

31 December 2015

# Fund Review



Butterfield

## SELECT FUND: EQUITY CLASS

### OBJECTIVE

To offer a convenient vehicle for investing in an international portfolio of equity mutual funds, which are anticipated to provide the best opportunities for capital growth.

### INVESTMENT POLICY

To invest in a diverse range of top performing offshore equity mutual funds as well as a number of indexed products in order to control overall costs.

### INVESTMENT PROCESS

A quantitative analysis of fund performance is undertaken relative to peer groups to ensure the consistency of performance. This is followed with a qualitative analysis to understand the manager's philosophy, process and style.

### FUND REVIEW

The Equity Class returned 4.79% (net of fees) over the fourth quarter, less than the return of 5.50% in the MSCI World (Free) Index benchmark, which does not have fees associated with it.

The relatively modest decline during the calendar year for both the Fund and the Index masks some very significant variations in the underlying country indices and much higher realised volatility. The markets in Canada, Australia and Norway have been impacted by the negative sentiment toward commodity producers, with declines in US Dollar terms of -24.2%, -15.6% and -15% respectively for 2015. On the positive side, the major contributors have been the markets in Japan and Denmark, which have risen by 9.6% and 23.5% respectively in US Dollar terms. Although the US component of the index posted a modest gain of 0.7%, its contribution to the overall return was important as it has a significant weighting of 57%.

Looking forward, future equity market returns are likely to be muted by historical standards, but this is a similar story for returns from all other asset classes, including cash. Companies with dominant positions that have been through these cycles before will continue to prosper and our method of selecting investment managers highlights those who can succeed in difficult markets like we are currently experiencing.

The Equity Class structure by sector is broadly in line with the MSCI World Index and we recently took the decision to move to an overweight position on Europe versus an underweight to North America.

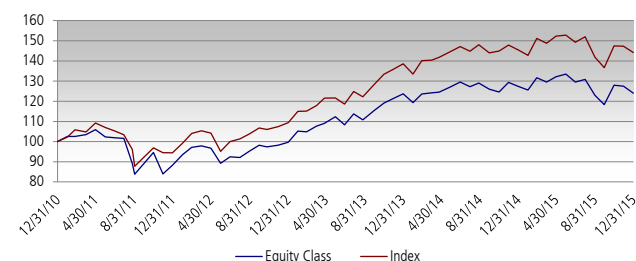
### GENERAL INFORMATION

Currency: USD	Fiscal Year End: 30 June
Valuation: Thursday	Min. Investment: USD 10,000
Dealings: Friday	Total Expense Ratio: 1.23%
Front End Fee: None	Size of Fund (millions): USD 109.3
Units: Accumulation	NAV per share: USD 12.46
Identifier: BUTSLEQ BH	

### Contact Information

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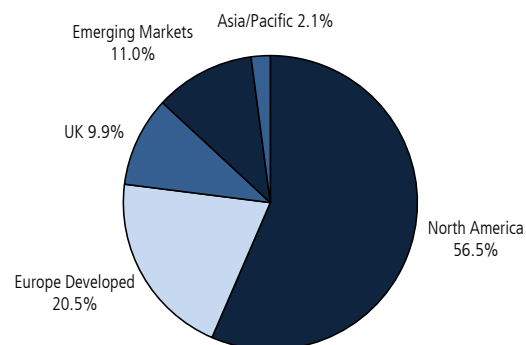
### CHART MONTHLY



### AVERAGE ANNUAL COMPOUND RETURNS

1 Year	3 Years	5 Years	7 Years	10 Years
-2.66%	7.54%	4.39%	8.13%	1.70%

### ASSET ALLOCATION



### TOP 10 EQUITY HOLDINGS

1.	ACI Global Growth Equity	11.1%
2.	Wellington Global Opportunities	10.7%
3.	MFS Global Equity	10.2%
4.	Lazard US Concentrated	7.3%
5.	Schroders QEP Global Core	7.1%
6.	BNY Mellon Long-Term Global Equity	6.8%
7.	Artisan Value Fund	6.6%
8.	Morgan Stanley Global Brands Fund	6.3%
9.	DBX MSCI Europe ETF	5.7%
10.	MSCI World UCITS ETF	5.3%

### BENCHMARK COMPOSITION

100% MSCI World (Free) Index



Morningstar Rating™

www.butterfieldgroup.com

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