

Fund Review

Butterfield Bank (Cayman) Limited



Butterfield

Global Blue Chip Fund

Quarter 3 2020

Objective

To achieve long-term capital growth in the value of the assets.

Investment policy

To hold a global portfolio of international blue chip equities. Blue chip is defined as an internationally recognised company, often the leader in its field, with a lengthy history of profit growth and quality management.

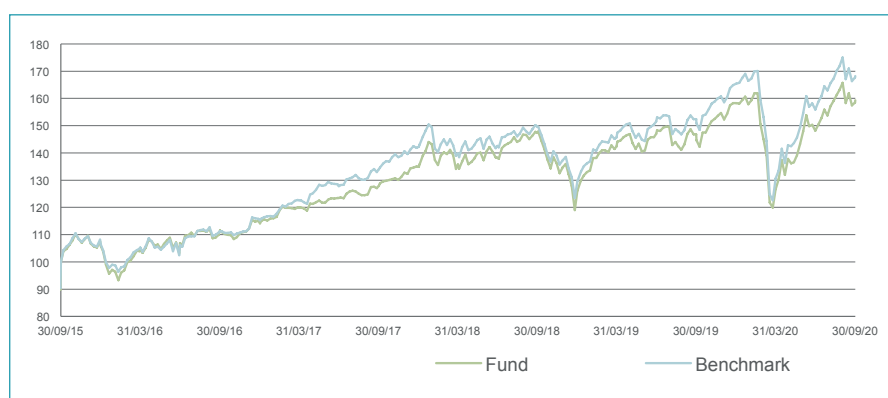
Investment process

The primary consideration for our equity process is to focus on large capitalisation companies with market leadership positions and a history of consistent earnings growth.

Key facts as at 30 September 2020

Currency	USD
Valuation	Weekly
Dealings	Tuesday
Front end fee	None
Units available	Accumulation
Identifier	BUTGBCF KY
Fiscal year end	30 June
Minimum investment	USD 5,000
Total expense ratio	1.94%
Size of fund (millions)	USD 7.7
NAV per share	USD 19.16

Performance chart



Average annual compound returns

	1 year	3 years	5 years	7 years	10 years
Fund	8.49%	7.58%	9.76%	7.20%	7.54%
Benchmark	10.41%	7.87%	10.96%	8.02%	8.64%

Fund review

Against a backdrop of a global economy that continues to recover from the depths of the crisis in the second quarter, financial markets spent the third quarter of 2020 grappling with the contrasting forces of better economic data, together with rising virus cases in Europe and fading policy support. Despite a pull back from all-time highs (in some markets) in September, equity markets finished markedly higher for a second consecutive quarter. The MSCI World index returned 7.9% in US dollar terms for the third quarter, following a strong second quarter recovery from the March lows. Global equities are now mildly positive on a year-to-date basis, returning 1.7% in dollar terms, and are meaningfully higher over the past 12 months, returning 10.4%. As has been the case for much of the year, the Technology and Consumer Discretionary sectors performed well, while the interest rate sensitive sectors underperformed. A cyclical recovery and rotation of sorts occurred in the quarter; however the pace of recovery has been – and will continue to be – extremely bumpy across, and even within, sectors. The equity market wasted no time in pricing in a more positive outlook as the economy has recovered, but this does mean that valuations are stretched relative to their long-term averages. However, the very low level of bond yields and corporate borrowing costs, help to underpin these valuations and company earnings have been much more resilient. Further virus cases and the US election are risks as we move forward, but we continue to spend our time trying to understand what the post-COVID world will look like, and which sectors and companies will be best placed to benefit. The Fund remains wholly invested in blue chip equities with an overweight exposure in the technology sector.



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Benchmark composition

100% MSCI World USD Index.

All benchmark components are calculated on a total return basis i.e. dividends included and net of appropriate withholding taxes.

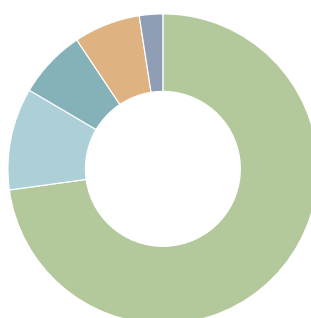
Note: As at 1 July 2018 the benchmark changed from the S&P Global 100 to the MSCI World.

Contact us

**Butterfield
Bank (Cayman)
Limited**

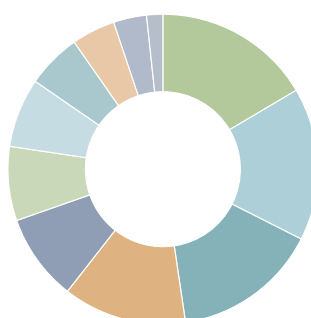
Tel: (345) 949 7055

Geographic allocation



North America	73%
UK / European	11%
Other	7%
Japan	7%
Emerging Markets	2%

Equity sector allocation



Information Technology	24%
Health Care	14%
Financials	12%
Consumer Discretionary	12%
Industrials	10%
Communication Services	8%
Consumer Staples	8%
Materials	4%
Real Estate	3%
Utilities	3%
Energy	2%

Note: Regional index tracking products have been excluded.

Top 10 holdings

1	MICROSOFT CORP	Information Technology	5.36%
2	AMAZON COM INC	Consumer Discretionary	3.20%
3	APPLE COMPUTER INC	Information Technology	3.15%
4	MASTERCARD INC - CLASS A	Information Technology	2.98%
5	ALPHABET INC CLASS C	Communication Services	2.95%
6	CISCO SYS INC	Information Technology	2.87%
7	E.ON SE NPV	Utilities	2.42%
8	APPLIED MATLS INC	Information Technology	2.24%
9	UNITED PARCEL SERVICE INC - CL B	Industrials	1.86%
10	TRANE TECHNOLOGIES PLC	Industrials	1.81%

Note: Index tracking products have been excluded.

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