Fund Review

Butterfield Asset Management Limited

Select Fund: Equity Class

Quarter 1 2025

Objective

To offer a convenient vehicle for investing in a portfolio of global equities, which are anticipated to provide the best opportunities for risk-adjusted capital growth.

Investment policy

To invest in a broad range of global equities, diversified across sector and geography. The strategy may use passive funds for managing tracking error and where deemed more appropriate, for example in Emerging Markets.

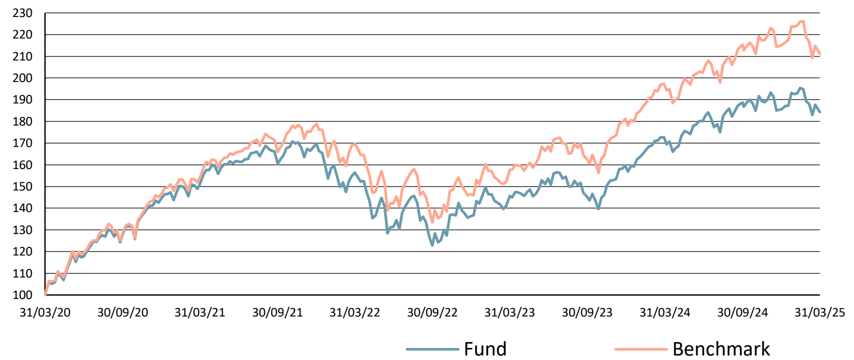
Investment process

The investment process utilises a combination of top-down and bottom-up analysis. The strategy is benchmark aware and typically has exposure to every major sector. Stocks tend to exhibit attractive quality and value characteristics, with long-term themes used to help ensure that the exposure is tilted towards sectors or companies with long-term tailwinds.

Key facts as at 31 March 2025

Currency	USD
Valuation	Weekly
Dealings	Friday
Front end fee	None
Units available	Accumulation
Identifier	BUTSLEQ BH
Fiscal year end	30 June
Minimum investment	USD 10,000
Total expense ratio	1.25%
Size of fund (millions)	USD 80.83
NAV per share	USD 26.21

Performance chart



Average annual compound returns

	Quarter	1 year	3 years	5 years	10 years
Total returns	-0.72%	6.72%	5.61%	13.00%	7.24%
Benchmark	-1.79%	7.04%	7.57%	16.12%	9.49%

Fund review

The Select Equity Fund returned -0.72% in the first quarter, outperforming the MSCI World index, which returned -1.79%.

The news flow in the first quarter was relentless. The year started with a sense of optimism that President Trump would emphasise the elements of his agenda more positive for economic growth, namely tax cuts and deregulation. Furthermore, there was an expectation that tariffs would be used in a targeted manner and also as a means of negotiating trade deals with other countries. Instead, we saw aggressive and erratic trade policy, which caused significant volatility in equity markets.

Despite all the noise and uncertainty, the MSCI World Index fell only modestly over the full quarter, but it did see a 7.00% fall from its peak in February. In March, the index fell 4.45%, the worst performance since September 2022. In addition to trade tariffs, there were two other notable themes during the quarter. Firstly, the narrative around Artificial Intelligence (AI) shifted after Chinese company Deepseek launched a new open-source model that took the markets by storm. This caused a reassessment of the extent of the data centre buildout required to power AI, which saw weakness in Technology and Industrial stocks held in the Fund.

BUTTERFIELD

Benchmark composition

100% MSCI World (Free) Index.

Contact us

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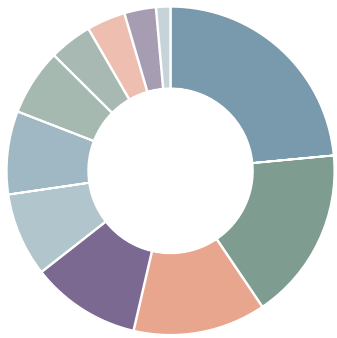
Secondly, Europe, led by Germany, announced a significant increase in defense and infrastructure spending. The catalyst for this was a realisation that the US security umbrella was fading. European defense stocks rallied strongly, and the Fund's holding in BAE Systems was a beneficiary of this. The combination of weakness in AI and strength in European Industrials helped European equities to outperform US equities by a significant margin in the first quarter, returning 10.72% and -4.60% respectively.

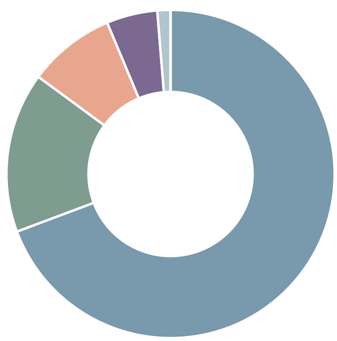
The Fund's defensive sector positioning contributed positively to relative performance over the quarter. Overweights to the Health Care and Utilities sectors, and an underweight to Consumer Discretionary, were beneficial as the market's assessment of recession risk increased. Stock selection also contributed positively, particularly in Consumer Discretionary, Health Care, and Real Estate. Elevated tariff and geopolitical uncertainty have made for a more challenging economic backdrop, but valuations are more attractive. We are watching earnings revisions closely and will look to take advantage of new opportunities as they present themselves.

Asset allocation



Information Technology	23.5%
Financials	17.0%
Health Care	13.1%
Industrials	10.8%
Consumer Discretionary	8.3%
Communication Services	8.2%
Consumer Staples	6.5%
Energy	4.2%
Utilities	3.8%
Materials	3.1%
Real Estate	1.4%

Regional allocation



North America	69.3%
Europe developed	15.8%
Asia/Pacific	8.6%
UK	5.0%
Emerging markets	1.3%

Top 10 holdings

1	iShares Global Financials ETF	7.7%
2	iShares MSCI Japan ETF	6.6%
3	Apple Inc.	4.8%
4	NVIDIA Corporation	4.7%
5	Microsoft Corporation	3.3%
6	iShares Global Industrials ETF	2.9%
7	Alphabet Inc. - Class C	2.8%
8	Amazon.com Inc	2.8%
9	The Financial Select Sector SPDR ETF	2.6%
10	Meta Platforms Inc Class A	2.4%

www.butterfieldgroup.com