

Butterfield Select Fund Limited

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023

Butterfield Select Fund Limited

INVESTMENT MANAGER'S REPORT

For the year ended June 30, 2023

Select Equity

The net asset value (NAV) per share rose from \$18.6830 to \$21.8424 over the fiscal year to June 30, 2023, representing a 16.92% return for the year, net of all fees and expenses. The benchmark for the Class, the MSCI World Free Net Total Return Index returned 18.51%.

Global equity markets had a challenging year in 2022, but bounced back in the fourth quarter and continued to recover through the first six months of 2023. Markets were supported by easing commodity prices and inflationary pressures more broadly. The reopening of China also supported sentiment, as did resilient US economic growth. Corporate earnings also remained resilient relative to expectations, particularly in Europe.

Growth equities suffered meaningful drawdowns in the first half of 2022, as valuations compressed. This was especially the case for more speculative technology orientated companies yet to reach profitability. However, the turn of the calendar year marked an inflection point, as Growth stocks again performed well relative to Value equities. Over the twelve months to June 30, 2023 the Russell 1000 Growth Index returned 25.80%, while the Russell 1000 Value Index returned 8.98%.

The BNY Mellon Long Term Global Equity Fund, managed by Walter Scott performed well over the year. Performance was helped by having very little exposure to Banks, which suffered from strains in the Regional Banks sector in the first quarter of 2023. An important theme during the period was the narrowness of the market rally, such that the term "Magnificent 7" was coined to describe the seven, Large Technology-orientated stocks driving market returns. The Artisan Value Fund performed well, helped by exposure to a number of the "Magnificent 7" stocks.

In contrast, the narrowness of the equity rally was a challenge for active managers with sizeable underweights to the "Magnificent 7". The Lazard US Equity Concentrated Fund and the American Century Global Growth lagged their respective benchmarks, as did the more defensively positioned MFS Global Equity Fund. The Nomura Japan Strategic Value Fund was added during the period, and has outperformed since being added to the Fund.

Select Global Fixed Income

The net asset value (NAV) per share decreased from \$20.8935 to \$20.8329 over the fiscal year to 30 June 2023, representing a -0.29% return for the year, net of all fees and expenses. Although absolute returns were negative the Fund outperformed the BofA Merrill Lynch 5-10 Year AAA-A US Corporate and Government Benchmark Index by +152bps primarily due to the Fund's lower exposure to interest rate risk and higher exposure to corporate credit which has provided a good risk premium spread over US Treasuries.

The past 12 months was a particularly difficult time for fixed income markets with the Federal Reserve continuing to raise the US base rate by an additional 350bps to 525bps by the end of June 2023, its highest level since 2006, as US economic activity remained much more buoyant than expected which in turn has led to a stickier inflationary environment. Monetary policy is failing to transmit through to the real economy unlike in previous cycles as corporates and the consumer have locked in debt at fixed rates for extended periods. In addition, employment continues to remain strong with shortages of workers across many industries leading to solid wage growth – boosting incomes further US fiscal policy continues to remain ultra-easy. As a result, central bankers find themselves having to raise base rates at a much more rapid pace driving government bond yields substantially higher with 2-year US Treasury nominal yields reaching a high of 5.07% in March from a low of 0.10% at the start of 2021. The Fund managed to proactively avoid the most damaging parts of the yield curve and combined with the high level of investment income now flowing into the Fund's holdings we managed, despite this backdrop, to produce a positive return for the year.

Butterfield Select Fund Limited

Select Global Fixed Income (continued)

During Q1 the volatility surrounding the US banking system provided the Fund an opportunity to exit some higher risk longer duration holdings such as preference shares as US dollar liquidity exploded effectively removing the tail risk that a major credit event would develop in addition, the market priced in US base rate cuts by year end leading to a rally in US Treasury yields. As a result, we permitted interest rate risk to decline as we doubted the Federal Reserve would be able to deliver these expectations and further reduced credit risk adding to cash, inflation protection and longer dated US Treasury exposure.

With US real yields ending the quarter at their highest level since 2008 and global growth ex-US grinding lower the improvement in risk sentiment has been puzzling from a pure macro perspective but global liquidity remains a key driver of asset prices. In a sign that US base rates may have to remain at these levels for some time the Bank of England turned hawkish in June in response to firmer inflation data which caused UK terminal base rate expectations to rise from 4.5% to 6% raising the probability of a recession over the coming 12 months. Throughout the rest of the world there is a growing realization that core inflation will remain higher for longer with Australia and Canada also surprising markets abandoning their policy pause and raising base rates – services inflation continues to defy expectations globally. Fixed income investors are therefore understandably exercising caution.

Looking forward we continue to prefer high quality spread products such as US mortgage backed securities which have very positive investment characteristics and the potential for a large capital gain in the event the US economy falls into recession. In addition, we are increasing our inflation hedges with US inflation expectations in line with the 2% target set by the Federal Reserve allowing us to add to our current position at fair value in order to hedge against a re-acceleration of price pressures and the risk that central bankers may be willing to allow a higher inflation ceiling than in previous cycles.

Fund duration at the end of June 2023 was 5.9 years which is 94% of the benchmark index, the overall credit quality of the Fund is stable with an S&P rating of A-. The Fund holds an allocation of 31% in nominal US Treasuries and 19% in high quality agency US mortgage backed securities. Given the elevated level of risk-free yields and rising macro-economic risks we now have the ability to reduce credit risk even further without sacrificing yield and are actively positioning to minimize the potential for drawdown in the coming months.

Select Alternative Investment

The net asset value (NAV) per share increased from \$16.7834 to \$17.7409 over the fiscal year to June 30, 2023, representing a 5.72% return for the year, net of all fees and expenses. In comparison, the Hedge Fund Research HFRX Global Hedge Fund benchmark returned 1.31%.

The Class is sub-advised by GCM Grosvenor and as at June 30, 2023 was allocated to 13 investment managers with an average allocation of approximately 8% to each manager, with the largest allocation to any single manager being just over 19%. The largest sector allocation the Fund had as at June 30, 2023 was to the Equities strategy at around 52%. The equities strategy is allocated across directional, low net equity, fundamental market neutral, event driven and specialist managers.

Relative Value strategies, which included the largest position in the Fund, performed well and contributed to overall returns. These strategies were well placed to exploit market mispricing opportunities. Equity strategies contributed to overall performance over the period, as small losses in the third quarter of 2022 were more than offset by positive returns over the balance of the fiscal year. Global Macro exposure performed well in 2022, but struggled in the first half of 2023.

The return of inflation, economic volatility and sector/geographic dispersion within markets has provided a much better backdrop for Hedge Funds. The Fund has managed to benefit from these trends and outperformed the HFR Global Hedge Index over the year. Net assets finished the year at \$15.66 million.

Butterfield Select Fund Limited

Select Alternative Investment Institutional

The net asset value (NAV) per share rose from \$10.4472 to \$11.1587 over the fiscal year to June 30, 2023, representing a 6.79% return for the year, net of all fees and expenses. The benchmark for the Class, the Hedge Fund Research HFRX Global Hedge Fund returned 1.31%.

The Class was allocated to 18 investment managers with an average position size of approximately 5%, with the largest allocation to any single manager being around 11%. The Equities strategy was the largest at around 42%. Equity strategies contributed to overall performance over the period, benefiting from the recovery in equity markets and the dispersion between sectors and individual companies. Relative Value strategies also performed well and contributed to overall returns, as they were able to exploit market mispricing opportunities.

Macro strategies performed well in 2022, but struggled in the first half of 2023. Volatility in bond markets around the time of stress in the banking sector in the first quarter detracted from returns. Credit managers generated small positive returns, while Quantitative managers performed consistently well throughout the period.

The return of inflation, economic volatility and sector/geographic dispersion within markets has provided a much better backdrop for Hedge Funds. The Fund has managed to benefit from these trends and outperformed the HFR Global Hedge Index over the year. Net assets finished the year at \$98.9 million.

Jeffrey Abbott, CFA
Director
Butterfield Select Fund Limited
November 24, 2023

Independent Auditor's Report

The Board of Directors

Butterfield Select Fund Limited, comprising Equity Class, Global Fixed Income Class,
Alternative Investment Class and Alternative Investment Institutional Class

Opinion

We have audited the financial statements of Butterfield Select Fund Limited, comprising Equity Class, Global Fixed Income Class, Alternative Investment Class and Alternative Investment Institutional Class (collectively referred to as the Fund), which comprise the statement of financial position as at June 30, 2023, and the statement of comprehensive income, statement of changes in net assets attributable to shareholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information Included in the Fund's 2023 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the annual report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

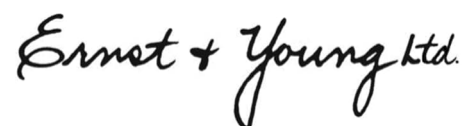
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Silverious Bakurumpagi.



November 24, 2023

Butterfield Select Fund Limited

COMPANY INFORMATION

DIRECTORS

Dwayne Outerbridge (resigned on October 12, 2023)
Jeffrey Abbott (alternative: Michael Neff)
Richard Foley (resigned on September 20, 2023)
Dawn Griffiths (alternative: Elizabeth Denman)
David Ware
Nigel Garrard (appointed on October 23, 2023)
Andrew Rossiter (appointed on October 23, 2023)

INVESTMENT ADVISER

Butterfield Asset Management Limited
65 Front Street
Hamilton HM 12
Bermuda

INVESTMENT SUB-ADVISER

Grosvenor Capital Management, L.P.
900 North Michigan Avenue, Suite 1100
Chicago
IL 60611

CUSTODIAN

The Bank of N.T. Butterfield & Son Limited
65 Front Street
Hamilton HM 12
Bermuda

SUB-CUSTODIAN

Brown Brothers Harriman & Co.
140 Broadway 11th Floor
New York
NY 10005

REGISTRAR, TRANSFER AGENT AND ADMINISTRATOR

MUFG Fund Services (Bermuda) Limited
Cedar House, 4th Floor North
41 Cedar Avenue
Hamilton HM 12
Bermuda

AUDITORS

Ernst & Young Ltd.
3 Bermudiana Road
Hamilton HM 08
Bermuda

Butterfield Select Fund Limited

STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

(Expressed in US Dollars)

		EQUITY CLASS	
		June 30, 2023 US\$	June 30, 2022 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	166,683	53,868
Financial assets at fair value through profit or loss (Cost: 2023-\$49,351,133; 2022-\$62,523,633)	3, 4	77,196,811	92,359,474
Other assets		8,168	11,139
Total assets		77,371,662	92,424,481
Liabilities			
Accrued expenses	6, 7, 8	139,882	125,994
Subscriptions received in advance		80,057	65,482
Total liabilities		219,939	191,476
Organisational shares	5	12,000	12,000
Total liabilities and equity (including net assets attributable to shareholders)		77,371,662	92,424,481
Net assets attributable to shareholders		77,139,723	92,221,005
Number of redeemable shares in issue	5	3,531,649	4,936,103
Net asset value per redeemable share		21.8424	18.6830

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

		GLOBAL FIXED INCOME CLASS	
		June 30, 2023 US\$	June 30, 2022 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	904,854	954,565
Financial assets at fair value through profit or loss (Cost: 2023-\$42,365,748; 2022-\$46,184,711)	3, 4	36,571,076	41,291,239
Dividends receivable		33,061	8,594
Interest receivable		236,169	288,911
Other assets		6,022	3,978
Total assets		37,751,182	42,547,287
Liabilities			
Accrued expenses	6, 7, 8	69,457	57,219
Subscriptions received in advance		59,260	41,189
Total liabilities		128,717	98,408
Net assets		37,622,465	42,448,879
Number of redeemable shares in issue	5	1,805,914	2,031,675
Net asset value per redeemable share		20.8329	20.8935

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

		ALTERNATIVE INVESTMENT CLASS	
		June 30, 2023 US\$	June 30, 2022 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	226,291	4,012,101
Financial assets at fair value through profit or loss (Cost: 2023-\$12,164,457; 2022- \$14,092,270)	3, 4	16,695,615	17,967,636
Receivable for investments sold		48,521	-
Other assets		4,254	4,228
Total assets		16,974,681	21,983,965
Liabilities			
Loan payable	6 d)	1,250,000	-
Accrued expenses	6, 7, 8	54,877	55,265
Subscriptions received in advance		9,842	7,207
Total liabilities		1,314,719	62,472
Net assets		15,659,962	21,921,493
Number of redeemable shares in issue	5	882,706	1,306,143
Net asset value per redeemable share		17.7409	16.7834

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

		ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
		June 30, 2023 US\$	June 30, 2022 US\$
	Notes		
Assets			
Cash and cash equivalents	2 h)	11,917,282	18,928,554
Financial assets at fair value through profit or loss (Cost: 2023-\$64,694,248; 2022-\$89,191,913)	3, 4	87,017,716	105,004,798
Receivable for investments sold		177,263	6,384,472
Other assets		7,617	10,219
Total assets		99,119,878	130,328,043
Liabilities			
Accrued expenses	6, 7, 8	215,432	274,911
Total liabilities		215,432	274,911
Net assets		98,904,446	130,053,132
Number of redeemable shares in issue	5	8,863,424	12,448,606
Net asset value per redeemable share		11.1587	10.4472

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS

As at June 30, 2023

(Expressed in US Dollars)

EQUITY CLASS

		2023	
	Number of		% of
	Shares	Fair Value	Portfolio
INVESTMENTS			
Exchange Traded Funds			
Ishares MSCI World ETF	10,435	\$ 1,299,366	1.68%
		\$ 1,299,366	1.68%
Investment Funds			
American Century Emerging Markets Equity Fund	84,449	\$ 11,190,761	14.50%
Artisan Value Fund - Institutional	712,955	9,589,244	12.42%
BNY Mellon Long Term Global Equity Fund	4,465,730	11,920,819	15.44%
Carmignac Portfolio Grande Europe	44,425	8,118,134	10.52%
Findlay Park American Fund	33,730	6,088,878	7.89%
Lazard US Equity Concentrated Fund	41,923	8,664,459	11.22%
MFS Meridian Funds - Global Equity Fund	15,376	6,131,361	7.94%
MFS Meridian Funds - US Value Fund	16,278	5,881,085	7.62%
Nomura Funds Ireland PLC - Japan Strategic Value Fund	35,989	3,462,893	4.49%
Wellington Global Opportunities Equity Fund - SUHUSD	166,884	4,849,811	6.28%
		\$ 75,897,445	98.32%
TOTAL INVESTMENTS (Cost: 2023 - \$49,351,133)		\$ 77,196,811	100.00%

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

GLOBAL FIXED INCOME CLASS

	2023		
	Number of shares/ Nominal US\$	Fair Value	% of Portfolio
INVESTMENTS			
Corporate and Government Debt Securities			
AbbVie Inc. 3.200% 11/21/29	1,005,000	\$ 908,043	2.48%
American Airlines 16-2 AA PTT 3.200% 12/15/29 SR:AA	1,044,803	935,106	2.56%
American Airlines 17-1 AA PTT 3.650% 08/15/30 SR:AA	503,390	463,057	1.27%
Anglo American Capital 4.875% 05/14/25 SR:144A	1,500,000	1,468,175	4.01%
Arcelormittal 6.125% 06/01/25	1,000,000	1,016,171	2.78%
AT&T Inc. 4.300% 02/15/30	1,000,000	948,973	2.59%
Bank of America Corp. 3.950% 04/21/25 SR:L	1,500,000	1,452,473	3.97%
Barclays PLC 4.337% 01/10/28	1,000,000	942,024	2.58%
General Motors Financial Company Inc. 4.350% 01/17/27	1,000,000	958,420	2.62%
Kimco Realty Corp. 2.800% 10/01/26	550,000	502,798	1.37%
Renaissancere Finance 3.450% 07/01/27	1,500,000	1,403,516	3.84%
Teva Pharmaceuticals NE 3.150% 10/01/26	750,000	670,903	1.83%
Vale Overseas Limited 6.250% 08/10/26	1,000,000	1,030,797	2.82%
Walgreens Boots Alliance Inc. 3.450% 06/01/26	111	104	0.00%
Welltower Inc. 4.250% 04/15/28	1,000,000	940,534	2.57%
Strip Princ 0.000% 02/15/52	1,500,000	514,438	1.41%
TSY INFL IX N/B 1.625% 10/15/27	1,536,375	1,512,984	4.14%
US Treasury N/B 1.750% 08/15/41	1,000,000	701,289	1.92%
US Treasury N/B 0.625% 05/15/30	1,500,000	1,201,289	3.28%
US Treasury N/B 0.625% 08/15/30	1,250,000	995,313	2.72%
US Treasury N/B 0.875% 11/15/30	1,900,000	1,536,625	4.20%
US Treasury N/B 1.125% 05/15/40	2,000,000	1,294,063	3.54%
US Treasury N/B 1.250% 04/30/28	1,750,000	1,527,900	4.18%
US Treasury N/B 1.375% 08/15/50	2,000,000	1,159,766	3.17%
US Treasury N/B 1.500% 02/15/30	2,250,000	1,926,387	5.27%
US TREASURY N/B 2.875% 05/15/28	1,000,000	943,086	2.58%
	\$	26,954,234	73.70%

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

GLOBAL FIXED INCOME CLASS (CONTINUED)

	2023		
	Number of shares/ Nominal US\$	Fair Value	% of Portfolio
INVESTMENTS (Continued)			
Mortgage-backed Securities			
FN AS4884 3.000% 05/01/45	110,438	\$ 99,730	0.27%
FN AY4200 3.000% 05/01/45	117,338	105,957	0.29%
FN BC4764 3.000% 10/01/46	66,256	59,328	0.16%
FN BO3181 2.500% 10/01/49	115,899	98,987	0.27%
FN FM9841 2.500% 12/01/51	229,888	195,222	0.53%
FN FS0176 2.500% 01/01/52	228,765	194,220	0.53%
FN MA3745 3.500% 08/01/49	34,018	31,542	0.09%
FN MA3797 2.500% 10/01/34	67,749	62,188	0.17%
FN MA3810 2.500% 10/01/39	66,603	59,078	0.16%
FN MA3827 2.500% 11/01/34	74,530	68,412	0.19%
FN MA3830 2.500% 11/01/39	67,811	60,150	0.16%
FN MA3833 2.500% 11/01/49	96,478	82,580	0.23%
FN MA3871 3.000% 12/01/49	78,073	69,361	0.19%
FN MA3902 2.500% 01/01/50	111,447	95,139	0.26%
FN MA3937 3.000% 02/01/50	77,809	69,110	0.19%
FN MA3939 3.500% 02/01/50	46,408	42,988	0.12%
FN MA3960 3.000% 03/01/50	61,666	54,673	0.15%
FN MA4464 1.500% 11/01/51	231,462	179,084	0.49%
FN MA4465 2.000% 11/01/51	227,282	185,731	0.51%
FN MA4489 2.000% 11/01/51	231,564	181,867	0.50%
FN MA4511 2.000% 01/01/52	230,522	188,253	0.51%
FN MA4547 2.000% 02/01/52	232,902	190,081	0.52%
FN MA4600 3.500% 05/01/52	234,304	213,602	0.58%
FN MA4626 4.000% 06/01/52	234,693	220,355	0.60%
FN MA4644 4.000% 05/01/52	231,755	217,597	0.59%
FR RB5021 2.500% 10/01/39	63,868	56,654	0.15%
FR RB5026 2.500% 11/01/39	70,429	62,481	0.17%
FR SB8015 2.500% 11/01/34	79,190	72,693	0.20%
FR SD7546 2.000% 11/01/51	217,803	180,313	0.49%
FR SD8171 1.500% 10/01/51	230,298	178,256	0.49%
FR SD8172 2.000% 10/01/51	225,297	184,112	0.50%

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

GLOBAL FIXED INCOME CLASS (CONTINUED)

	2023		
	Number of shares/ Nominal US\$	Fair Value	% of Portfolio
INVESTMENTS (Continued)			
Mortgage-backed Securities (Continued)			
FR SD8188 2.000% 01/01/52	230,845	\$ 188,494	0.52%
FR SD8193 2.000% 02/01/52	232,488	189,738	0.52%
FR SD8214 3.500% 05/01/52	234,446	213,732	0.58%
FR SD8215 4.000% 05/01/52	234,074	219,679	0.60%
FR SD8221 3.500% 06/01/52	235,944	215,128	0.59%
FR SD8222 4.000% 06/01/52	234,751	220,409	0.60%
FR SD8227 4.000% 07/01/52	236,802	222,334	0.61%
FR SD8238 4.500% 08/01/52	235,490	226,531	0.62%
G2 MA6040 4.000% 07/20/49	42,842	40,895	0.11%
G2 MA7052 2.500% 12/20/50	148,943	129,547	0.35%
G2 MA7193 2.500% 02/20/51	162,795	141,583	0.39%
G2 MA7312 2.500% 04/20/51	183,067	159,069	0.43%
G2 MA7650 3.000% 10/20/51	208,009	186,503	0.51%
G2 MA7882 3.000% 02/20/52	226,070	202,337	0.55%
G2 MA8647 5.000% 02/20/53	247,115	243,085	0.66%
G2 MA8725 5.000% 03/20/53	247,948	243,904	0.68%
G2 MA8799 4.500% 04/20/53	248,952	240,450	0.67%
G2 MA8800 5.000% 04/20/53	248,848	244,785	0.68%
		7,287,947	19.93%
Investment Funds			
Wellington Blended Opportunistic Emerging Markets Debt Fund	284,737	2,328,895	6.37%
	\$	2,328,895	6.37%
TOTAL INVESTMENTS (Cost: 2023 - \$42,365,748)			
	\$	36,571,076	100.00%

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

ALTERNATIVE INVESTMENT CLASS

			2023	
	Number of		Fair Value	% of
	Shares			Portfolio
INVESTMENTS				
Investment Funds				
BlackRock Strategic Equity Hedge Fund Limited - Restricted Class I - Series USD	4,395	\$	2,116,281	12.68%
Citadel Kensington Global Strategies Fund Ltd.	1,177		3,091,842	18.52%
Coatue Offshore Fund, Ltd. - Class B - Sub Class G-6 Tranche 6R - Series 2022-03-01	7,750		766,357	4.59%
Concordia G-10 Fixed Income Relative Value, Ltd. - Class B - Initial Series	761		1,449,917	8.68%
Concordia G-10 Fixed Income Relative Value, Ltd. - Class B - Series 05/22	125		139,847	0.84%
Egerton Long-Short Fund (USD) Limited - Class B 0622	25,000		270,000	1.62%
Egerton Long-Short Fund (USD) Limited - Class B1	2,730		729,988	4.37%
Element Capital Feeder Fund Limited - Class B - Series 1	588		922,260	5.52%
Eversept ELS Offshore Fund, Ltd. - Class NNI - Series 1	708		1,081,526	6.48%
GCM Grosvenor Equity Opportunities Fund, Ltd. - Restricted Class USD - Initial Series	1,143		1,500,658	8.99%
Pentwater Equity Opportunities Fund Ltd. - Class C - Initial Series	598		709,746	4.25%
Select Partners ELS Fund, Ltd. - Class A2 - Series 2	443		813,654	4.87%
Shaolin Capital Partners International Fund, Ltd. - Class A2 - Series 0522	650		620,601	3.72%
Voloridge Fund, Ltd. - Class B - Initial Series	783		1,229,494	7.36%
WT China Offshore Fund Limited - Class A-1 Restricted - Series 01	543		865,176	5.18%
WT China Offshore Fund Limited - Class A-1 Restricted - Series 200822	375		388,268	2.33%
Investment Funds (Cost: 2023 - \$12,164,457)		\$	16,695,615	100.00%

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

SCHEDULE OF PORTFOLIO INVESTMENTS (CONTINUED)

As at June 30, 2023

(Expressed in US Dollars)

ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS

		2023	
	Number of		% of
	Shares	Fair Value	Portfolio
INVESTMENTS			
Investment Funds			
BlackRock Strategic Equity Hedge Fund Limited - Class I - Series USD	7,687	3,821,427	4.39%
Chenavari European Structured Credit Fund Ltd. - Series 0413	42	9,064	0.01%
Citadel Kensington Global Strategies Fund Ltd.	4,021	11,181,784	12.85%
Coatue Offshore Fund, Ltd. - Class B - Sub Class G-6 Tranche 6R - Series 2022-03-01	55,000	5,438,665	6.25%
Element Capital Feeder Fund Limited - Non-restricted Class B - Series 1	621	1,004,509	1.15%
Element Capital Feeder Fund Limited - Non-restricted Class B - Series 44	431	693,813	0.80%
Element Capital Feeder Fund Limited - Non-restricted Class B - Series 45	1,033	1,657,022	1.90%
GCM Grosvenor Equity Opportunities Fund, Ltd.	4,800	6,300,321	7.24%
Hawk Ridge Partners Offshore Ltd. - Class A - Initial Series	2,506	5,075,514	5.83%
Magnetar Constellation Fund, Ltd. - Series E - Sub-Series 207	3,605	5,676,758	6.52%
ML Fund, Ltd. - Class B	6,164	7,126,489	8.19%
PCI Fund, Ltd.	7,898	9,909,178	11.39%
Pentwater Equity Opportunities Fund Ltd. - Class A - Series INT	3,159	3,767,294	4.33%
Redmile Capital Offshore Fund (ERISA), Ltd. - Class A-NP - Sub-Class 3 - Series 0821 TR13S	422	522,045	0.60%
Redmile Capital Offshore Fund (ERISA), Ltd. - Class A-NP - Sub-Class 3 - Series 0821 TR14S	338	330,257	0.38%
Redmile Capital Offshore Fund (ERISA), Ltd. - Class A-NP - Sub-Class 3 - Series 0821 TR15S	309	288,423	0.33%
Redmile Capital Offshore Fund (ERISA), Ltd. - Class A-NP - Sub-Class 3 - Series 0821 TR16S	197	206,456	0.24%
Redmile Capital Offshore Fund (ERISA), Ltd. - Class A-NP - Sub-Class 3 - Series 0821 TR17S	844	896,580	1.03%
Redmile Capital Offshore Fund (ERISA), Ltd. - Class A-NP - Sub-Class 3 - Series 0821 TR18S	844	897,441	1.03%
Rokos Global Macro Fund Limited - Class B USD Unrestricted	34,261	6,571,092	7.55%
Select Partners ELS Fund, Ltd. - Class A1 - Series 1	1,673	4,585,006	5.27%
STM LCB LLC - Series 2	1	70,221	0.08%
The Canyon Value Realization Fund (Cayman), Ltd - Class A - Series 012351	529	552,440	0.63%
The Canyon Value Realization Fund (Cayman), Ltd - Class A - Series 123512	190	198,670	0.23%
The Canyon Value Realization Fund (Cayman), Ltd - Class A - Series 123513	1,291	1,348,827	1.55%
The Canyon Value Realization Fund (Cayman), Ltd - Class A - Series 123514	243	253,585	0.29%
The Canyon Value Realization Fund (Cayman), Ltd - Class A - Series 123515	216	226,076	0.26%
The Canyon Value Realization Fund (Cayman), Ltd - Class A - Series 123516	244	254,584	0.29%
Voleon Institutional Strategies International, Ltd. - Class A - Series 1-2016	2,157	3,497,617	4.02%
Voleon International Investors, Ltd. - Class A - Series 1	5,949	1,204,279	1.39%
WT China Offshore Fund Limited - Class A-1 Restricted - Series 01	2,169	3,452,279	3.98%
TOTAL INVESTMENTS (Cost: 2023 - \$64,694,248)		\$ 87,017,716	100.00%

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

(Expressed in US Dollars)

		EQUITY CLASS	
		2023 US\$	2022 US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		14,371,563	7,256,441
Net change in unrealised loss on financial assets at fair value through profit or loss		(1,990,163)	(28,426,477)
Net foreign exchange loss		(8)	(7,612)
Dividend income		1,854,706	1,346,581
Other income		11,993	19,164
Total income/ (loss)		14,248,091	(19,811,903)
Expenses			
Management fee	6 a)	703,489	1,017,038
Administration fee	7	112,186	163,253
Audit fee		28,400	25,121
Custodian fee	6 b)	40,200	58,117
Government fee		4,390	4,665
Other expenses		23,148	24,314
Total expenses		911,813	1,292,508
Less: Withholding tax on dividend income		25,051	68,882
Net increase/(decrease) in net assets resulting from operations attributable to shareholders		13,311,227	(21,173,293)

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

		GLOBAL FIXED INCOME CLASS	
		2023 US\$	2022 US\$
	Notes		
Income			
Net realised loss on financial assets at fair value through profit or loss		(124,158)	(38,195)
Net change in unrealised loss on financial assets at fair value through profit or loss		(901,200)	(6,103,179)
Bonds interest		1,180,643	1,182,158
Dividend income		166,897	141,331
Total income/(loss)		322,182	(4,817,885)
Expenses			
Management fee	6 a)	355,608	419,648
Administration fee	7	56,900	67,272
Other expenses		11,702	14,627
Audit fee		14,800	14,300
Custodian fee	6 b)	20,321	23,980
Government fee		2,021	1,524
Total expenses		461,352	541,351
Net decrease in net assets resulting from operations attributable to shareholders		(139,170)	(5,359,236)

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

		ALTERNATIVE INVESTMENT CLASS	
		2023	2022
		US\$	US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		862,383	197,156
Net change in unrealised gain on financial assets at fair value through profit or loss		655,792	133,461
Other income		967	3,267
Total income		1,519,142	333,884
Expenses			
Management fee	6 a)	347,749	339,385
Administration fee	7	31,750	31,020
Other expenses		10,475	8,752
Audit fee		15,400	9,300
Custodian fee	6 b)	9,936	9,697
Loan interest expense	6 d)	7,209	-
Government fee		875	-
Sub investment management fee		5,185	4,117
Total expenses		428,579	402,271
Net increase/(decrease) in net assets resulting from operations attributable to shareholders		1,090,563	(68,387)

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

		ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
		2023	2022
		US\$	US\$
	Notes		
Income			
Net realised gain on financial assets at fair value through profit or loss		2,793,012	2,132,097
Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss		6,510,585	(7,897,258)
Interest income		66,559	-
Other income		515	-
Total income/(loss)		9,370,671	(5,765,161)
Expenses			
Management fee	6 a)	1,856,015	2,356,924
Administration fee	7	171,681	216,300
Other expenses		20,716	23,482
Audit fee		22,200	16,800
Custodian fee	6 b)	54,033	67,343
Government fee		4,636	4,465
Sub investment management fee		29,636	30,372
Total expenses		2,158,917	2,715,686
Net increase/(decrease) in net assets resulting from operations attributable to shareholders		7,211,754	(8,480,847)

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended June 30, 2023

(Expressed in US Dollars)

	EQUITY CLASS	
	2023 US\$	2022 US\$
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	13,311,227	(21,173,293)
CAPITAL STOCK TRANSACTIONS		
Issue of redeemable shares	4,821,714	5,751,699
Redemption of redeemable shares	(33,214,223)	(18,951,146)
Decrease in net assets attributable to shareholders from transactions in shares	(28,392,509)	(13,199,447)
NET DECREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	(15,081,282)	(34,372,740)
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR	92,221,005	126,593,745
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR	77,139,723	92,221,005

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

	GLOBAL FIXED INCOME CLASS	
	2023 US\$	2022 US\$
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	(139,170)	(5,359,236)
CAPITAL STOCK TRANSACTIONS		
Issue of redeemable shares	4,326,940	3,346,898
Redemption of redeemable shares	(9,014,184)	(6,790,443)
Decrease in net assets attributable to shareholders from transactions in shares	(4,687,244)	(3,443,545)
NET DECREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	(4,826,414)	(8,802,781)
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR	42,448,879	51,251,660
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR	37,622,465	42,448,879

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT CLASS	
	2023 US\$	2022 US\$
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	1,090,563	(68,387)
CAPITAL STOCK TRANSACTIONS		
Issue of redeemable shares	2,066,438	7,055,841
Redemption of redeemable shares	(9,418,532)	(2,124,271)
Increase/(decrease) in net assets attributable to shareholders from transactions in shares	(7,352,094)	4,931,570
NET (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	(6,261,531)	4,863,183
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR	21,921,493	17,058,310
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR	15,659,962	21,921,493

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
	2023 US\$	2022 US\$
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	7,211,754	(8,480,847)
CAPITAL STOCK TRANSACTIONS		
Issue of redeemable shares	3,278,592	5,407,201
Redemption of redeemable shares	(41,639,032)	(4,042,367)
(Decrease)/increase in net assets attributable to shareholders from transactions in shares	(38,360,440)	1,364,834
NET DECREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	(31,148,686)	(7,116,013)
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – BEGINNING OF YEAR	130,053,132	137,169,145
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS – END OF YEAR	98,904,446	130,053,132

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

(Expressed in US Dollars)

	EQUITY CLASS	
	2023 US\$	2022 US\$
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations attributable to shareholders	13,311,227	(21,173,293)
<i>Adjustments for:</i>		
Purchase of financial assets	(10,521,616)	(13,739,252)
Proceeds from sale of financial assets	38,065,679	26,839,228
Net realised gain on financial assets at fair value through profit or loss	(14,371,563)	(7,256,441)
Net change in unrealised loss on financial assets at fair value through profit or loss	1,990,163	28,426,477
Changes in:		
Other assets	2,971	(208)
Accrued expenses	13,888	(52,186)
Net cash provided by operating activities	28,490,749	13,044,325
Cash flows from financing activities		
Proceeds from issuance of shares	4,836,289	5,806,674
Payments for redemption of shares	(33,214,223)	(18,951,145)
Net cash used in financing activities	(28,377,934)	(13,144,471)
Net increase/(decrease) in cash and cash equivalents	112,815	(100,146)
Cash and cash equivalents – beginning of year	53,868	154,014
Cash and cash equivalents – end of year	166,683	53,868
Supplemental cash flow information:		
Dividend received, net of withholding taxes	1,829,655	1,277,699

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

GLOBAL FIXED INCOME CLASS

	2023 US\$	2022 US\$
Cash flows from operating activities		
Net decrease in net assets resulting from operations attributable to shareholders	(139,170)	(5,359,236)
<i>Adjustments for:</i>		
Purchase of financial assets	(8,860,766)	(7,010,400)
Proceeds from sale of financial assets	12,555,571	9,595,403
Net realised loss on financial assets at fair value through profit or loss	124,158	38,195
Net change in unrealised loss on financial assets at fair value through profit or loss	901,200	6,103,179
Changes in:		
Interest receivable	52,742	46,521
Other assets	(2,044)	2,797
Dividends receivable	(24,467)	-
Accrued expenses	12,238	(17,390)
Net cash provided by operating activities	4,619,462	3,399,069
Cash flows from financing activities		
Proceeds from issuance of shares	4,345,011	3,383,199
Payments for redemption of shares	(9,014,184)	(6,790,443)
Net cash used in financing activities	(4,669,173)	(3,407,244)
Net decrease in cash and cash equivalents	(49,711)	(8,175)
Cash and cash equivalents – beginning of year	954,565	962,740
Cash and cash equivalents – end of year	904,854	954,565
Supplemental cash flow information:		
Interest received	1,233,385	1,228,679
Dividend received	142,430	141,331

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT CLASS	
	2023 US\$	2022 US\$
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations attributable to shareholders	1,090,563	(68,387)
<i>Adjustments for:</i>		
Purchase of financial assets	(900,000)	(2,550,000)
Proceeds from sale of financial assets	3,641,675	1,370,805
Net realised gain on financial assets at fair value through profit or loss	(862,383)	(197,156)
Net change in unrealised gain on financial assets at fair value through profit or loss	(655,792)	(133,461)
Changes in:		
Other assets	(26)	25,141
Accrued expenses	(388)	1,641
Net cash provided by/(used in) operating activities	2,313,649	(1,551,417)
Cash flows from financing activities		
Proceeds from issuance of shares	2,069,073	7,061,303
Payments for redemption of shares	(9,418,532)	(2,124,271)
Drawdowns of the credit facility	7,380,000	-
Repayments to the credit facility	(6,130,000)	-
Net cash (used in)/provided by financing activities	(6,099,459)	4,937,032
Net (decrease)/increase in cash and cash equivalents	(3,785,810)	3,385,615
Cash and cash equivalents – beginning of year	4,012,101	626,486
Cash and cash equivalents – end of year	226,291	4,012,101

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2023

(Expressed in US Dollars)

	ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS	
	2023 US\$	2022 US\$
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations attributable to shareholders	7,211,754	(8,480,847)
<i>Adjustments for:</i>		
Purchase of financial assets	-	(24,048,348)
Proceeds from sale of financial assets	33,497,888	28,613,543
Net realised gain on financial assets at fair value through profit or loss	(2,793,012)	(2,132,097)
Net change in unrealised (gain)/ loss on financial assets at fair value through profit or loss	(6,510,585)	7,897,258
Changes in:		
Other assets	2,602	717
Accrued expenses	(59,479)	(5,998)
Net cash provided by operating activities	31,349,168	1,844,228
Cash flows from financing activities		
Proceeds from issuance of shares	3,278,592	5,407,201
Payment for redemption of shares	(41,639,032)	(4,042,367)
Net cash (used in)/provided by financing activities	(38,360,440)	1,364,834
Net (decrease)/increase in cash and cash equivalents	(7,011,272)	3,209,062
Cash and cash equivalents – beginning of year	18,928,554	15,719,492
Cash and cash equivalents – end of year	11,917,282	18,928,554
Supplemental cash flow information:		
Interest received	66,559	-

The accompanying notes are an integral part of these financial statements.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

1. CORPORATE INFORMATION

Butterfield Select Fund Limited (the “Fund”) is an open-ended investment company which was incorporated under the laws of Bermuda on January 31, 2000.

The Fund commenced operations on February 17, 2000. The Bank of N. T. Butterfield & Son Limited acts as custodian (the “Custodian” or the “Bank”) to the Fund. Butterfield Asset Management Limited acts as investment adviser (the “Investment Adviser”). MUFG Fund Services (Bermuda) Limited acts as registrar and transfer agent and as accountants/administrator (the “Registrar and Transfer Agent” or “Administrator”) for the Fund. The Investment Adviser is wholly owned subsidiary of The Bank.

The registered address of the Fund is c/o MUFG Fund Services (Bermuda) Limited, Cedar House, 4th Floor North, 41 Cedar Avenue, Hamilton HM 12, Bermuda.

The Investment Adviser, Custodian and the Bank maintains separate business units, roles and responsibilities to ensure segregation between different functions.

Brown Brothers Harriman & Co. acts as sub-custodian (the “Sub-custodian”) for the Equity Class, the Alternative Investment Class and the Alternative Investment Institutional Class. The Sub-custodian fees are paid by the Custodian.

Grosvenor Capital Management, L.P. provides sub-advisory services to the Fund. All sub-advisory fees are paid by the Investment Adviser on behalf of the Fund and reimbursed afterwards.

The objective of the Fund is to achieve long term capital growth in the value of the assets, offering a convenient and efficient vehicle for investing in mutual fund products which are anticipated to provide the best opportunities for capital appreciation having regard to diversification.

For the Equity Class, the policy of the Fund is to hold a global portfolio by investing in international and Bermuda equity funds and international equity index-linked instruments.

For the Global Fixed Income Class, the policy of the Fund is to hold a portfolio of international fixed income mutual funds and/or securities.

For Alternative Investment Class and Alternative Investment Institutional Class the policy is to invest with professional money managers, predominately in “Hedge Fund” format, but may, at the Investment Adviser’s discretion, invest in listed securities or limited partnership investments. The Investment Adviser will attempt to minimise the risks involved by selecting money managers who utilise strategies such as hedged investing and by diversification of both manager and strategy.

All four classes may also hold money market instruments or mutual funds for cash management purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

2. BASIS OF PREPARATION

Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical-cost basis, except for financial assets held at fair value through profit or loss.

The financial statements are presented in United States dollars, which is the functional currency of the Fund, and all values are rounded to the nearest dollar, except when otherwise stated.

Summary of significant accounting policies

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the Fund's management to make judgements, estimates and assumptions that affect the amounts reported and disclosures made in the financial statements, and accompanying notes. Management believes that the estimates and judgements utilised in preparing the Fund's financial statements are reasonable and prudent. Actual results could materially differ from these estimates.

b) Financial Instruments

i. Classification

In accordance with IFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

b) Financial Instruments (continued)

i. Classification (continued)

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category:

Debt instruments: These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Instruments held for trading: This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. This category also includes derivative contracts in an asset position.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVPL)

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Fund includes in this category, derivative contracts in a liability position and equity and debt instruments sold short since they are classified as held for trading.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes in this category other short-term payables.

Receivables and Loans

Receivables and Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category collateral on derivatives, securities borrowed and other short-term receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified at FVPL. The Fund includes in this category debentures, collateral on derivatives, securities lent and other short-term payables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

b) Financial Instruments (continued)

ii. Initial recognition

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

iii. Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

iv. Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in unrealized gains or losses in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest income or expense and dividend income or expense in the statement of comprehensive income.

Financial liabilities, other than those classified at FVPL, are measured at amortised cost using the effective interest method (the "EIR"). Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the amortisation process.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

(a) Transferred substantially all of the risks and rewards of the asset, or

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

b) Financial instruments (continued)

v. Derecognition (continued)

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

c) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or dealer price quotations, without any deduction for transaction costs.

It is the policy of the Fund to value any asset quoted, listed, traded or dealt with on an exchange or market by reference to the last traded price on or prior to the relevant Valuation Day on the major exchange or market in which the assets are dealt, to the extent that such valuation is based on a price within the bid-ask spread that is most representative of fair value on valuation date. In circumstances where the last traded price is not within the bid-ask spread, the Directors will determine the point within the bid-ask spread that is most representative of fair value.

Investments in underlying funds are carried at fair value, which is based on the net asset value ("NAV") of each share of the Fund's investments in or the pro-rata interest in the net assets of such investment funds as published or otherwise reported by the investment fund's administrators. The underlying investments of each fund are accounted for at fair value as described in each investment fund's financial statements.

The Directors at their absolute discretion may permit some other method of valuation to that described above if they consider such valuation better reflects the fair value of any investment.

d) Impairment of financial assets

The Fund holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. As at June 30, 2023 and 2022, the Fund had no ECLs and had, therefore, not recognised a loss allowance.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

d) Impairment of financial assets (continued)

The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

e) Functional and presentation currency

The Fund's functional currency is the United States Dollar (US Dollar), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in US Dollars. Therefore, the US Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the US Dollars.

f) Offsetting and financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Management has determined that, as at June 30, 2023 and 2022, there were no assets and liabilities offset in the statement of financial position, nor were there any assets or liabilities available for offset. The Fund does not have a legally enforceable right to offset, nor does it have master netting agreements or similar arrangements that would allow for related amounts to be set off.

g) Foreign currency translations

Assets and liabilities that are denominated in foreign currencies are translated into US dollars at rates of exchange on the period end date. Transactions during the period are translated at the rate in effect at the date of the transaction. Foreign currency translation gains and losses are included in the statement of comprehensive income.

The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included in the net realised and change in unrealised gain/(loss) on investments in the statement of comprehensive income.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. The value of money market funds held by Alternative Investment Institutional Class is comprised of investments in Butterfield Money Market Fund Limited of \$8,066,559 (2022: \$Nil). As at June 30, 2023 and 2022, there was no restricted cash and cash equivalents held.

Bank overdrafts (if any) are shown in liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

i) Interest income and expense

Interest income and expense are recognized in the statement of comprehensive income for all interest-bearing financial instruments using the EIR.

j) Dividend income and expense

Dividend income is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

k) Realised and change in unrealised gains and losses

Realised and change in unrealised gains/(losses) on financial assets at fair value through profit or loss are recognised in the statement of comprehensive income. The cost of investments sold is accounted for using the average cost basis.

l) Expenses

All expenses (including management fees) are recognised in the statement of comprehensive income on an accrual basis.

m) Going concern

The Fund's management has assessed the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

n) Share capital

The Fund's Organisational Shares are classified as equity in accordance with IFRS and the Fund's articles of association. These shares do not participate in the profits of the Fund.

o) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable participating shares can be put back to the Fund on any dealing day (with respect to the Equity Class, Global Fixed Income Class and Alternative Investment Class: normally the next business day following the Valuation Day, which is on the Friday in each week; and with respect to the Alternative Investment Institutional Class: being the first Business Day of each calendar month) at a value equal to a proportionate share of the NAV. The NAV per share is calculated by dividing the net assets attributable to shareholders with the total number of outstanding redeemable shares.

p) Investment entity

IFRS 10 defines an investment entity and requires a reporting entity that meets the definition of an investment entity not to consolidate but instead to measure its investments at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with investment management services;

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

p) Investment entity (continued)

- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Management has determined that the Fund meets the definition of an investment entity and recognizes all investments at fair value through profit and loss.

q) Impact of new accounting pronouncements

For the year ended June 30, 2023, there are no new accounting pronouncements that are expected to have a material impact on the financial statements.

r) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Fair value

For fair value of financial instruments please refer to Note 4.

s) Comparative information

Where necessary, comparative figures are adjusted to comply with changes in presentation in the current year.

3. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management approach includes formal guidelines to govern the extent of exposure to various types of risk. The Investment Adviser also has various internal controls to oversee the Funds' investment activities, including monitoring compliance with the investment objective and strategies, internal guidelines and securities regulations.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Financial instruments that potentially expose the Fund to credit and counterparty risk consist primarily of cash and cash equivalents, balances held at the brokers/custodian/sub-custodian and investments in debt securities.

The value of such balances on the statement of financial position includes consideration of the creditworthiness of the issuer, and, accordingly represents the maximum credit risk exposure of the Fund.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (continued)

Credit ratings below represent ratings of Global Fixed income Class' debt securities provided by Standard & Poor's and are subject to change, which could be material.

	% of Portfolio 2023	% of Portfolio 2022
Debt Securities by Credit Rating		
AA+	60.16	46.97
AA-	2.73	0.00
A+	0.00	3.92
A	0.00	2.58
A-	4.10	10.31
BBB+	18.15	10.10
BBB	5.57	12.32
BBB-	5.98	5.37
BB+	0.00	3.94
BB-	1.96	3.19
Not Rated by S&P	1.35	1.30
	100.00	100.00

Credit ratings below represent ratings of Global Fixed Income Class' debt securities provided by Moody's for the debt securities not rated by Standard & Poor's and are subject to change, which could be material.

	% of Portfolio 2023	% of Portfolio 2022
Debt Securities by Credit Rating		
A3	1.35	-
Baa1	-	1.30
	1.35	1.30

Substantially all of the assets of the Fund are held by the Fund's Custodian and the Sub-custodian. The Fund monitors its risk by monitoring the credit quality of the Custodian and the Sub-custodian. As at June 30, 2023, the credit ratings of the Custodian, as provided by Standard and Poor's, was BBB+ (2022 – BBB+). As at June 30, 2023, the credit rating of the Sub-custodian, as provided by Fitch Ratings, was A+ (2022 – A+).

Currency Risk

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. The Fund invests in securities and other investments that are denominated in currencies other than the US Dollar. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will necessarily be subject to foreign exchange risks.

The primary purpose of the Fund's foreign currency economic hedging activities is to protect against the volatility associated with investments denominated in foreign currencies and other assets and liabilities denominated in foreign currencies created in the normal course of business. The Fund may utilise foreign currency forward exchange contracts to hedge foreign-currency-denominated financial instruments. Increases or decreases in the fair values of the Fund's foreign-currency-denominated financial assets and liabilities are partially offset by gains and losses on the economic hedging instruments.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency Risk (continued)

As at June 30, 2023 and 2022, the Fund's exposure to currencies other than the Fund's reporting currency was limited to small balances of cash and cash equivalents denominated in foreign currencies which are not significant to the Fund as a whole.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Prices of fixed income securities generally increase when interest rates decline and decrease when interest rates rise. As at June 30, 2023, had the interest rates increased or decreased by 25 basis points and assuming a direct impact to the net assets by 25 basis points, the net assets of Global Fixed Income Class would have increased or decreased by approximately US\$84,319 (2022: US\$95,381). This analysis assumes that all other variables remained unchanged. In practice, actual results may differ from this analysis and the difference could be material. All other assets and liabilities are not subject to interest rate risk. The Equity Class, Alternative Investment Class and Alternative Investment Institutional Class are not subject to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to liquidity risk by way of weekly cash redemptions of redeemable shares of the Equity Class, Global Fixed Income Class and Alternative Investment Class.

The Alternative Investment Institutional Class has a higher risk and return objective and reduced liquidity constraints than the other Classes and, as a result, shares can only be redeemed quarterly. Each Fund Class retains sufficient holdings in underlying funds which offer redemptions on a quarterly, monthly, weekly and daily basis or actively traded marketable securities which, combined with cash and cash equivalents, provide adequate liquidity to address the risk of cash redemptions of redeemable shares.

The table below indicates the Global Fixed Income Class' holdings in debt securities by remaining term to maturity:

Debt Securities by Maturity	Fair Value	
	2023 US\$	2022 US\$
Less than 1 year	-	1,519,157
1 - 3 years	3,936,923	5,531,996
3 - 5 years	10,432,962	5,083,314
Greater than 5 years	19,872,296	26,423,872
	34,242,181	38,558,339

As of June 30, 2023 and 2022, all investment funds and exchanged traded funds (2023: US\$77,196,811; 2022: US\$92,359,474) held by the Equity Class offer redemptions on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk (continued)

As of June 30, 2023 and 2022, all investment funds (2023: US\$2,328,895; 2022: US\$2,185,900) held by the Global Fixed Income Class offer redemptions on a daily basis.

As of June 30, 2023, investment funds held by the Alternative Investment Class representing US\$4,634,703 (27.76%) offer redemptions on a quarterly basis, US\$12,060,912 (72.24%) offer redemptions on a monthly basis. As of June 30, 2022, investment funds held by the Alternative Investment Class representing US\$6,392,636 (35.58%) offer redemptions on a quarterly basis, US\$10,256,115 (57.08%) offer redemptions on a monthly basis, US\$877,333 (4.88%) offer redemptions on a weekly basis and US\$441,552 (2.46%) offer redemptions on a daily basis. Investment funds' initial lock-up periods range from zero to one year. As of June 30, 2023, no investment funds held by the Alternative Investment Class remained subject to un-expired initial lock-up periods. As of June 30, 2022, investment funds held by the Alternative Investment Class amounting to US\$1,313,174 remained subject to un-expired initial lock-up periods ranging from 1 month to 12 months.

As of June 30, 2023, investment funds held by the Alternative Investment Institutional Class representing US\$48,309,515 (55.52%) offer redemptions on a quarterly basis and US\$38,637,980 (44.40%) offer redemptions on a monthly basis and US\$70,221 (0.08%) have other liquidity. As of June 30, 2022, investment funds held by the Alternative Investment Institutional Class representing US\$72,434,522 (68.98%) offer redemptions on a quarterly basis, US\$32,450,195 (30.91%) offer redemptions on a monthly basis and US\$120,081 (0.11%) have other liquidity. Investment funds' initial lock-up periods range from zero to one year. As of June 30, 2023, no investment funds held by the Alternative Investment Institutional Class remained subject to un-expired initial lock-up periods. As of June 30, 2022, investment funds held by the Alternative Investment Institutional Class amounting to US\$4,923,751 remained subject to un-expired initial lock-up periods ranging from 1 month to 12 months.

The Fund also has a credit facility in place to further mitigate liquidity risk.

Price/Market Risk

Price/market risk is the risk that the value of investments will fluctuate as a result of market conditions. The Investment Adviser attempts to mitigate price/market risk by selecting appropriate portfolio investments based on the Fund's strategy.

As at June 30, 2023, all of the Equity Class' investments were exposed to changes in portfolio prices. As at June 30, 2023, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Equity Class would have been US\$3,859,841 (2022 - US\$4,617,974) higher or lower.

As at June 30, 2023, all of the Global Fixed Income Class' investments were exposed to changes in portfolio prices. As at June 30, 2023, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Global Fixed Income Class would have been US\$1,828,554 (2022 - US\$2,064,562) higher or lower.

As at June 30, 2023, all of the Alternative Investment Class' investments were exposed to changes in portfolio prices. As at June 30, 2023, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Alternative Investment Class would have been US\$834,781 (2022 - US\$898,382) higher or lower.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Price/Market Risk (continued)

As at June 30, 2023, all of the Alternative Investment Institutional Class' investments were exposed to changes in portfolio prices. As at June 30, 2023, if portfolio prices had been 5% higher or lower with all other variables held constant, the net assets of the Alternative Investment Institutional Class would have been US\$4,350,886 (2022 - US\$5,250,240) higher or lower.

A sensitivity rate of 5% is used when reporting other price/market risk internally to key management personnel and represents management's assessment of possible change in market prices.

4. FAIR VALUE OF FINANCIAL ASSETS

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are market observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data, including the Fund's own assumptions in determining the fair value of investments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The inputs used by the Fund to value its investments in each of the investment funds or other financial instruments may differ from the inputs used to value the underlying holdings of such investment funds or other financial instruments. Thus, an investment fund with all of its underlying investments classified as Level 1 may be classified as a Level 2 or Level 3 investment.

The Fund measures the fair value of its investments in investment funds on the basis of the NAV per share (or its equivalent) of such investment funds.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

4. FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

Unless the investment funds have been suspended or are subject to similar liquidity restrictions, the Fund has the ability to redeem its investments in investment funds at NAV per share (or its equivalent) and the investments in investment funds are categorized as Level 2. Where the investment fund is suspended for an extended period, the Fund classifies its investments in investment funds as Level 3.

2023

EQUITY CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	75,897,445	-	75,897,445
Exchange traded funds	1,299,366	-	-	1,299,366
Total financial assets	1,299,366	75,897,445	-	77,196,811

GLOBAL FIXED INCOME CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Corporate and government debt securities	-	26,954,234	-	26,954,234
Preferred shares	-	-	-	-
Mortgage-backed securities	-	7,287,947	-	7,287,947
Investment funds	-	2,328,895	-	2,328,895
Total financial assets	-	36,571,076	-	36,571,076

ALTERNATIVE INVESTMENT CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	16,695,615	-	16,695,615
Total financial assets	-	16,695,615	-	16,695,615

ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	87,017,716	-	87,017,716
Total financial assets	-	87,017,716	-	87,017,716

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

4. FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

2022

EQUITY CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	91,863,551	-	91,863,551
Exchange traded funds	495,923	-	-	495,923
Total financial assets	495,923	91,863,551	-	92,359,474

GLOBAL FIXED INCOME CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Corporate and government debt securities	-	32,805,842	-	32,805,842
Preferred shares	-	547,000	-	547,000
Mortgage-backed securities	-	5,752,497	-	5,752,497
Investment funds	-	2,185,900	-	2,185,900
Total financial assets	-	41,291,239	-	41,291,239

ALTERNATIVE INVESTMENT CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	17,967,636	-	17,967,636
Total financial assets	-	17,967,636	-	17,967,636

ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS

Classification	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investment funds	-	105,004,798	-	105,004,798
Total financial assets	-	105,004,798	-	105,004,798

Transfers of Assets between Level 1 and Level 2

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of the securities no longer being traded in an active market. There were no transfers of financial assets and liabilities from Level 1 to Level 2 during the years ended June 30, 2023 and 2022. Financial assets and liabilities transferred from Level 2 to Level 1 are the result of the securities now being traded in an active market. There were no transfers of financial assets and liabilities from Level 2 to Level 1 during the years ended June 30, 2023 and 2022.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

4. FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

The Fund's Equity Class, Global Fixed Income Class, Alternative Investment Class and Alternative Investment Institutional Class did not hold any Level 3 investments at the beginning, during, or at the end of the year ended June 30, 2023 and June 30, 2022.

5. SHARES ISSUED AND OUTSTANDING

The authorised share capital of the Fund is US\$100,000,000 divided into 1,000,000,000 shares of US\$0.10 par value each, of which 120,000 shares of US\$0.10 par value have been designated as non-participating, voting organisational shares and have been allotted for cash at par to the Investment Adviser and its nominees under Equity Class.

The remaining share capital consists of 999,880,000 participating, non-voting redeemable shares of US\$0.10 divided into four classes designated as Equity Class, Global Fixed Income Class, Alternative Investment Class and Alternative Investment Institutional Class.

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

Details of shares issued and outstanding during the years ended June 30, 2023 and 2022 were as follows:

EQUITY CLASS REDEEMABLE SHARES

	2023	2022
Balance – beginning of year	4,936,103	5,514,005
Issue of redeemable shares	243,484	255,018
Redemption of redeemable shares	(1,647,938)	(832,920)
Balance – end of year	3,531,649	4,936,103

GLOBAL FIXED INCOME CLASS REDEEMABLE SHARES

	2023	2022
Balance – beginning of year	2,031,675	2,183,908
Issue of redeemable shares	207,471	146,136
Redemption of redeemable shares	(433,232)	(298,369)
Balance – end of year	1,805,914	2,031,675

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

5. SHARES ISSUED AND OUTSTANDING (CONTINUED)

ALTERNATIVE INVESTMENT CLASS REDEEMABLE SHARES

	2023	2022
Balance – beginning of year	1,306,143	1,019,191
Issue of redeemable shares	120,119	411,826
Redemption of redeemable shares	(543,556)	(124,874)
Balance – end of year	882,706	1,306,143

ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS REDEEMABLE SHARES

	2023	2022
Balance – beginning of year	12,448,606	12,321,217
Issue of redeemable shares	305,990	495,976
Redemption of redeemable shares	(3,891,172)	(368,587)
Balance – end of year	8,863,424	12,448,606

Redeemable shares are allotted to subscribers at a value determined by reference to the weekly valuation of the net assets of Equity Class, Global Fixed Income Class, and Alternative Investment Class and monthly for Alternative Investment Institutional Class. Shares may be redeemed weekly from Equity Class, Global Fixed Income Class and Alternative Investment Class and quarterly from Alternative Investment Institutional Class for an amount equal to the net asset value per share as at the close of business on the valuation day, following receipt of the properly completed request for 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.

The Directors of the Fund will use commercially reasonable efforts to timely meet redemption requests for the Alternative Investment Class and Alternative Investment Institutional Class. However, because the liquidity of the investments in investment funds does not match the liquidity offered to shareholders of these Classes, the Directors have determined it is in the best interest of the Alternative Investment Class and Alternative Investment Institutional Class to retain the discretion to impose a gate on redemptions. The Directors may, with respect to any redemption day, impose a gate if redemption requests in the aggregate exceed 15% of the net asset value of the respective classes on the relevant redemption day and the eleven redemption days prior for Alternative Investment Class and three redemption days prior for Alternative Investment Institutional Class. When outstanding redemption requests exceed the gate, redemptions will be reduced and satisfied on a pro rata basis, based on the total amount of requested redemptions as of such redemption day. If the Fund receives redemption requests that exceed the gate it shall carry forward the balance of any redemption requests which are not processed as a result of the gate to the next following redemption day and so on to each succeeding redemption day until such request has been complied with in full.

With respect to the Alternative Investment Institutional Class, the Directors may also declare any dealing day to be an additional redemption day for such Class, (each a “Special Dealing Day”) provided that (i) no more than five (5) percent of the then outstanding Alternative Investment Institutional Class shares may be redeemed as of any Special Dealing Day; and (ii) a notice of redemption with respect to a Special Dealing Day is received by the Administrator by no later than 5:00 pm no less than 40 calendar days before the applicable Special Dealing Day.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

5. SHARES ISSUED AND OUTSTANDING (CONTINUED)

In addition, the Directors may impose such additional requirements, limitations, terms and conditions with respect to redemptions on a Special Dealing Day as they may determine in their sole discretion.

Capital Management

As a result of the ability to issue, repurchase and resell shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Fund's Prospectus.

6. RELATED PARTY TRANSACTIONS

a) Management Fee

The Investment Adviser is related to the Fund through common directorship.

Under the terms of the management agreement, the Investment Adviser is entitled to receive a monthly fee calculated at the rate of no more than 1% (2022: 1%) per annum of the net asset value of each of the Equity and Global Fixed Income Classes and 2% (2022: 2%) per annum of the Alternative Investment and Alternative Investment Institutional Classes. Presently, the monthly fee is calculated at the rate of 0.875% (2022: 0.875%) per annum for each of the Equity and Global Fixed Income Classes, 1.75% (2022: 1.75%) per annum for the Alternative Investment Class and Alternative Investment Institutional Class.

Management fees are accrued daily and paid on the last valuation day of each month. Details of management fees charged and payable, as at June 30, 2023 and 2022 for each class are set out in the table below.

Class	Management fees charged		Management fees payable	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Equity	703,489	1,017,038	65,433	79,759
Global Fixed	355,608	419,648	32,489	35,727
Alternative Investment	347,749	339,385	27,887	36,767
Alternative Investment Institutional	1,856,015	2,356,924	130,845	187,332

b) Custodian Fee

In accordance with the custodian agreement, the Custodian receives a fee based on the fair value of assets under administration at the rate of 3.25 basis points per annum. On March 1, 2018 this rate increased to 5 basis points per annum. Relevant out-of-pocket expenses may also be charged to the Fund by the Custodian. Details of custodian fees charged and payable, as at June 30, 2023 and 2022 for each class are set out in the table below.

Class	Custodian fees charged		Custodian fees payable	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Equity	40,200	58,117	3,739	4,557
Global Fixed	20,321	23,980	1,857	2,042
Alternative Investment	9,936	9,697	797	1,051
Alternative Investment Institutional	54,033	67,343	4,070	5,353

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

6. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Investment Transactions

As of June 30, 2023, Butterfield Select Invest Fund Limited ("Select Invest") held 470,035 shares (2022: 477,147) having a fair value of US\$10,265,554 (2022: US\$8,913,110) in the Equity Class, 307,868 shares (2022: 273,341) having a fair value of US\$6,412,890 (2022: US\$5,710,083) in the Global Fixed Income Class, 110,570 shares (2022: 183,237) having a fair value of US\$1,961,500 (2022: US\$3,074,713) in the Alternative Investment Class and did not hold shares in Alternative Investment Institutional Class. Select Invest is related through common directorship. In addition, Select Invest is also managed by the Fund's Investment Adviser.

d) Credit Facility

On July 19, 2022 (2022: September 30, 2021), the Fund renewed the unsecured credit facility agreement with the Bank. The agreement bears interest at a rate of 1% per annum above the funding cost incurred by the Bank in making the revolving facility available on drawdown date. Advances will be limited to 10% of the class net asset value, except for Alternative Investment Class which will be limited to 20% of its net asset value. The principal amount will be limited to a maximum of US\$43,000,000. Notwithstanding this aggregate total the individual classes of the fund will be limited to: Equity Class US\$12,000,000, Global Fixed Income Class US\$5,000,000, Alternative Investment Class US\$8,000,000 and Alternative Investment Institutional Class US\$18,000,000. The full amount of any amount advanced under the revolving facility, together with the accrued interest and other amounts payable by the Borrower to the Bank, is payable on the earlier of sixty days following the utilization date or the expiry date, unless extended at the Bank's sole discretion. If any payment falls due and payable on a day which is not a business day the payment shall be made on the next following business day. The renewed unsecured facility expired on June 30, 2023 (2022: June 30, 2022).

On July 31, 2023, the Fund renewed the unsecured credit facility agreement with the Bank. The terms remain unchanged from the previous agreement. The renewed unsecured facility expires on June 30, 2024.

During the year ended June 30, 2023, the Alternative Investment Class made drawdowns on the credit facility in the amount of \$7,380,000 (2022: \$Nil). As at June 30, 2023, the Alternative Investment Class had an outstanding balance owing on the credit facility in the amount of \$1,250,000 (2022: \$Nil).

In connection with the credit facility, the Alternative Investment Class incurred interest of \$7,209, which is presented as loan interest expense in the statement of comprehensive income. There was no loan interest payable as at June 30, 2023 (2022: \$Nil).

e) Other

The Bank owns shares of the classes as outlined below:

Class	Shares	
	2023	2022
Equity	420,268	1,317,538
Alternative Investment Institutional	1,274,409	1,274,409

7. ADMINISTRATION FEE

In accordance with the administration agreement, the Administrator receives a fee based upon the nature and extent of the services provided. Details of administration fees charged and payable, as at June 30, 2023 and 2022 for each class are set out in the table below. Administration fees payable at June 30, 2023 and 2022 are included in accrued expenses in the Statements of Financial Position.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

7. ADMINISTRATION FEE (CONTINUED)

Class	Administration fees charged		Administration fees payable	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Equity	112,186	163,253	37,518	12,941
Global Fixed	56,900	67,272	19,234	5,735
Alternative Investment	31,750	31,020	10,354	3,367
Alternative Investment Institutional	171,681	216,300	52,541	17,291

8. OTHER PAYABLES

Other payables to various third parties as of June 30, 2023 for the Equity Class is \$33,192 (2022 - \$28,737), for Global Fixed Income Class is \$15,877 (2022 - \$13,715), for Alternative Investment Class is \$15,839 (2022 - \$14,080) and for Alternative Investment Institutional Class is \$27,976 (2022 - \$64,935).

9. TAXATION

Under current Bermuda law, the Fund is not obligated to pay taxes in Bermuda on either income or capital gains.

The Fund has received an undertaking from the Minister of Finance in Bermuda, pursuant to the provisions of the exempted undertaking Tax Protection Act, 1966 which exempted the Fund from any such Bermuda taxes up to March 28, 2016.

In March 2011, the Bermuda Government enacted the Exempted Undertakings Tax Protection Amendment Act 2011, allowing the Minister of Finance to grant assurance up to March 31, 2035. On January 29, 2015 the minister granted assurance to the Fund up to that date.

In accordance with IFRIC 23 'Uncertainty over income tax treatments' ("IFRIC 23"), the Fund has analysed its tax positions and has concluded that no asset/liability for unrecognised tax benefits/obligations should be recorded relating to uncertain tax positions for the year ended June 30, 2023. Currently, the only taxes recorded by the Fund are withholding taxes applicable to certain income. For the year ended June 30, 2023 and 2022, no other income tax liability or expense has been recorded in the accompanying financial statements.

10. COMMITMENTS AND CONTINGENCIES

Management has determined that the Fund had no commitments or contingencies as at June 30, 2023 (2022: none).

11. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2023 through November 24, 2023, the date the financial statements were available to be issued, and concluded that there are no subsequent events requiring disclosure in the financial statements.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

12. FINANCIAL HIGHLIGHTS

2023			GLOBAL FIXED INCOME CLASS		ALTERNATIVE INVESTMENT CLASS		ALTERNATIVE INVESTMENT INSTITUTIONAL CLASS
Per Share Information							
Net asset value - beginning of the year	\$	18.6830	\$	20.8935	\$	16.7834	\$ 10.4472
Net investment income/(loss) from operations		0.2618		0.4514		(0.3756)	(0.2169)
Net investment gain/(loss)****							
Net realised and change in unrealised gain/(loss) on investments		2.8976		(0.5120)		1.3331	0.9284
Total from investment operations		3.1594		(0.0606)		0.9575	0.7115
Net asset value - end of the year	\$	21.8424	\$	20.8329	\$	17.7409	\$ 11.1587

Ratios / Supplemental Data

Total net assets - end of year	\$	77,139,723	\$	37,622,465	\$	15,659,962	\$ 98,904,446
Weighted average net assets*	\$	80,574,951	\$	40,453,396	\$	19,790,962	\$ 107,830,749
Ratio of expenses to weighted average net assets		1.13%		1.14%		2.17%	2.00%
Portfolio turnover rate**		13.13%		22.55%		4.83%	0.00%
Annual rate of return***		16.92%		(0.29)%		5.72%	6.79%

* Weighted average net assets are calculated using net assets on the last valuation date of each month.

** Portfolio turnover rate is calculated using the lesser of purchases or sales of investments for the year divided by the weighted average value of investments, calculated using the last valuation date of each month.

*** Annual rate of return is calculated by comparing the end of year net asset value to the beginning of year net asset value.

****Net investment gain/(loss) represents interest, dividend income and other income net of expenses.

Butterfield Select Fund Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2023

12. FINANCIAL HIGHLIGHTS (CONTINUED)

2022		GLOBAL		ALTERNATIVE		ALTERNATIVE
		FIXED		INVESTMENT		INVESTMENT
	EQUITY	INCOME		INVESTMENT		INSTITUTIONAL
	CLASS	CLASS		CLASS		CLASS
Per Share Information						
Net asset value - beginning of the year	\$	22.9586	\$	23.4679	\$	16.7371
					\$	11.1328
Net investment income/(loss) from operations						
Net investment gain/(loss)****		(0.0000)		0.4479		(0.3518)
Net realised and change in unrealised gain/(loss) on investments		(4.2756)		(3.0223)		0.3981
						(0.4551)
Total from investment operations		(4.2756)		(2.5744)		0.0463
						(0.6856)
Net asset value - end of the year	\$	18.6830	\$	20.8935	\$	16.7834
					\$	10.4472

Ratios / Supplemental Data

Total net assets - end of year	\$	92,221,005	\$	42,448,879	\$	21,921,493	\$	130,053,132
Weighted average net assets*	\$	115,052,069	\$	47,756,036	\$	19,428,823	\$	134,459,457
Ratio of expenses to weighted average net assets		1.12%		1.13%		2.07%		2.02%
Portfolio turnover rate**		11.94%		15.02%		5.08%		19.72%
Annual rate of return***		(18.64)%		(10.99)%		0.24%		(6.11)%

* Weighted average net assets are calculated using net assets on the last valuation date of each month.

** Portfolio turnover rate is calculated using the lesser of purchases or sales of investments for the year divided by the weighted average value of investments, calculated using the last valuation date of each month.

*** Annual rate of return is calculated by comparing the end of year net asset value to the beginning of year net asset value.

****Net investment gain/(loss) represents interest, dividend income and other income net of expenses.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Directors on November 24, 2023.