proposed or intending Director shall be disqualified by his office from contracting with the Fund, either with regard to his tenure of any office or place of profit or as vendor, purchaser or any other manner, nor shall such a contract or any other contract or arrangement in which the Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Fund or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office provided that the Director who, to his knowledge, is in any way interested in a contract or arrangement with the Fund shall declare the nature of his interest at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any case at the first meeting of the Directors after he knows that he is or has become so interested.
- (f) The alteration or making of Bye-Laws. This requires the approval of the Directors and confirmation by the members in general meeting, as evidenced by the affirmative vote of a majority of members.
- (g) Each Director, Secretary or other officer of the Fund shall be indemnified by the Fund against, and it shall be the duty of the Directors out of the funds of the Fund to pay all costs, losses and expenses which any such Director or officer may incur or become liable for by reason of any contract entered into, or act or thing done by him as such Director or officer, or in any way in the discharge of his duties, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Fund, and have priority as between the Members over all other claims except as respects any such Director or officer where any such cost, loss or expense shall happen through his own fraud or dishonesty.

No Director, Secretary or other officer of the Fund shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Fund through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Fund, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Fund shall be invested, or for any loss or

damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by an error of judgment, omission, default, or oversight on his part, or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own fraud or dishonesty.

- (h) The power of the Directors to impose restrictions so as to ensure that no Shares are acquired or held by (i) any person in breach of the law or requirements of any jurisdiction or (ii) any person in circumstances which, in the Directors' opinion, might reasonably be expected to prejudice or risk prejudicing in any way either the Fund or the members. There are consequential provisions for compulsory redemption or transfer of Shares in these circumstances.

There is no provision in the Bye-Laws requiring a Director to retire by reason of any age limit and there is no share qualification for Directors. To be passed, resolutions of the Fund in general meeting, where required under the Bye-Laws, require (save in the case of (f) above) a simple majority of the votes cast by members who, entitled to do so, vote in person or by proxy at the meeting at which the resolution is proposed.

Inspection of Documents

Copies of the following documents are available for inspection free of charge by appointment at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the registered office of the Fund and at the office of The Bank of N. T. Butterfield & Son Limited, Hamilton, Bermuda.

- (i) the Memorandum of Association and Bye-Laws of the Fund;
- (ii) this Prospectus;
- (iii) the Material Contracts listed above;
- (iv) the audited accounts of the Fund for each of the three (3) financial years immediately preceding the issue of the prospectus; and
- (v) the Companies Act 1981 as amended.

Annual General Meetings

The Annual General Meeting of members of the Fund will be held in Bermuda or such other location as the Directors may from time to time determine for the purpose, amongst others, of considering the audited financial statements of the Fund. Notices convening the Annual General Meeting together with the annual report and accounts of the Fund will be sent to members at their registered addresses not later than 5 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to members.

Reports and Accounts

The Fund's year-end is the last Business Day in June in each year. Accounts will be produced to 30th June but will be prepared on the basis of valuations as at the last Business Day in June. Audited accounts will be made available to members within six months of the conclusion of each financial year. The Fund will also make available unaudited interim reports to members within two months of the last Valuation Day in the relevant period.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The Fund adopted this basis of accounting on July 1, 2014. The financial statements were previously prepared in accordance with accounting principles generally accepted in Canada and Bermuda ("GAAP").

Ernst & Young Ltd., Chartered Accountants have given and have not withdrawn their written consent to the inclusion herein of their name and reference to them in the form and context in which they appear. The latest Financial Statements, audited by Ernst & Young Ltd., Chartered Accountants, which are published under separate cover, are an integral part of this prospectus. No events have occurred subsequent to the date of the audited financial statements but before the date of this prospectus which provide material additional information relating to conditions that existed at the date of the financial statements which cause significant changes to assets or liabilities or which will or may have a significant effect on the future operations of the Fund.

Regulatory Reporting

United States

Under U.S. legislation commonly referred to as the "Foreign Account Tax Compliance Act" (or "FATCA"), unless a "foreign financial institution", as defined in the U.S. Internal Revenue Code and the U.S. Treasury Regulations issued by the U.S. Internal Revenue Service (the

“Service”), timely agrees to collect and disclose to the U.S. Treasury certain information with respect to its investors and its investors’ investments, or collects and discloses such information to a foreign government pursuant to an applicable intergovernmental agreement between the U.S. and that foreign government, and meets certain other conditions, certain payments to that foreign financial institution of dividends, interest, and certain other categories of investment income from sources within the U.S., and, after 31 December 2018, certain payments of proceeds from the sale of property that can produce dividends, interest, and certain other categories of income from sources within the U.S., will generally, assuming certain other conditions are met, be subject to a 30 per cent. U.S. federal withholding tax. The Fund expects to be treated as a foreign financial institution for these purposes. The Fund is subject to the terms of an intergovernmental agreement entered into by the U.S. and Bermuda to implement FATCA (the “IGA”). In order to comply with the IGA, the Fund has registered with the Service and generally will be required to identify, and report information with respect to, certain direct and indirect U.S. account holders (including debtholders and equity holders). A non- U.S. investor in the Fund will generally be required to provide to the Fund information which identifies its direct and indirect U.S. ownership. Any such information provided to the Fund and certain financial information related to such investor’s investment in the Fund will be shared with the Service. A non-U.S. investor that is a “foreign financial institution” will also generally be required to either (a) timely register with the Service, and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equity holders), or (b), in certain circumstances comply with the terms of an applicable intergovernmental agreement. A non- U.S. investor who fails to provide such information to the Fund, or timely comply with its FATCA-related obligations, would be subject to the 30 per cent. withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund, and the Board of Directors may take any action in relation to an investor’s Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information gave rise to the withholding.

The OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – Common Reporting Standard

The Standard for Automatic Exchange of Financial Account Information in Tax Matters (commonly referred to as the “Common Reporting Standard” or “CRS”) is a regime developed by the Organisation for Economic Co-operation and Development (“OECD”) to facilitate and standardize the exchange of information on residents’ assets and income, primarily for taxation purposes, between numerous jurisdictions around the world (“participating foreign jurisdictions”). Bermuda is a signatory to The Multilateral Convention on Mutual Administrative Assistance in Tax Matters which permits participating foreign jurisdictions to enter into agreements that provide for the automatic exchange of information with respect to certain tax matters. On October 29, 2014, Bermuda signed The Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the “MCAA”) which provides the legal basis through which participating foreign jurisdictions can agree to the CRS. Bermuda, together with over 90 other participating foreign jurisdictions, has committed to implement CRS with effect from January 1, 2016 and as a result, the Fund and the Master Fund are required to identify accounts held directly or indirectly by residents in participating foreign jurisdictions and to report information on such persons to the relevant tax authority in Bermuda, which will then exchange such information annually with foreign fiscal authorities.

In general, by investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- (i) the Fund (or its agent) may be required to disclose to the Service, the Bermuda Minister of Finance and other foreign fiscal authorities certain confidential information in relation to the investor, including, but not limited to, the investor’s name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor’s investment;
- (ii) the Bermuda Minister of Finance may be required to automatically exchange information as outlined above with foreign fiscal authorities;
- (iii) the Fund (or its agent) may be required to disclose to the Service, the relevant tax authority in Bermuda and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- (iv) the Fund may require the investor to provide additional information and/or documentation which the Fund may be required to disclose to the Bermuda Minister of Finance;
- (v) in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the investor concerned; and
- (vi) neither the Fund (nor its agent) shall be held liable for any form of damages or liability to the investor as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with CRS, any applicable IGA or any of the relevant underlying legislation.

This summary does not address all of the provisions of FATCA and/ or CRS or other Reporting Requirements that might be applicable to the Fund, or a particular Shareholder. Moreover, changes in applicable tax and regulatory laws after the date of this Prospectus may alter

anticipated tax consequences or the matters referred to in this summary. None of the Fund, the Investment Advisor, or any of their respective officers, directors, employees, agents, accountants, counsel or consultants assumes any responsibility for the tax consequences to any Shareholder of an investment in the Fund.

Shareholders should consult their own tax advisors regarding FATCA, and CRS and any equivalent or similar regime and the possible implications of such rules for their investments in the Fund.

An investment in the Fund could result in significant adverse tax consequences for U.S. Shareholders and or U.K. Shareholders or other Shareholders resident in a DRSpicipating foreign jurisdiction, which are not discussed herein. Accordingly, such persons should not invest in the Fund without first consulting their tax advisors.

Glossary

In this Prospectus, the following expressions shall bear the following meanings:

Asset Backed Securities	represent a participation in, or are secured by and payable from, as stream of payments generated by particular assets, such as commercial paper, credit card receivables, auto loans, or home-equity loans;
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Auditors	Ernst & Young Ltd. or such other person or firm appointed as auditor of the Fund
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Bankers	The Bank of N.T. Butterfield & Son Limited;
Bankers Acceptances (BA)	a short-term credit investment created by a non-financial firm and guaranteed by a bank;
Bond	interest-bearing or discounted certificate of indebtedness paying a fixed rate of interest over the life of the obligation;
Business Day	business days are any day that both banks in Bermuda are open for business and banks in the principal financial centre for payments in the relevant currency are open for business;
Bye-Laws	corporate document which governs how the Fund, is to be maintained and operated;
Cash and cash equivalents	are highly liquid and highly rated instruments such as commercial paper or bank deposits;
Canadian Dollar of CDN\$	currency code of Canada;
Capital Gain	difference between selling price of an asset and its cost when purchased;
Certificate of deposit (CD)	also called a time deposit this is a certificate issued by a bank or thrift that indicates a specified sum of money has been deposited. A CD has a maturity date and a specified interest rate, and can be issued in any denomination. The duration can be up to five years;
Classes	each class of Shares in the capital of the Fund created and designated by the Directors from time to time, with reference to the investment objectives and other terms and conditions applicable to such class, the particulars of which are set out in the Prospectus;
Commercial paper (CP)S	short-term promissory notes either unsecured or backed by assets such as loans or mortgages issued by a corporation. The maturity of commercial paper is typically less than 270 days; the most common maturity range is 30 to 50 days or less. They are usually sold, like Treasury bills, at a discount;
Contract Notes	written confirmation of a trade;
Custodian	The Bank of N.T. Butterfield & Son Limited or such other person or persons appointed as custodian, cash custodian or prime broker by the Directors;
Dealing Day	the Thursday in each week, or, if it is not a Business Day, the subsequent Business Day, so that it is the Business Day immediately subsequent to any Valuation Day or such other day or days in substitution therefor or addition thereto as the Directors may determine so long as there shall be at least one Dealing Day in each month;
Deposit	bank deposits are cash deposited in a financial institution for credit to a customer's account;
Directors	the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as they may be appointed from time to time;
Dividends	individual share of earnings distributed among stockholders of a corporation or company in proportion to their holdings;
Duties and Charges	include all stamp and other duties, taxes, Governmental charges, brokerage, bank charges, transfer fees and registration fees;
Economic risks	risk associated with changes in exchange rates or local regulations, which could favour the services or products of a competitor;
Euro or EUR or €	currency code of the European Union;
Euro Certificates of Deposit (ECD)	CDs issued by a U.S. bank branch or foreign bank located outside the U.S. Almost all Euro CDs are issued in London;
Euro commercial paper (ECP)	an unsecured, short-term debt instrument in Euro issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. The debt is usually issued at a discount, reflecting prevailing market interest rates;
Euro note	a debt security in Euro, usually maturing in one to 10 years;
Fixed Rate Bond (Fixed Bonds)	a bond whose rate is fixed for the life of the loan;

Floating Rate Note (FRN)	variable rate bonds with an interest rate that is periodically reset, usually every three to six months and that carry a fixed spread usually over the six-month London Interbank Offered Rate (LIBOR);
Fund	Butterfield US\$ Bond Fund Limited
GBP or £	currency code of the United Kingdom;
Government Agencies / Securities	negotiable securities issued by the U.S. Treasury Department, including Treasury bills, notes and bonds. Also federal agency securities many of which are backed by the Full faith and credit of the U.S. Government;
Instrumentalities	government agencies issuing marketable securities backed by the full faith and credit guarantee of the government.;
Investigation	a searching inquiry for ascertaining facts; detailed or careful examination;
Investment	the following types of publicly-issued and privately-placed investments: shares, securities, interests, units, corporate and municipal bonds, notes, debentures and other debt obligations; United States and foreign government bonds, bills, notes and other debt obligations and United States and foreign government agency bonds, notes and other debt obligations issued by or on behalf of United States or other foreign government agencies; money market instruments; other interest-bearing securities; depository receipts; loans, physical and intangible assets; intellectual property; real estate; real estate-related securities; real estate fixtures; futures contracts; bankers acceptances; foreign exchange; trust receipts; public and private common and preferred stock; debentures; warrants; instalment receipts; pre-organisation certificates and subscriptions; limited partnership interests; general partnership interests; other interests or property of whatever kind or nature of any person, government or entity whatsoever commonly regarded as securities; commodity interests (commodity interests, commodity futures contracts, foreign currency futures contracts, stock index futures contracts, and other interests or property commonly regarded as commodities, and rights and options, including, without limitation, puts and calls, with respect to any of the foregoing); currency interests (foreign currencies, foreign currency futures contracts, and other interests or property commonly regarded as currencies, and rights and options, including, without limitation, puts and calls, with respect to any of the foregoing); options, including, without limitation puts and calls and any combinations thereof (written by the Fund or others); swaps; and rights and derivative instruments convertible into or related to the aforementioned securities, including, without limitation, short positions in any such securities, whether held directly or indirectly through a special purpose vehicle or otherwise;;
Investment Adviser	Butterfield Asset Management Limited;
Investment Grade	securities which are rated at or above Baa3/BBB by the Nationally Recognized Statistical Ratings Organizations (NRSRO);
Issuer	a legal entity that develops, registers and sells securities for the purpose of financing its operations. Issuers may be domestic or foreign governments, corporations or investment trusts. Issuers are legally responsible for the obligations of the issue and for reporting financial conditions, material developments and any other operational activities as required by the regulations of their jurisdictions. The most common types of securities issued are common and preferred stocks, bonds, notes, debentures, bills and derivatives;
Liquidity	the degree to which an asset or security can be bought or sold in the market without affecting the asset's price;
Management Fee	as set out under "Fees and Expenses";
Maturity	the length of time until the principal amount of a bond must be repaid;
Memorandum of Association	memorandum of association of a company is the document that governs the relationship between the company and the outside world. It is one of the documents required to incorporate a company;
Money Market Instruments	debt instruments issued by private organizations, governments and government agencies, generally with maturities of one year or less;
Mutual Fund	an investment company that pools money from its shareholders in stocks, bonds, government securities and short-term money assets. A mutual fund is also known as an open-ended investment company;

Nationally Recognized Statistical Ratings Organizations (NRSRO)	entities that issue publicly available credit ratings that are current assessments of the creditworthiness of obligors with respect to specific securities or money market instruments;
Net Asset Value or NAV	the per share value of assets in the Fund, computed by subtracting liabilities from the portfolio value of securities held, plus cash and accrued earnings, and dividing the total by the number of outstanding shares of the relevant Class;
Net proceeds	amount received after all costs are deducted from the sale of a security;
Note	debt instruments with initial maturities longer than one year but shorter than 10 years;
Notice	written notice unless otherwise specifically stated;
Office	registered office of the Fund for the time being;
Open Ended Investment Company	see Mutual Fund;
Organisational shares	shares in the capital of the Fund of a par value of USD\$0.01 each having the rights and being subjected to the restrictions specified in the Bye-laws;
Promissory note	written pledge to pay;
Prospectus	formal legal document, that provides details about an investment offering for sale to the public. A prospectus should contain the facts that an investor needs to make an informed investment decision;
Redemptions	liquidation of a mutual fund share by selling shares back to the fund's investment manager at the Net Asset Value price;
Register	register of Members maintained by the Fund in Bermuda;
Registrar and Transfer Agent	MUFG Fund Services (Bermuda) Limited;
Repurchase agreement (REPO)	contract to sell and subsequently repurchase securities at as specified date and price. Also known as repo, RP or buyback agreement;
Risk	the chance that an investment's actual return will be difference than that of what is expected. This includes losing some or all of the original investment. Risk is usually calculating the standard deviation of the historical returns or average returns of a specific investment;
Risk management	the process of identification, analysis and either acceptance or mitigation of uncertainty in investment decision-making. Essentially, risk management occurs anytime an investor or fund manager analyses and attempts to quantify the potential for losses in an investment and then takes the appropriate action (or inaction) given their investment objectives and risk tolerance;
Seal	Common Seal of the Fund and includes any duplicate common seal which the Directors may by resolution approve or adopt;
Secretary	(subject to the provision of the Companies Act 1981), as amended – the person for the time being appointed to perform the duties of the Secretary of a Fund and includes an Assistant, Acting or Deputy Secretary;
Share	a participating share in the Fund;
Share capital	funds raised by issuing shares in return for cash or other considerations. The amount of share capital a company has can change over time because each time a business sells new shares to the public in exchange for cash, the amount of share capital will increase;
Shareholder	a registered owner of shares;
Short term obligations	a security that matures in one year or less;
Sovereign bonds	debt security issued by a national government within a given country and denominated in a foreign currency;
Subscription	agreement to purchase shares of a mutual fund from the Fund's investment manager at the Net Asset Value price;
Treasury Bill (T-Bills)	a security with a maximum maturity of one year issued by the U.S. Treasury Department. Bills are sold at a discount from principal amount and redeemed at face value;

U.S.	United States or The United States of America, (including the States and the District of Columbia) its territories or possessions and other areas subject to its jurisdiction including the Commonwealth of Puerto Rico;
US Dollar or US\$	currency code of the United States of America;
US Person	(i) any resident of the United States; (ii) a corporation, partnership or other entity incorporated, created or organised in or under the laws of the United States or any political subdivision thereof; (iii) an estate of which any executor or administrator is a U.S. Person; (iv) a trust of which any trustee is a U.S. person, (v) an agency or branch of a non-U.S. entity located in the United States, (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States, and (vii) any partnership or corporation if it is organised or incorporated by a U.S. person under the laws of a jurisdiction outside the United States primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended (unless it is organised and incorporated, and owned, by accredited investors, as defined in regulation d promulgated under such Act, who are not natural persons, estates or trusts; provided however, that the term "U.S person" shall not include (i) a branch or agency of a U.S. bank or insurance company operating outside the United States for a valid business reasons; (ii) a discretionary or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States; (iii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, provided that an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion which with respect to the assets of the estate and the estate is governed by non-U.S. law; (iv) any trust of which any professional fiduciary acting as a trustee is a U.S. person, provided that a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust and no beneficiary of the trust (and not settlor if the trust is revocable) is a U.S. person; or (v) an employee benefit plan established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country;
Yield	the amount of income an investment delivers after deduction of charges expressed as a percentage of the amount invested, usually as an annual figure;
Valuation Day	Wednesday in each week (or if Wednesday is not a Business Day in Bermuda or a Business Day in the principal market area for the Fund's assets, the next business Day following Wednesday) and/or such other days as may from time to time be determined by the Directors either in any particular case or generally in Bermuda, except at quarter end when a weekly NAV will be suspended and the quarter end valuation will be completed for that week;
Zero-coupon bond (Zeroes)	a bond in which no periodic coupon is paid over the life of the contract. Instead, both the principal and the interest are paid at the maturity date.

The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons include companies or association or bodies of persons, whether corporate or unincorporated.

References herein to an Act are to an Act of the Bermuda Legislature.