

## Select Fund: Equity Class

Quarter 1 2024

### 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.

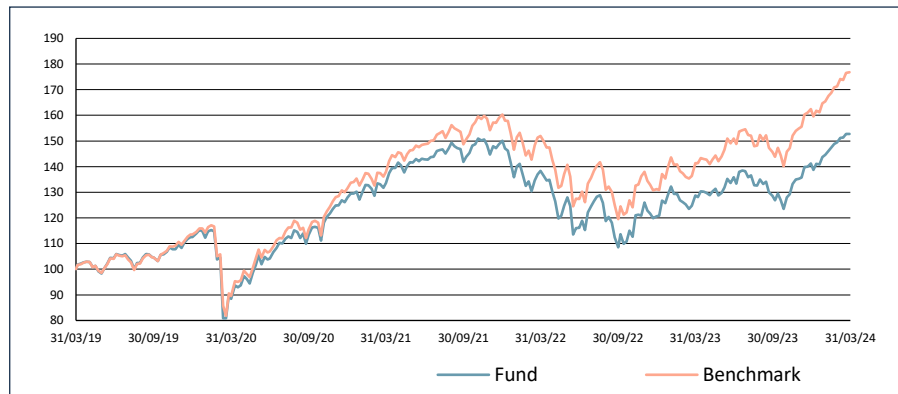
### Investment process

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 2024

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	1.16%
Size of fund (millions)	USD 81.73
NAV per share	USD 24.56

### Performance chart



### Average annual compound returns

	Quarter	1 year	3 years	5 years	10 years
Total returns	8.15%	18.59%	4.55%	8.84%	7.00%
Benchmark	8.88%	25.11%	8.60%	12.07%	9.39%

### Fund review

The Select Equity Fund returned 8.2% in the first quarter of 2024, close to the MSCI World Index, which returned 8.9%. This represented the best first-quarter performance in five years, with the S&P 500 closing at record highs 22 times over the three-month period. The combination of resilient global growth, a pivot by global central banks suggesting interest rates may come down this year and Artificial Intelligence (AI) optimism helped propel the markets forward.

The rally in global equities was relatively narrow for much of last year and was concentrated in a small number of Large Cap Technology oriented stocks. However, since November, the rally has broadened out. Over the first quarter, more cyclical sectors such as Financial, Energy, and Industrials outperformed. The weakest sectors were Real Estate and Utilities, interest rate sensitive sectors which have been negatively impacted by the shift to the higher-for-longer environment. The Russell 2000 (small-cap to mid-cap companies), which is also sensitive to interest rate expectations, underperformed the S&P 500 index. Consumer Staples and Materials also lagged, as bond yield proxies (Consumer Staple stocks) remained unattractive in the current environment.

The best performing countries in the first quarter were Japan and the US, with the former benefitting from policy tailwinds and the latter benefitting from AI and robust growth. In local currency, Japan was up 19%. Europe also did well, with the blue-chip names outperforming. The weakest regions were Asia Pacific ex



### Benchmark composition

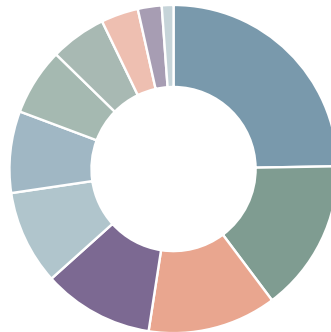
100% MSCI World (Free) Index.

### Contact us

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### Asset allocation

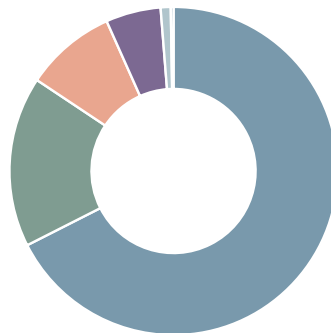


Information Technology	24.7%
Financials	15.0%
Health Care	12.7%
Industrials	10.9%
Consumer Discretionary	9.3%
Communication Services	8.0%
Consumer Staples	6.6%
Energy	5.5%
Materials	3.7%
Real Estate	2.4%
Utilities	1.2%

Japan, with Australia lagging and Emerging markets with China languishing.

During the quarter, the transition of the fund from active third-party managers to a combination of direct equities and ETFs was completed. The Fund is well diversified across sectors and geographies, holding 45 individual stocks and 9 ETFs. The Fund has a slight tilt towards Growth companies and has very much a Large Cap focus. Sector positioning is currently overweight Health Care and Energy, while being slightly underweight Consumer Discretionary and Utilities. Within Technology, the theme of AI is well represented through semiconductors, cloud and software names. The portfolio is primarily constructed on a sector and stock basis, rather than allocating regionally. Japan is an exception to this and is a region that the Fund is overweight.

### Regional allocation



North America	67.5%
Europe developed	16.8%
Asia/Pacific	9.0%
UK	5.4%
Emerging markets	1.0%
Other	0.3%

### Top 10 holdings

1	iShares Global Financials ETF	6.43%
2	iShares MSCI Japan ETF	5.38%
3	Nvidia Corporation	4.20%
4	Microsoft Corporation	3.99%
5	Financial Select Sector SPDR	3.27%
6	Apple Inc.	3.02%
7	Alphabet Inc. - Class C	2.93%
8	Amazon.com Inc.	2.87%
9	Chubb Ltd.	2.45%
10	SAP SE	2.40%

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