

Butterfield International Balanced Fund

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT

To the Trustee of Butterfield International Balanced Fund

Opinion

We have audited the financial statements of Butterfield International Balanced Fund (the "Fund"), which comprise the statements of financial position, including the schedules of investments, as at June 30, 2019 and 2018, and the statements of comprehensive income, changes in net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (all expressed in United States dollars).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2019 and 2018, and its financial performance, its changes in net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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.

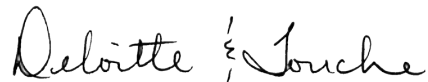
Auditor's Responsibility for the Audit of the Financial Statements

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 ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audits. 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 audits 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 achieved fair presentation.

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

The logo for Deloitte & Touche, featuring the company name in a stylized, cursive script font.

October 7, 2019

Butterfield International Balanced Fund

Trustee

Butterfield Bank (Cayman) Limited
68 Fort Street
P.O. Box 705, Grand Cayman KY1-1107, Cayman Islands
Tel: (345) 949-7055 Fax: (345) 949-7004

Administrator, Registrar and Transfer Agent

MUFG Fund Services (Cayman) Limited
MUFG House, 227 Elgin Avenue, PO Box 852
George Town, Grand Cayman, KY1-1103, Cayman Islands
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Sub-Administrator

MUFG Fund Services (Bermuda) Limited
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Investment Advisor

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Custodian and Banker

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68 Fort Street
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Auditors

Deloitte & Touche
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Butterfield International Balanced Fund

STATEMENT OF FINANCIAL POSITION

As at June 30, 2019

(Expressed in U.S. Dollars)

	Notes	June 30, 2019	June 30, 2018
ASSETS			
Financial assets at fair value through profit or loss (Cost: 2019 - \$18,043,026; 2018 - \$18,646,639)	2, 3, 4	\$ 20,693,643	\$ 21,095,362
Cash and cash equivalents	2 i)	352,546	314,221
Bond interest receivable		48,434	63,713
Dividend income receivable		6,311	13,646
Prepaid expenses		2,616	4,768
		21,103,550	21,491,710
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Accrued expenses	6, 7	80,118	85,379
Redemptions payable		49,083	-
Subscriptions received in advance		21,898	34,445
		151,099	119,824
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		\$ 20,952,451	\$ 21,371,886
Number of units in issue	5	690,642	748,651
NET ASSET VALUE PER UNIT		\$ 30.34	\$ 28.55

On behalf of the trustee:

Butterfield Bank (Cayman) Limited
As Trustee

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

STATEMENT OF COMPREHENSIVE INCOME For the year ended June 30, 2019 (Expressed in U.S. Dollars)

	Notes	June 30, 2019	June 30, 2018
Income			
Bond interest income	2	\$ 196,251	\$ 198,107
Dividend income	2	250,599	270,276
Net realised gains on financial assets at fair value through profit or loss		940,569	1,177,932
Net change in unrealised gains on financial assets at fair value through profit or loss		201,894	74,267
Net foreign currency losses	2	(3,726)	(6,293)
Interest income		139	59
Total income		1,585,726	1,714,348
Expenses			
Management fees	6	128,725	132,906
Administration fees	7	27,677	30,520
Custodian fees	6	39,609	47,525
Audit and legal fees		24,800	25,464
Sundry expenses		14,481	14,897
Total expenses		235,292	251,312
Net investment income		1,350,434	1,463,036
Withholding tax on dividend income		(72,612)	(77,802)
Increase in net assets attributable to unitholders from operations		\$ 1,277,822	\$ 1,385,234

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

	June 30, 2019	June 30, 2018
Increase in net assets attributable to unitholders from operations	\$ 1,277,822	\$ 1,385,234
Capital transactions		
Issuance of units	2,214,475	2,727,464
Redemption of units	(3,911,732)	(1,996,074)
(Decrease)/increase in net assets attributable to unitholders from capital transactions	(1,697,257)	731,390
Net (decrease)/increase in net assets attributable to unitholders	(419,435)	2,116,624
Net assets attributable to unitholders – beginning of year	21,371,886	19,255,262
Net assets attributable to unitholders – end of year	\$ 20,952,451	\$ 21,371,886

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

STATEMENT OF CASH FLOWS For the year ended June 30, 2019 (Expressed in U.S. Dollars)

	June 30, 2019	June 30, 2018
Cash flows from operating activities		
Increase in net assets attributable to unit holders from operations	\$ 1,277,822	\$ 1,385,234
<i>Adjustments for:</i>		
Purchase of financial assets	(10,993,338)	(6,674,106)
Net proceeds from sale of financial assets	12,537,520	6,045,436
Net realised gains on financial assets at fair value through profit or loss	(940,569)	(1,177,932)
Net change in unrealised gains on financial assets at fair value through profit or loss	(201,894)	(74,267)
Changes in:		
Bond interest receivable	15,279	(14,040)
Dividend income receivable	7,335	(7,595)
Prepaid expenses	2,152	(411)
Accrued expenses	(5,261)	(44,236)
Net cash provided by/(used in) operating activities	1,699,046	(561,917)
Cash flows from financing activities		
Redemptions payable	49,083	-
Subscriptions received in advance	(12,547)	(1,700)
Proceeds from issuance of units	2,214,475	2,727,464
Paid on redemption of units	(3,911,732)	(1,996,074)
Net cash (used in)/provided by financing activities	(1,660,721)	729,690
Net increase in cash and cash equivalents	38,325	167,773
Cash and cash equivalents – beginning of year	314,221	146,448
Cash and cash equivalents – end of year	\$ 352,546	\$ 314,221
Supplemental cash flow information:		
Interest received	\$ 211,669	\$ 184,126
Dividend received, net of withholding taxes	185,322	184,879

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

SCHEDULE OF INVESTMENTS

As at June 30, 2019

(Expressed in U.S. Dollars)

Financial assets	Holding/ Shares		Cost	Fair Value	% of Portfolio	
Equities/ADRs - Europe						
E.ON SE	16,078	\$	155,919	\$	174,367	0.84%
Fresenius SE & Company	3,102		150,346		167,890	0.81%
Royal Dutch Shell - Sponsored ADR	2,864		202,040		186,360	0.90%
Total SA - Sponsored ADR	1,992		101,741		111,134	0.54%
Total Equities/ADRs - Europe		\$	610,046	\$	639,751	3.09%
Equities - Switzerland						
Nestle SA	2,046	\$	104,611	\$	211,788	1.02%
Novartis AG	2,228		144,562		203,562	0.99%
Total Equities - Switzerland		\$	249,173	\$	415,350	2.01%
Equities - United States						
Alphabet Inc Class C	324	\$	345,767	\$	350,215	1.69%
Amazon.Com Inc	139		123,856		263,215	1.27%
Applied Materials Inc	5,329		255,422		239,325	1.16%
AT&T Inc	6,218		188,781		208,365	1.01%
Boeing Co/The	719		159,208		261,723	1.26%
Chevron Corp	1,158		108,958		144,102	0.70%
Cisco Systems Inc	5,468		144,528		299,264	1.45%
Ingersoll-Rand Plc	1,960		134,699		248,273	1.20%
Mastercard Inc - A	1,425		209,754		376,955	1.82%
Merck & Co. Inc.	2,502		156,602		209,793	1.01%
Microsoft Corp	3,633		162,729		486,677	2.35%
Mondelez International Inc.	3,540		162,698		190,806	0.92%
Nike Inc Class B	1,615		119,928		135,579	0.66%
NVIDIA Corp.	849		167,623		139,431	0.67%
Pepsico Inc	1,607		119,376		210,726	1.02%
Pfizer Inc	4,648		161,924		201,351	0.97%
Procter & Gamble Co.	1,583		98,690		173,576	0.84%
TJX Companies Inc.	4,607		173,849		243,618	1.18%
United Parcel Service	2,533		260,721		261,583	1.26%
Unitedhealth Group Inc	1,038		222,613		253,282	1.22%
Walmart Inc	882		81,139		97,452	0.47%
Walt Disney Co.	1,153		101,775		161,005	0.79%
Total Equities - United States		\$	3,660,640	\$	5,156,316	24.92%
Total Equities/ADRs		\$	4,519,859	\$	6,211,417	30.02%

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

Butterfield International Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

As at June 30, 2019

(Expressed in U.S. Dollars)

Financial assets	Holding/ Shares	Cost	Fair Value	% of Portfolio
Fixed Income Securities - Canada				
Bank of Nova Scotia 1.850% 04/14/20	400,000	\$ 399,020	\$ 399,000	1.93%
Royal Bank of Canada 2.150% 03/06/20	400,000	403,924	399,924	1.93%
Total Fixed Income Securities - Canada		\$ 802,944	\$ 798,924	3.86%
Fixed Income Securities - Switzerland				
Equinor ASA 3.150% 01/23/22	350,000	\$ 359,727	\$ 359,083	1.74%
Total Fixed Income Securities - Switzerland		\$ 359,727	\$ 359,083	1.74%
Fixed Income Securities - United States				
Amazon.Com Inc 1.900% 08/21/20	200,000	\$ 197,186	\$ 199,572	0.96%
Amgen Inc 2.650% 05/11/22	300,000	302,085	302,187	1.46%
Apple Inc 2.500% 02/09/22	300,000	301,047	303,552	1.47%
BMW US Capital Llc 3.250% 08/14/20 Sr:144A	580,000	582,221	586,177	2.83%
Caterpillar Finl Service 1.931% 10/01/21	300,000	289,170	297,717	1.44%
John Deere Capital Corp 2.150% 09/08/22	130,000	127,005	129,962	0.63%
Novartis Capital Corp 2.400% 09/21/22	300,000	290,520	302,724	1.46%
US Treasury N/B 2.000% 02/15/23	300,000	299,790	302,789	1.46%
US Treasury N/B 2.000% 07/31/22	300,000	298,149	302,414	1.46%
US Treasury N/B 2.125% 05/15/25	600,000	605,790	609,867	2.95%
US Treasury N/B 2.250% 04/15/22	2,050,000	2,061,590	2,078,428	10.04%
US Treasury N/B 2.875% 11/15/21	1,700,000	1,731,614	1,744,426	8.43%
Total Fixed Income Securities - United States		\$ 7,086,167	\$ 7,159,815	34.59%
Total Fixed Income Securities		\$ 8,248,838	\$ 8,317,822	40.19%

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

Butterfield International Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

As at June 30, 2019

(Expressed in U.S. Dollars)

Financial assets	Holding/ Shares	Cost	Fair Value	% of Portfolio
Exchange Traded Funds - United States				
Financial Select Sector SPDR Fund	32,471	\$ 632,868	\$ 896,200	4.33%
Ishares Global Comm Services	1,400	92,247	80,136	0.39%
Ishares Global Financials ETF	13,961	737,834	894,760	4.32%
Ishares Global Industrials ETF	3,541	263,595	324,249	1.57%
Ishares MSCI Japan ETF	5,227	272,891	285,290	1.38%
Ishares Nasdaq Biotechnology ETF	2,559	209,229	279,187	1.35%
SPDR S&P Health Care Equipment ETF	4,595	313,093	376,009	1.82%
Technology Select Sector SPDR Fund	3,664	161,051	285,939	1.38%
Vaneck Vectors Oil Services	13,081	381,142	193,860	0.94%
Vanguard Consumer Discretionary ETF	1,909	259,482	342,456	1.65%
Vanguard Consumer Staple ETF	519	64,238	77,206	0.37%
Vanguard FTSE Emerging Markets ETF	7,309	293,542	310,852	1.50%
Vanguard Global EX - US Real Estate ETF	2,553	140,839	150,627	0.73%
Vanguard Industrials ETF	2,440	255,915	355,752	1.72%
Vanguard Materials ETF	3,983	423,598	510,621	2.47%
Vanguard Real Estate ETF	2,513	198,123	219,636	1.06%
Wisdomtree Japan Hedged ETF	11,943	574,642	581,624	2.81%
Total Exchange Traded Funds - United States		\$ 5,274,329	\$ 6,164,404	29.79%
Total Exchange Traded Funds		\$ 5,274,329	\$ 6,164,404	29.79%
Total financial assets at fair value through profit or loss		\$ 18,043,026	\$ 20,693,643	100.00%

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

Butterfield International Balanced Fund

SCHEDULE OF INVESTMENTS

As at June 30, 2018

(Expressed in U.S. Dollars)

Financial assets	Holding/ Shares	Cost	Fair Value	% of Portfolio
Equities/ADRs – Europe				
Bayerische Motoren Werke AG	1,200	\$ 121,825	\$ 108,792	0.52%
E.ON SE	4,740	38,788	50,504	0.24%
Fresenius SE & Company	2,450	112,929	195,955	0.93%
Royal Dutch Shell - Sponsored ADR	4,035	286,279	279,343	1.32%
Total SA - Sponsored ADR	4,620	234,368	279,787	1.33%
Total Equities/ADRs - Europe		\$ 794,189	\$ 914,381	4.34%
Equities – Switzerland				
Nestle SA	3,920	\$ 200,427	\$ 304,339	1.44%
Novartis AG	2,645	176,177	201,025	0.95%
Total Equities - Switzerland		\$ 376,604	\$ 505,364	2.39%
Equities – United States				
Alphabet Inc Class C	415	\$ 441,862	\$ 462,995	2.19%
Amazon.Com Inc.	268	220,355	455,546	2.16%
Applied Materials Inc	8,010	395,003	369,982	1.75%
Boeing Co.	455	69,109	152,657	0.72%
Chevron Corp.	2,340	217,759	295,846	1.40%
Cisco Systems Inc.	9,915	227,849	426,642	2.02%
Ingersoll-Rand Plc	1,900	106,502	170,487	0.81%
Mastercard Inc - A	2,625	351,319	515,865	2.45%
Merck & Co. Inc.	4,000	249,254	242,800	1.15%
Microsoft Corp.	4,855	177,634	478,752	2.27%
Mondelez International Inc.	6,910	316,514	283,310	1.34%
NVIDIA Corp.	970	212,401	229,793	1.09%
Pepsico Inc.	2,840	205,118	309,191	1.47%
Pfizer Inc.	6,230	211,883	226,024	1.07%
Procter & Gamble Co.	3,170	193,319	247,450	1.17%
TJX Companies Inc.	2,600	187,001	247,468	1.17%
United Parcel Service	1,480	161,312	157,220	0.75%
Unitedhealth Group Inc	1,255	264,038	307,902	1.46%
Walt Disney Co.	2,075	181,837	217,481	1.04%
Total Equities – United States		\$ 4,390,069	\$ 5,797,411	27.48%
Total Equities/ADRs		\$ 5,560,862	\$ 7,217,156	34.21%

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

As at June 30, 2018

(Expressed in U.S. Dollars)

Financial assets	Holding/ Shares	Cost	Fair Value	% of Portfolio
Fixed Income Securities – Australia				
Commonwealth Bank Australia 2.750% 03/10/22	400,000	\$ 403,048	\$ 390,344	1.85%
Total Fixed Income Securities – Australia		\$ 403,048	\$ 390,344	1.85%
Fixed Income Securities – Canada				
Bank of Nova Scotia 1.850% 04/14/20	400,000	\$ 399,020	\$ 392,632	1.86%
Ontario (Province of) 2.000% 01/30/19	580,000	585,562	578,521	2.74%
Royal Bank of Canada 2.150% 03/06/20	400,000	403,924	394,116	1.87%
Total Fixed Income Securities – Canada		\$ 1,388,506	\$ 1,365,269	6.47%
Fixed Income Securities – Europe				
Anheuser-Busch Inbev Worldwide 2.500% 07/15/22	300,000	\$ 294,231	\$ 289,944	1.37%
BK Nederlandse Gemeenten 1.875% 06/11/19	450,000	449,775	447,170	2.12%
Equinor ASA 3.150% 01/23/22	350,000	359,726	350,070	1.66%
Neder Waterschapsbank 1.625% 03/04/20	500,000	495,975	490,995	2.33%
Shell International Fin 2.000% 11/15/18	330,000	332,280	329,531	1.56%
Societe Generale 2.500% 04/08/21	550,000	553,272	536,432	2.54%
Total Fixed Income Securities – Europe		\$ 2,485,259	\$ 2,444,142	11.59%
Fixed Income Securities – Switzerland				
Novartis Capital Corp 4.400% 04/24/20	600,000	\$ 669,420	\$ 616,458	2.92%
Total Fixed Income Securities – Switzerland		\$ 669,420	\$ 616,458	2.92%
Fixed Income Securities – United States				
Amazon.com Inc 1.900% 08/21/20	300,000	\$ 295,779	\$ 293,877	1.39%
Amgen Inc. 2.650% 05/11/22	300,000	302,085	291,033	1.38%
Apple Inc. 2.500% 02/09/22	300,000	301,047	294,408	1.40%
Fannie Mae 1.875% 02/19/19	350,000	353,696	349,146	1.66%
Intel Corp. 2.450% 07/29/20	300,000	303,411	297,972	1.41%
John Deere Capital Corp 2.150% 09/08/22	130,000	127,005	124,066	0.59%
JPMorgan Chase & Co. FLT 01/23/20	400,000	406,832	404,484	1.92%
Met Life Global Funding I 1.950% 09/15/21	250,000	241,015	239,570	1.14%
Occidental Petroleum Corp. 4.100% 02/01/21	400,000	422,880	409,632	1.94%
Pepsico Inc. 3.125% 11/01/20	150,000	155,468	150,786	0.71%
Toyota Motor Credit Corp 3.300% 01/12/22	200,000	208,699	200,496	0.95%
Verizon Communications 2.946% 03/15/22	250,000	245,305	247,770	1.17%
Wells Fargo & Company 2.125% 04/22/19	350,000	350,732	348,128	1.65%
Total Fixed Income Securities – United States		\$ 3,713,954	\$ 3,651,368	17.31%
Total Fixed Income Securities		\$ 8,660,187	\$ 8,467,581	40.14%

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

SCHEDULE OF INVESTMENTS (CONTINUED)

As at June 30, 2018

(Expressed in U.S. Dollars)

Financial assets	Holding/ Shares	Cost	Fair Value	% of Portfolio
Exchange Traded Funds – United States				
Financial Select Sector SPDR Fund	33,575	\$ 614,598	\$ 892,759	4.23%
Ishares Global Financials ETF	13,605	699,360	872,217	4.13%
Ishares Global Industrials ETF	2,700	186,999	237,290	1.12%
Ishares Global Telecom ETF	1,805	119,908	97,596	0.46%
Ishares MSCI Japan ETF	2,760	142,801	159,832	0.76%
Ishares Nasdaq Biotechnology ETF	2,210	150,818	242,702	1.15%
SPDR S&P Health Care Equipment ETF	5,985	398,465	468,147	2.22%
Technology Select Sector SPDR Fund	4,420	187,673	307,057	1.46%
Vaneck Vectors Oil Services	13,920	507,944	365,678	1.73%
Vanguard Consumer Discretionary ETF	1,325	154,835	224,760	1.07%
Vanguard Consumer Staple ETF	1,870	229,157	251,085	1.19%
Vanguard FTSE Emerging Markets ETF	5,485	221,889	231,467	1.10%
Vanguard Global EX - US Real Estate ETF	385	22,377	22,361	0.11%
Vanguard Industrials ETF	1,550	102,241	210,506	1.00%
Vanguard Materials ETF	3,550	367,273	467,038	2.21%
Vanguard Real Estate ETF	455	37,324	37,060	0.18%
Wisdomtree Japan Hedged ETF	5,985	281,928	323,070	1.53%
Total Exchange Traded Funds – United States		\$ 4,425,590	\$ 5,410,625	25.65%
Total Exchange Traded Funds		\$ 4,425,590	\$ 5,410,625	25.65%
Total financial assets at fair value through profit or loss		\$ 18,646,639	\$ 21,095,362	100.00%

The accompanying notes form an integral part of these financial statements

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

1. CORPORATE INFORMATION

Butterfield International Balanced Fund (the "Fund") was established as an open-ended multi-class Unit Trust under the laws of the Cayman Islands by a Trust Deed dated June 18, 1996 (the "Trust Deed ") executed by Butterfield Bank (Cayman) Limited as trustee (the "Trustee" and "Investment Advisor") and Butterfield Fund Services (Cayman) Limited (subsequently Butterfield Fulcrum Group (Cayman) Limited and MUFG Fund Services (Cayman) Limited) as manager (the "Manager"). The Fund commenced operations on July 17, 1996 and is registered as a Mutual Fund under the Mutual Funds Law of the Cayman Islands. On January 30, 1998 the Fund was listed on the Cayman Islands Stock Exchange. On January 18, 2000, the Fund was listed on the Bermuda Stock Exchange.

On December 15, 2008 the Trust amended and restated the Trust Deed for the Fund, in which Butterfield Fulcrum Group (Cayman) Limited ceased being the Fund's Manager, and was immediately reappointed as the Fund's Administrator. Certain powers which had been delegated by the Trustee to the Manager were re-assumed by the Trustee. On September 20, 2013, Butterfield Fulcrum Group (Cayman) Limited was acquired by Mitsubishi UFJ Financial Group and changed its name to MUFG Fund Services (Cayman) Limited, a Cayman Islands licensed Mutual Fund Administrator, and remains the Administrator of the Fund.

The Fund's objective is to achieve long-term capital growth by investing in a global portfolio of money market instruments, euro bonds, government bonds and equities.

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 and financial liabilities held at fair value through profit or loss.

The financial statements are represented 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 assumptions utilised in preparing the Fund's financial statements are reasonable and prudent. Actual results could differ from these estimates.

b) Investment entities

IFRS 10 defines 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.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

b) Investment entities (continued)

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;
- 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.

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

c) Financial instruments

i. Classification

The Fund classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through profit or loss is subdivided into:

Financial assets and liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equities, debentures and other interest bearing investments and derivatives. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. All debentures are classified as held for trading. The Fund's policy is not to apply hedge accounting.

Financial instruments designated at fair value through profit or loss upon initial recognition: these include equity securities and debt instruments not held for trading. The Fund did not hold any financial instruments designated at fair value through profit or loss upon initial recognition during the years ended June 30, 2019 and 2018.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Other financial liabilities

This category includes all financial liabilities, other than those classified as held for trading. The Fund includes in this category amounts for other short-term payables.

ii. 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.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

c) Financial instruments (continued)

iii. Initial measurement

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

Receivables and other financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the Statement of Comprehensive Income, unless specified otherwise.

iv. Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense.

Receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense 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 instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or 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 future 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.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended June 30, 2019 (Expressed in U.S. Dollars)

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

c) Financial instruments (continued)

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 where 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 either: the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has 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.

d) Fair value measurement

The Fund measures its investments in financial instruments, such as investment funds, exchange traded funds, equities, debentures and other interest bearing investments and derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

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 binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market. It is the policy of the Fund to value listed securities at closing market prices prevailing at the close of business on the Valuation Day.

e) Impairment of financial assets

The Fund assesses at each reporting date whether a financial asset or group of financial assets classified as receivables is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

e) Impairment of financial assets (continued)

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate.

f) Functional and presentation currency

The Fund's functional currency is the United States 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 United States Dollars. Therefore, the United States 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 United States Dollar.

g) Offsetting and financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position 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.

As at June 30, 2019 and 2018 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.

h) Foreign currency translations

Assets and liabilities that are denominated in foreign currencies are translated into United States 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.

i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position 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.

j) Interest income and expense

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest method.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

k) 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.

l) Realised and change in unrealised gains and losses

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

m) Expenses

All expenses (including management fees) are recognized in the Statement of Comprehensive Income on an accrual basis.

n) Going concern

The Fund's management has made an assessment of 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.

o) Redeemable units

Units are redeemable at the unit holder's option and are classified as financial liabilities. Unitholders may arrange to redeem all or part of their Units on any Redemption Day at the prevailing redemption price of the Units. A Redemption Day is normally Wednesday of each week, or the following Business Day if Wednesday is not a Business Day. The prevailing redemption price of Units will be net asset value per Unit of the relevant Class as at the preceding Valuation Day which is normally the Business Day preceding the Redemption Day. No Units may be redeemed whilst the calculation of net asset value is suspended.

p) Standards and amendments to existing standards effective January 1, 2018

IFRS 9 'Financial Instruments':

IFRS 9 became effective for annual periods beginning on or after January 1, 2018. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

2. BASIS OF PREPARATION (CONTINUED)

Summary of significant accounting policies (continued)

p) Standards and amendments to existing standards effective January 1, 2018 (continued)

IFRS 9 'Financial Instruments' (continued):

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

IFRS 9 has been applied retrospectively by the Fund and did not result in a change to the measurement of financial instruments as outlined below. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The impairment standard does not have a significant impact on the financial statements due to the limited exposure of the Fund to credit risk from financial instruments measured at amortized cost. The Fund has not applied hedge accounting under IAS 39 and will not apply hedge accounting under IFRS 9.

q) New standards, amendments and interpretations effective after January 1, 2019 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

3. FINANCIAL RISK MANAGEMENT

The Fund maintains positions in a variety of non-derivative financial instruments as dictated by its investment management strategy. The Fund's investment portfolio is comprised of quoted investment instruments and fixed income securities.

Asset allocation is determined by the Investment Advisor with reference to the target asset allocation set out in the Fund's prospectus. The Investment Advisor manages the distribution of the assets to achieve its investment objective. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Advisor. In instances where the portfolio has diverged from target asset allocations, the Investment Advisor will rebalance the portfolio to fall in line with the target asset allocations.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below:

a) Market Risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Market risk is the risk that changes in interest rates, foreign exchange rates or equity prices will affect the positions held by the Fund making them less valuable or more onerous. The Fund is exposed to market risk on financial instruments that are valued at market prices.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund's market risk is managed on a daily basis by the Investment Advisor in accordance with the policies and procedures in place. The Fund's Trustee reviews the performance of the Investment Advisor on a continuous basis.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of the portion of the Fund's assets or liabilities denominated in currencies other than US Dollars. The Fund's policy is not to enter into any currency hedging transactions. The Investment Advisor manages currency risk by monitoring exposure to different geographical regions.

At June 30, 2019, if the exchange rates of relevant foreign currencies against the US Dollar had been 10% higher or lower with all other variables held constant, the net assets of the Fund would have increased/decreased by \$75,867 (2018: \$86,182). 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in exchange rates.

As at June 30, 2019 and 2018, the Fund has the following currency exposure in US Dollar equivalents:

	2019		2018	
	USD	% of Net Assets	USD	% of Net Assets
CHF	415,350	1.98%	505,364	2.36%
EUR	342,257	1.63%	355,251	1.66%
GBP	1,066	0.01%	1,203	0.01%
Total	758,673	3.62%	861,818	4.03%

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. The Fund's exposure to changes in interest rates relates primarily to the Fund's investments in fixed income securities. Fixed income securities account for 39.70% of the Fund's Net Asset Value (2018: 39.62%). As a result, the Fund is subject to fair value interest rate risk due to possible fluctuations in the prevailing levels of market interest rates.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Market Risk (continued)

Interest Rate Risk (continued)

The Fund's exposure to cash flow interest rate risk is limited to cash and cash equivalents of \$352,546 (2018: \$314,221) for the Fund 1.68% of Net Assets (2018: 1.47%). The Fund believes these balances do not expose the Fund to significant sensitivity to cash flow interest rate risk.

As at June 30, 2019, the carrying amount of the Fund's financial assets that bear fixed rates of interest amounted to \$8,317,822 (2018: \$8,467,581). As at June 30, 2019, if long term market interest rates had been 0.5% lower or higher with the other variables held constant, the net assets would have been \$107,096 (2018: \$84,426) higher or lower for the Fund resulting from changes in fair values of such financial assets. 0.5% is the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in market interest rates.

Price Risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to a particular instrument, its issuer or all factors affecting all instruments traded in the market. The Fund is exposed to equity price risk on its equity investments and exchange traded funds.

Price risk is managed by the Fund's Investment Advisor by constructing a diversified portfolio of investments traded on various markets. All of the Fund's equity investments at June 30, 2019 and 2018 are listed on stock exchanges.

As at June 30, 2019, the fair value of the Fund's investments in securities that are exposed to movement in equity prices amounted to \$12,375,821 (2018: \$12,627,781).

The Fund estimates that a reasonably possible movement in its equity portfolio for the Fund is calculated using the average performance of the Fund's benchmark, which is also the Fund's effective rate, over the past eight years of 8% (2018: 8%) adjusted to correlate to the actual investment portfolio held.

As at June 30, 2019, if the benchmark equity market prices had been 8% (2018: 8%) higher or lower with all other variables held constant, the Fund's net assets would have been \$1,151,333 higher or \$1,151,333 lower (2018: \$949,078 higher or \$882,740 lower). The adjusted rate is the rate used when reporting price risk internally to key management personnel for the Fund.

b) 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 fixed income investments and cash and cash equivalents.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk related to unsettled transactions, including dividends and interest accrued, is considered to be low due to the short settlement period involved and the high credit quality of the brokers used. The Fund monitors the credit rating of its brokers to mitigate this risk.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit Risk (continued)

At the reporting date, the Fund's financial assets exposed to credit risk were as follows in USD:

	Carrying amount	
	2019	2018
Financial assets at fair value (Fixed income securities)	\$ 8,317,822	\$ 8,467,581
Cash and cash equivalents	\$ 352,546	\$ 314,221
Bond interest receivable	\$ 48,434	\$ 63,713
Dividend income receivable	\$ 6,311	\$ 13,646

At the reporting date, the USD values of the fixed income securities exposed to credit risk stratified by credit rating are as follows:

Credit Rating	2019		2018	
	Market Value	Percentage	Market Value	Percentage
AAA	\$ 399,000	4.80%	\$ 1,330,797	15.72%
AA+	5,341,476	64.22%	643,554	7.60%
AA-	1,261,303	15.16%	2,484,931	29.35%
A+	586,177	7.05%	1,356,810	16.02%
A	729,866	8.77%	1,361,163	16.07%
A-	-	-	1,042,556	12.31%
BBB+	-	-	247,770	2.93%
	\$ 8,317,822	100.00%	\$ 8,467,581	100.00%

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund's financial liabilities at June 30, 2019 represent 0.72% of the Fund's Net Assets (2018: 0.56%) and fall due not later than one month. The Fund does not anticipate any significant liquidity concerns in funding redemption requests and other liabilities. The Fund's constitution provides for the weekly subscription and redemption of units and it is therefore exposed to the liquidity risk of meeting unit holders' redemptions. However, all of the Fund's investments at June 30, 2019 and 2018 are actively traded. As such, they are considered to be highly realisable, mitigating the liquidity risk of the Fund as at June 30, 2019 and 2018.

The Fund's liquidity risk is managed on a daily basis by the Investment Advisor in accordance with the policies and procedures in place.

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 observable for the asset or liability, either directly or indirectly;

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

4. FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

- 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.

June 30, 2019

	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities/ADRs	\$ 6,211,417	\$ -	\$ -	\$ 6,211,417
Fixed Income Securities	-	8,317,822	-	8,317,822
Exchange Traded Funds	6,164,404	-	-	6,164,404
Total Financial Assets	\$ 12,375,821	\$ 8,317,822	\$ -	\$ 20,693,643

June 30, 2018

	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities/ADRs	\$ 7,217,156	\$ -	\$ -	\$ 7,217,156
Fixed Income Securities	-	8,467,581	-	8,467,581
Exchange Traded Funds	5,410,625	-	-	5,410,625
Total Financial Assets	\$ 12,627,781	\$ 8,467,581	\$ -	\$ 21,095,362

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 quoted in an active market. There were no transfers of financial assets and liabilities from Level 1 to Level 2 in the current or prior year. Financial assets and liabilities transferred from Level 2 to Level 1 might arise primarily as a 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 in the years ended June 30, 2019 and 2018.

The Fund did not hold any Level 3 investments at the beginning, during, or at the end of the years ended June 30, 2019 and 2018.

5. UNITHOLDERS CAPITAL

The Fund may issue an unlimited number of units, which are redeemable at the option of the unitholders.

Details of units issued, redeemed and outstanding during the year are as follows:

	2019 No. of Units	2018 No. of Units
Balance - beginning of year	748,651	723,024
Issue of units	74,854	97,750
Redemption of units	(132,863)	(72,123)
Balance - end of year	690,642	748,651

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2019

(Expressed in U.S. Dollars)

6. RELATED PARTY TRANSACTIONS

Butterfield Bank (Cayman) Limited (the "Custodian") acts as custodian for the Fund and is entitled to receive a monthly fee, calculated at a rate of 0.20% (2018: 0.20%) per annum of the net asset value of the Fund, calculated and accrued weekly.

Custodian fees charged for the year ended June 30, 2019 were \$39,609 (2018: \$47,525) for the Fund, of which \$10,057 (2018: \$10,642) remained payable at year end and is included in accrued expenses.

Butterfield Bank (Cayman) Limited (the "Investment Advisor") is entitled to receive a management fee for providing investment advice to the Fund, calculated at a rate of 0.65% per annum of net asset value of the Fund calculated and accrued weekly.

Management fees for the year ended June 30, 2019 were \$128,725 (2018: \$132,906) for the Fund, of which \$32,684 (2018: \$34,586) remained payable at year end and is included in accrued expenses.

Employees of the Investment Advisor, its parent company and other affiliated companies, and their immediate family members may hold units of the Fund. These investment holdings are not significant to the Fund.

7. ADMINISTRATION FEE (INCLUDING ACCOUNTING FEE AND REGISTRAR AND TRANSFER AGENT FEE)

In accordance with the administration agreement, the Administrator receives a fee based upon the nature and extent of the services provided. Administration fee for the year was \$27,677 (2018: \$30,520) of which \$7,035 (2018: \$10,086) was payable at year end and is included in accrued expenses.

Butterfield International Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended June 30, 2019 (Expressed in U.S. Dollars)

8. FINANCIAL HIGHLIGHTS

Per unit operating performance
(For a unit outstanding throughout the year)

Per Unit Information		2019		2018
Net asset value per unit, beginning of year	\$	28.55	\$	26.63
Income from investment operations				
Net investment income		0.21		0.19
Net realised and unrealised gain on financial assets at fair value through profit and loss and foreign currency		1.58		1.73
Total from investment operations		1.79		1.92
Net asset value per unit, end of year	\$	30.34	\$	28.55
Total return		6.27%		7.21%

Ratios/supplemental data

Net assets, end of year	\$	20,952,451	\$	21,371,886
Ratio of expenses to weighted average net assets		1.19%		1.23%
Ratio of net investment income to weighted average net assets		0.70%		0.68%
Portfolio turnover rate*		57.78%		29.75%

*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.

An individual investor's return and ratios may vary from the above returns and ratios based on the timing of capital transactions.

9. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2019 through October 7, 2019, the date the financial statements were available to be issued. During this period, the Fund did not have any material recognizable subsequent events.

10. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee on October 7, 2019.