

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

The Directors of the Butterfield Select Invest 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.

OFFER BY

**BUTTERFIELD SELECT INVEST FUND LIMITED**

(incorporated in and under the laws of Bermuda with limited liability)  
of up to 1,000,000,000 Shares of US\$0.00001 par value

Dated: July 2012

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

**NEITHER THE BERMUDA STOCK EXCHANGE OR 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 DECLINE ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING 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 (the "Authority") for the issue of up to the authorized capital of the Fund from time to time in Butterfield Select Invest 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.

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 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 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 Select Invest Fund Limited is advised 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 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 market risks and its investments are not guaranteed by the Bank.

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## **PREAMBLE**

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

The objective of the Fund is to act as a feeder fund to the Butterfield Select Fund Limited, which offers a convenient and efficient vehicle for investing in mutual funds and index instruments which are anticipated to provide the best opportunities for capital appreciation having regard to diversification.

The investment adviser is Butterfield Asset Management Limited (the "Investment Adviser"). The custodian is Butterfield Trust (Bermuda) Limited (the "Custodian"). The administrator is Butterfield Fulcrum Group (Bermuda) Limited (the "Administrator"). The Administrator shall also be the Registrar and Transfer Agent. The Custodian and the Investment Adviser are wholly owned subsidiaries of The Bank of N.T. Butterfield & Son Limited (the "Bank"), Bermuda's first bank, which was established in 1858. Through its principal headquarters located in Bermuda with offices in The Bahamas, Barbados, Cayman Islands, Guernsey, 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 \$0.00001 par value each in the Fund (the "Shares") which may be offered in separate, segregated classes.

The initial minimum subscription for Shares is US\$1,000. The procedure for buying Shares is described on page 15.

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 16, (Compulsory Redemption) the Fund will periodically repurchase its Shares at their net asset value. The Fund plans to make a continuous offering of Shares on each Dealing Day at not less than the then net asset value.

It is not the intention of the Directors, at their discretion, to pay dividends on the Shares. Capital gains and net income will be reflected in the net asset value of the Shares.

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 1 September, 2005 under the provisions of The Companies Act 1981 as amended.

The present authorised share capital of the Fund is US\$10,001 divided into 100 Organisational Shares of US\$0.01 par value each (the "Organisational Shares") and 1,000,000,000 shares of US\$0.00001 par value each, which have been designated as non-voting participating shares (the "Shares"). The Organisational Shares have been allotted for cash at par to the Investment Adviser and its nominees.

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 principal objective of the Fund is to achieve long term capital growth in the value of assets.

The Fund seeks to invest in various weightings of asset classes of the Butterfield Select suite of funds. Investments will be made on long term strategic basis and allowing for a short term tactical shift in keeping with the overall objective of each class. The established range of Classes is outlined below. This diversified approach is aimed at providing investors with a choice of achieving long-term capital growth, while limiting volatility according to their (Investors) risk tolerances. Initially, each Class will be rebalanced on a quarterly basis to ensure respective allocations are maintained as per the below. The Investment Adviser may, from time to time at a future dates, revise in its discretion these allocations in keeping with the overall objective of each Class.

## **Risk Range Guidelines:**

Conservative	80% Fixed Income	10% Equity	10% Alternative
Cautious	60% Fixed Income	30% Equity	10% Alternative
Balanced	35% Fixed Income	55% Equity	10% Alternative
Growth	10% Fixed Income	80% Equity	10% Alternative
Dynamic	5% Fixed Income	90% Equity	5% Alternative

## **Butterfield Select Fund Classes**

The Butterfield Select Equity Class holds a global portfolio of International and Bermuda equity mutual funds, International equity index-linked instruments, and money market instruments or mutual funds for cash management purposes. The Butterfield Select Equity Class will limit its overall investment in funds advised by subsidiaries of The Bank of N.T. Butterfield & Son Limited (the “Bank”) to less than 25% of the value of the assets of the Class. No investment position in this Class will exceed 15% of the value of the assets of the Class at time of purchase.

The Butterfield Select Global Fixed Income Class holds a portfolio of International fixed income mutual funds and/or securities. The Butterfield Select Fixed Income Class may also hold money market instruments or mutual funds for cash management purposes. The Butterfield Select Fixed Income Class may hold a maximum of 30% of the value of the assets of its portfolio in funds associated with the Bank.

The Butterfield Select Alternative Investment Class invests with professional money managers who invest in common and preferred stocks (including small cap stocks), options, warrants, convertible securities, bonds, foreign securities, foreign currencies, commodities, commodity futures, financial futures, derivatives, mortgage backed and mortgage related securities, real estate and other assets of investment grade or below investment grade. The Investment Adviser will attempt to minimise the risks involved in the Fund’s investment by selecting money managers who utilise strategies such as hedged investing and by diversification. The Alternative Investment Class may also hold money market instruments or mutual funds including the Butterfield Money Market Fund for cash management purposes.

In selecting the investments of the Butterfield Select Fund Limited, the Investment Adviser will seek to identify those funds, index instruments or securities which are anticipated to provide the best opportunities for capital appreciation having regard to diversification. Each Class of the Butterfield Select Fund Limited will be diversified across markets and also by investment styles of the managers of the funds selected. The diversification of investments for each class of the Fund including the allocation between currencies, geographical and investment styles may be varied by the Investment Adviser from time to time at their absolute discretion.

Investment on an international basis involves fluctuations in the price of assets, foreign exchange rates, taxes, exchange controls and other economic and political developments. Availability of information, standards of accounting, auditing and financial reporting and the size, expense and liquidity of markets may 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 its 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 these objectives.

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

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

## **Investment Guidelines**

The Fund seeks to invest in various weightings of the asset classes of the Butterfield Select suite of funds. Investments will be made on long term strategic basis and allowing for a short term tactical shift in keeping with the overall objective of each class. The Investment Adviser may, from time to time at a future dates, revise in its discretion these allocations in keeping with the overall objective of the Fund.

**Below outlines the parameters in which each of the Select Fund asset classes must adhere to:**

### **Alternative Class**

Strategies: Multi Strategy portfolio with a minimum number of strategies of 5 and a typical range of strategies between 5 to 10.

Number of funds: Minimum number of funds of 10 and a typical range of funds between 20 to 30.

Maximum allocations to a Manager: 10% Maximum allocation to a firm; however 15% is permitted to invest in Fund of Funds.

### **Equity Class**

Maximum exposure of 15% to a single investment fund or discretionary account, with the exception of index and exchange-traded funds.

Maximum exposure of 25% to any single fund management group.

Minimum exposure of 20% to investments with daily liquidity.

Minimum exposure of 50% to investments with weekly liquidity or less.

It is the intention of the fund that no investments should be held with liquidity terms greater than monthly.

A maximum of 40% exposure to GICS specific funds.

Prudent diversification across industries and regions in the context of the Fund's benchmark currently MSCI World.

### **Global Fixed Income Class**

Maximum exposure to any single issuer is 5%, with exception of securities issued or guaranteed by the US Government or its Agencies or Instrumentalities, including securities guaranteed by the FDIC.

Maximum exposure to a single investment fund is 15%, with the exception of index and exchange-traded funds.

Minimum exposure of 75% to investments with weekly liquidity or less.

No investment should be held with liquidity terms greater than quarterly.

The Fund may invest in any debt security type, strategy, or geographical market. However, it will limit exposure to the following guidelines:

Sovereign	100%
Municipal	50%
Agency	50%
Corporate	50%
Emerging Markets	15%
High Yield	15%
Distressed	10%
Securitized	30%
Other	15%

### **Minimum Amount Required To Be Raised**

There is no minimum amount which, in the opinion of the Directors, is required to be raised by the issue of Shares in the Fund pursuant to the continuous offering for the matters specified in Section 28 of The Companies Act.

### **Risk Factors**

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

- Investing in a wide variety of instruments
- Using a wide range of different models and strategies on those instruments
- Applying risk management techniques to the strategy
- Applying portfolio theory to the strategy
- Trading relatively liquid products

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 the Select Alternative Investment Class of Butterfield Select Fund Limited, 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 only 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.

#### **Currency Exchange Risk:**

The Fund's shares are denominated in US Dollars. Currency fluctuations relative to the US dollar of an investor's currency of reference may adversely affect the value of an investor's investments.

#### **Investment and Trading Risks in General:**

All securities investments risk the loss of capital. Investment in the various funds along with the securities and other instruments they invest in involves significant economic risks. Although the Fund's investment program is expected to provide some protection from the risk of loss

inherent in the ownership of such a wide array of 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.

**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 voting rights, have been issued exclusively to the Investment Adviser.

**Management Risk:**

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

**Non-Transferability of Shares:**

Investors may acquire Shares in the Fund only for investment and not for resale, and the Shares are transferable only with the directors' consent. There will be no resale market for the Shares. Consequently, Shareholders will only be able to dispose of their Shares by means of redemption.

**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 equity base. This could adversely affect the value of the Shares.

**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 Adviser, 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 payable in Bermuda and any other applicable taxes.

Under the terms of the Investment Advisory Agreement referred to below, the Adviser will be entitled to receive a monthly fee which is by additional agreement calculated at a rate of no more than 0.25 % per annum of the net asset value of the Fund in each month (i. e. a monthly rate of  $0.25\% \div 12$ ), and will be paid on the last Valuation Day in each month.

Where the Fund invests the assets of any class account in other Butterfield funds managed by the Investment Adviser or other subsidiaries of the Bank, the Investment Adviser may be paid a fee in relation to the provision of investment advice to those funds.

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 monthly fee calculated at the rate 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 an annual registration fee based on the assessable capital of the Fund to a current maximum of \$27,825 payable to the Bermuda Government.

All expenses will be borne out of the income or capital of the Fund as determined by the Directors.

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.

**Taxation**

At the date of this Prospectus, there is no Bermuda income tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Fund or its members in respect of their investment in the Fund. The Fund has obtained from the Minister of Finance an assurance that it will be exempt from taxation until the year 2016.

The Fund may be liable to pay foreign (i.e. non-Bermuda) taxes with respect to (i) the purchase or sale of, or other dealings in, assets held by the Fund and (ii) capital, interest and dividends related to assets held by the Fund in those countries which impose such taxes. There is no double taxation relief available to the Fund in Bermuda.

### **Exchange Control**

The Fund has been deemed non-resident of Bermuda for exchange control purposes under the Bermuda Stock Exchange Control Act 1972 and regulations made thereunder (the “Exchange Control Act”) by the Authority, whose permission for the issue of Shares pursuant to this Prospectus has been obtained. The transfer of 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 Shares to or by such persons may be effected without specific consent by the Authority under the Exchange Control Act.

## **MANAGEMENT OF THE FUND**

### **Board of Directors**

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

Michael Neff  
Executive Vice President –Head of Group Asset Management  
The Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM 12, Bermuda

Richard Saunders  
Head of European Asset Management  
Butterfield Bank (Guernsey) Limited  
Guernsey, Channel Islands

Andrew Baron  
Vice President – Head of Group Fixed Income  
Butterfield Asset Management Limited  
65 Front Street  
Hamilton HM 12, Bermuda

### **Registered Office**

Rosebank Centre  
11 Bermudiana Road  
Pembroke HM 08, Bermuda

### **Investment Adviser**

Butterfield Asset Management Limited  
65 Front Street  
Hamilton HM 12, Bermuda  
Telephone: 441-299-3817  
Fax: 44-1292-9947

### **Custodian**

Butterfield Trust (Bermuda) Limited  
65 Front Street  
Hamilton HM 12, Bermuda  
Telephone: 441-295-1111  
Fax: 441-292-1258

### **Registrar and Transfer Agent and Administrator**

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM 08, Bermuda  
Telephone: 441-299-3882  
Fax: 441-295-6759

<b>Bankers</b>	The Bank of N.T. Butterfield & Son Limited 65 Front Street Hamilton HM 12, Bermuda
<b>Accountants</b>	Butterfield Fulcrum Group (Bermuda) Limited Rosebank Centre 11 Bermudiana Road Pembroke HM 08, Bermuda Telephone: 441-299-3882 Fax: 441-295-6759
<b>Auditors</b>	Ernst & Young Ltd 3 Bermudiana Road Hamilton HM 11, Bermuda
<b>Legal Advisers</b>	Conyers Dill & Pearman Limited Clarendon House 2 Church Street Hamilton HM 11, Bermuda
<b>Listing Sponsor</b>	Butterfield Securities (Bermuda) Limited 65 Front Street Hamilton HM 12, Bermuda
<b>Secretary</b>	Donna Phillips Butterfield Fulcrum Group (Bermuda) Limited Rosebank Centre 11 Bermudiana Road Pembroke HM 08, Bermuda

## **DIRECTORS' INTERESTS**

- (a) No Director presently has any beneficial interest in any Shares.
- (b) Michael Neff and Andrew Baron are Directors of the Investment Adviser which will be receiving fees from the Fund. The Investment Adviser may as described on page 10 also receive a commission on issue of shares.
- (c) Michael Neff and Andrew Baron are Directors or Officers of the Bank or the Investment Adviser, or both.

### **Michael Neff** (*American*)

In his role as Head of Group Asset Management, Mr. Neff has overall responsibility for the Group's asset management businesses located in Bermuda, the Cayman Islands, Guernsey and the UK. He has nearly 25 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. Mr. Neff led the implementation of global sales and client relationship management (CRM) policies and processes at Citibank before leaving the firm to establish AnswerSpace Inc., a CRM and financial planning consultancy, in 1998. In 2001, he founded Monetaire Inc., a leading provider of financial planning and advice software that was acquired by RiskMetrics Group in 2004. At RiskMetrics, Mr. Neff served as Global Head of Wealth Management, Global Head of Client Implementations, Global Head of Client Services and Co-Head of Global Business Risk. Mr. Neff holds a Bachelor of Arts from Middlebury College and a Master of Business Administration from Columbia Business School.

### **Andrew Baron** (*American*)

Andy joined Butterfield Asset Management in September 2006 and is responsible for the portfolio management of the Butterfield US\$ Bond Fund and many large discretionary fixed income portfolios, predominantly for Captive Insurers. He is also head of the Fixed Income Council for Butterfield across the Group Asset Management platform, responsible for producing macroeconomic and interest rate forecasts for the US, UK and Euro zone. Prior to coming to Bermuda, Andy worked in the fixed income markets in both London and San Francisco. He holds a degree in Economics and Japanese and is a Chartered Financial Analyst.

**Richard Saunders** (*British*)

Richard is Head of European Asset Management. His responsibilities include overall management of the Bank's asset management operations in Guernsey and London. Richard is a member of Butterfield's Group Investment Councils and also the Group's Asset Management Executive Committee, which set strategic direction for Butterfield's investment operations. He is also a member of the Executive Committee of Butterfield Bank (Guernsey) Limited.

Richard joined the bank in 2000 as a Senior Manager and Head of Guernsey's Investment team. Prior to joining the Bank, Richard worked for 10 years at Royal Bank of Canada, where he was a member of committees charged with the formulation of global investment strategy. He also had responsibilities for investment mandates ranging from discretionary Private Client portfolios through to equity and balanced mutual funds, as well as a range of offshore money market funds.

Richard gained a Bachelor of Science degree in Mathematics, Physical Education and Sports Science from Loughborough University, England.

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 1<sup>st</sup> September 2005, (the "Investment Advisory 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.

**Directors of the Investment Adviser are:**

**Michael Neff**

Please see entry under Directors of the Fund.

**Andrew Baron**

Please see entry under Directors of the Fund.

**Michael Collins** (*Bermudian*)

In his role as Senior Executive Vice President, Bermuda, Mr. Collins has overall responsibility for all of Butterfield's customer-facing businesses in Bermuda—commercial and retail banking, wealth management and custody, as well as the supporting human resources, marketing and administrative functions. He has responsibility for the Group's Asset Management, Pension and Charitable Donations Committees. Mr. Collins has close to 25 years' experience in financial services, having held progressively senior positions, at JP Morgan in New York and later at Bermuda Commercial Bank and HSBC in Bermuda. Before joining Butterfield in 2009, Mr. Collins was Chief Operating Officer at HSBC Bank of Bermuda. Mr. Collins holds a BA in Economics from Brown University.

**W. Aaron M. Spencer** (*Bermudian*)

Aaron joined Butterfield as a Senior Accountant in Butterfield Corporate Services Limited (fund administration company) in 1985. In 1987, he moved to the Internal Audit Department where he was promoted to Head of Group Audit. In November 1996, Aaron took over as Vice President, Head of Banking Operations. In 1998 he was instrumental in the establishment of ProServe (Bermuda) Limited, a joint venture with

HSBC Bank Bermuda Limited (then Bank of Bermuda). In 2002 he was named Senior Vice President, Head of Operations and took on responsibility for Premises in 2007. Aaron developed and initiated the program to centralize operations within Bermuda which improved efficiency, increased reliability and streamlined support functions. In 2009, Aaron was seconded to the One Butterfield programme, where he was responsible for all aspects of programme implementation in Bermuda, including the migration of applications off-island and the introduction of the new core banking system.

Prior to joining the Bank, Aaron worked for Peat Marwick International (now KPMG) as a Senior Auditor, for the Bermuda College as a part-time professor of Intermediate Accounting, and for Touche Ross & Co. Aaron holds a Bachelor of Science in Business Administration, and a MBA, from Oakwood University and Atlanta University, respectively. Aaron is also a member of the Institute of Chartered Accountants of Bermuda, and the Canadian Institute of Chartered Accountants and was certified by the Georgia State Board of Certified Public Accountants.

#### **Curtis Dickinson** (*Bermudian*)

Curtis Dickinson has served as our Executive Vice President, Group Capital Markets & Treasury since June 2011. Mr. Dickinson is responsible for Butterfield's capital markets and treasury businesses across all of our jurisdictions. Previously Mr. Dickinson was responsible for the overall management of Butterfield's Bermuda-based Wealth Management Division, including Private Banking, Personal and Corporate Trust and Investment Services. Mr. Dickinson joined the Bank in 2006 as Senior Vice President, Corporate Management and was appointed Senior Vice President, Wealth Management in 2007 and Executive Vice President, Wealth Management in 2009. Prior to joining Butterfield, Mr. Dickinson worked in the United States and the United Kingdom as an investment banker raising capital for companies in the media & communications and consumer & retail industries with Donaldson, Lufkin & Jenrette Securities Corporation, Credit Suisse First Boston Corporation and Wachovia Securities. Mr. Dickinson received a Masters of Business Administration degree from Columbia University's Graduate School of Business and his Bachelor of Arts in Finance from Morehouse College.

#### **Sub-Adviser**

Under a Sub-Advisory Agreement dated 1st March, 2003, International Asset Management Limited will provide investment advisory services to the Adviser in relation to the investment and reinvestment of the Portfolio in Investments. International Asset Management Limited manages portfolios of hedge funds for institutions and high net worth individuals and is one of the oldest and largest independent multi-managers in Europe. International Asset Management Limited specializes in running multi-manager portfolios and presently have \$2.4 billion funds under management as of December 2011.

The Sub-Adviser shall be paid fees for its services equal to 50 percent of the monthly management fees payable to the Adviser from time to time under the Investment Advisory Agreement and 50 percent of any other fees payable to the Adviser under the Investment Advisory Agreement.

The Sub-Advisory Agreement may be terminated by either party thereto giving to the other not less than 3 months' written notice.

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

#### **Potential Conflict of Interest**

The Investment Adviser may act as manager or adviser to other mutual funds or clients. It may also invest for its own accounts. As such, it could compete for the same trades or investments as the Fund may otherwise make. When such an occasion arises, investment opportunities are allocated based on what such persons deem to be equitable. However, in some cases these allocation procedures may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

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 resolution 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.

#### **The Administrator**

Under an administration and services agreement dated July 2012, (the "Administration Agreement") Butterfield Fulcrum Group (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, willful negligence or willful 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 Registrar and Transfer Agent, Butterfield Fulcrum (Bermuda) Group 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 and Registrar and Transfer agent will be borne by the Fund (page 7 - 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 19<sup>th</sup> August 2005, (the "Custody Agreement") the Custodian, Butterfield Trust (Bermuda) 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 Custodian is in the business of providing custody, trust and private banking services.

The fees and expenses of the Custodian and Registrar and Transfer Agent in performing their respective functions for the Fund will be borne by the Fund (page 7 - 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, 1<sup>st</sup> September 2005, between the Fund and Butterfield Asset Management Limited pursuant to which the latter was appointed Investment Adviser to the Fund.
2. Custodian Agreement, dated 19<sup>th</sup> August 2005, between the Fund, the Investment Adviser and Butterfield Trust (Bermuda) Limited, pursuant to which the latter was appointed Custodian of the assets of the Fund.
3. Administration Agreement, dated July 2012, between the Fund, the Investment Adviser and Butterfield Fulcrum Group (Bermuda) Limited pursuant to which the latter 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 it possible for investors to participate in a portfolio which is invested in mutual funds and index instruments consistent with the investment policies and objectives of that particular class of share. Where required, shares in the Fund can be issued up to any amount and divided into

classes with different rights, privileges and conditions. However, as at the last Annual General Meeting, it is the Directors' intention to issue shares denominated only in US Dollars.

The net proceeds from the sale of each class of shares will be segregated into separate class accounts and all trading results of each class account will accrue to such account, and all expenses and liabilities relating to a particular account and any redemption of the shares related thereto will, so far as possible and subject to the Bye-Laws, be charged to and paid from the class account in question, with the intent that to the extent possible, the trading results of any one class account will have no effect on the value of any other account, and that the holders of any class of shares would not have any interest in any assets of the Fund other than the account attributable to the class of shares held by them although the assets of each class account may be subject to the general creditors of the Fund.

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). A Business Day is any day the banks in Bermuda are opened for business (excluding Saturdays and Sundays) 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 Thursday in each week (or if Thursday 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 Thursday) 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 US\$1,000 or more, subject to the discretion of the Fund. The Directors reserve the right 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 the net asset value of the relevant class, which is the value calculated by reference to the assets attributable to that class after the deduction of liabilities attributable to that class. Rounding adjustments to the nearest two decimal places are permitted to give convenient figures for dealing.

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; (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 for the account 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 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 each class of Shares 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 or prior to 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) units or shares in collective investment schemes shall be valued by reference to their latest available net asset value per share or unit of such schemes as published or quoted by the management of such schemes or by their duly authorised agents;
- (v) 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
- (vi) the Directors at their absolute discretion may permit some other method of valuation to that described in (ii), (iii), (iv) and (v) 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.

Following the valuation of the Fund's net assets attributable to each class of Shares, the net asset value of a Share is found by dividing the value of the total net assets attributable to that class by the number of Shares of that class 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 in the opinion of the Directors it is not reasonably practicable for the Fund to dispose of any significant portion of the assets owned by it or when any such disposal would be materially prejudicial to members 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 reasonably or fairly be ascertained or (d) during which the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of assets or payments due on redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange or (e) during which they consider it to be in the best interests of the Fund or the members to suspend such determination. 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.

## **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 Proceeds of Crime Act 1997 and regulations made thereunder (as amended) (the "AML Laws"). 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 may 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, such person is required to report such suspicion pursuant to the AML Laws and the Anti-Terrorism (Financial and other Measures) Act 2004 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.

## **Applications**

Shares may be applied for by submitting a completed application form, together with the related US dollar payment, to the Administrator. Any cheques should be made payable to the Fund to facilitate identification of monies. Wire payments for the Fund should specifically mention the Fund. The applicant should submit one transaction per page. 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.

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.

## **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.

The Bye-Laws provide that 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 Thursday in each week (or if Thursday 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 Thursday) 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 (page 13 – Issuance of Shares) are designed to give necessary flexibility. 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. If payment is made by distributions in specie, such distributions will not materially prejudice the interest of the remaining Shareholders. Subject to the foregoing, the amount due to the redeeming member will be paid in US Dollars.

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 Shares with a net asset value of less than US\$1,000, unless the Directors otherwise agree.

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 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 would result in either the transferor or the transferee remaining or being registered as the holder of Shares in a class with a net asset value of less than US\$1,000. 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 that may be payable in connection with any transfer, sale, assignment, disposal of or other transaction in Shares, which is the responsibility of the parties to such transactions.

## **Compulsory Redemption**

The Bye-Laws of the Fund empower the Directors to compulsorily redeem all or any Shares at any time at the net asset value per Share, if amongst other things, as a result of any transfer or conversion or redemption, an investor's holding of shares should fall below a net asset value of US\$ 1,000 or if to do so, in the Directors' sole opinion, would eliminate or reduce the exposure of the Fund or its members to adverse tax consequences under the laws of any country or if the acquisition or holding of Shares might be expected to prejudice, or risk prejudicing, in any way either the Fund or the members.

The Bye-Laws of the Fund also empower the Directors to compulsorily redeem all (but not some) of the Shares (other than the Organisational Shares) remaining in issue if at any time after the fifth anniversary of the date of the Fund's incorporation the aggregate net asset value of the Shares (other than the Organisational Shares) falls and remains below US\$ 5,000,000 for a period of 26 consecutive weeks.

The Directors are required by the Fund's Bye-Laws to give 30 days written notice to members before exercising their powers of compulsory redemption in either of the above cases.

## **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 Shares is US\$ 1,000. 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 fulfill the conditions stated in this document may be rejected and the right is reserved to reject any application which does fulfill such conditions.

Payment in full of the subscription monies must be made in U.S. dollars by cheque payable to the Administrator or by telegraphic transfer to J.P. Morgan Chase, Building F, Floor 8, 4 Chase Metrotech Center, New York, NY 11245 (SWIFT: CHAS US 33), for credit to Bank of N.T. Butterfield & Son Limited, 65 Front St., Hamilton, Bermuda A/C No. 0011067808 (SWIFT: BNTB BM HM), for further credit to Butterfield Select Invest Fund Limited, account number 1361860, ref. client name and account number.

If any application is not accepted in whole or in part, any application money sent or the balance thereof will be returned to the applicant through the post at the risk of the applicant. The right to present all cheques for payment on receipt is reserved and no Shares will be issued or sent nor excess application monies returned pending clearance of an applicant's cheque.

Contract Notes will be awarded by ordinary post no later than 2 weeks following the relevant Valuation 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 is materially 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 prospectus above. Additionally complaints may be 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. Only the holders of the Organisational Shares have voting rights.
- (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 a 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. 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 to tenure of office, remuneration and otherwise as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Fund either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Fund in which any 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 for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made then at the first meeting of the Directors held after he becomes so interested. Save as provided in the Bye-laws, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Fund) unless the nature of his interest is declared at the first opportunity at a meeting of the Directors or by writing to the Directors and no other Director objects to the interested Director voting on such arrangement. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. Any Director may continue to be or become a president, vice president, director, managing director, manager or other officer or member of any other company in which this Fund may be

interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a president, vice president, director, managing director, manager or other officer or member of any such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Fund, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them presidents, vice presidents, directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the presidents, vice presidents, directors, managing directors, managers or other officers of such company), and subject to the provisions of the preceding Bye-law any Director of the Fund may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be, or be about to be, appointed a president, vice president, director, managing director, manager or other officer of such other company and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

- (f) The alteration or making of Bye-Laws. This requires the approval of the Directors and confirmation by a resolution passed by a majority of the votes of Members holding Organisational Shares who vote in person or by proxy at a meeting of the Fund.
- (g) Each Director, Secretary or other officer of the Fund shall be indemnified by the Fund, 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 such 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 Butterfield Trust (Bermuda) 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 Meeting**

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 21 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 sent to members within six months of the conclusion of each financial year. The Fund will also send interim reports to members within two months of the last Valuation Day in the relevant period.

Deloitte & Touche, 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 Deloitte & Touche, 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.

## **Auditors Report to Shareholders**

To the shareholders of Butterfield Select Invest Fund Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Butterfield Select Invest Fund Limited (the "Fund"), which comprise the statement of net assets, including the statement of portfolio investments, as at June 30, 2011, and the statement of operations and statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Canada and Bermuda, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Canada and Bermuda. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2011, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Canada and Bermuda.

### **DELOITTE & TOUCHE LTD.**

Hamilton, Bermuda  
October 31, 2011

**The Fund has appointed Ernest & Young Ltd as Auditors of the Fund as at April 2012 and they will audit the June 2012 financials.**

## 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;
Atlantic Standard Time	Coordinated Universal Time (GMT) – 4 hours;
Auditors	the person or firm appointed as auditor of the company, Ernst & Young Ltd. as at April 2012;
Bankers	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	a day on which banks are authorized to open for business in Bermuda and the principal financial centre for payments in the currency by reference to the relevant Class is designated;
Bye-Laws	corporate document which governs how the company is to be maintained and operated;
Cash and cash equivalents	highly liquid and highly rated instruments such as commercial paper or bank deposits;
Canadian Dollar or CDN\$	currency 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)	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	person or person appointed as custodian, cash custodian or prime broker pursuant to the Bye-Laws, currently Butterfield Trust (Bermuda) Limited;
Dealing Day	is the time span that the Fund is open for subscriptions and redemptions. Dealing days never take place on weekends or holidays;
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 Select Invest Fund Limited;
GBP or 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;
Investigation	a searching inquiry for ascertaining facts; detailed or careful examination.
Investment	any right or interest in any share, stock, bond, debenture, debenture stock, unit, sub-unit or other security or any loan of money or any currency or interest in any currency and includes any financial stock market index, interest rate or currency futures or similar financial or other instruments and any rights in or options over any of the aforesaid, issued by or under the guarantee of anybody, whether incorporated or unincorporated, or of any governmental body and whether paying interest of dividends or not and whether fully paid, partly paid or nil paid and includes any participation as a limited partner or participant in any partnership or unincorporated association;
Investment Advisor	Butterfield Asset Management Limited;
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 "Charges 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 fund mutual fund is also known as an open-ended investment company;
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 Shareholders maintained by the Fund in Bermuda;
Registrar and Transfer Agent	Butterfield Fulcrum Group (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 analyzes 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 the company 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;
Statement	detailed record of a shareholders account, listing subscriptions, redemptions and transfers during the preceding quarter.
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 50 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 included (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	each day of the week or is such day is not a Business Day in Bermuda or in a principal market area for the Fund’s assets, the next Business day;
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.