

**Annual Report & Audited Financial Statements**

# **Butterfield Bank PCC Limited**

**For the year ended 30 June 2025**

# Butterfield Bank PCC Limited

## Contents

### For the year ended 30 June 2025

Directory	1
Report of the Directors	2 - 6
Investment Manager's Report	7 – 8
Custodian's Report	9
Independent Auditor's Report	10 – 16
Statement of Comprehensive Income	17
Statement of Changes in Equity	18
Statement of Changes in Participating Redeemable Preference Shares	18
Statement of Financial Position	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 – 37
Portfolio Statement (unaudited)	38
Summary of Material Portfolio Changes (unaudited)	39

# Butterfield Bank PCC Limited

## Directory

For the year ended 30 June 2025

<b>Registered Office of the Company:</b>	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
<b>Directors of the Company:</b>	Mr Alan Bain ( <i>Non-executive Director</i> ) Mr Michel Davy ( <i>Non-executive Director</i> ) Mrs Janine Lewis ( <i>Non-executive Director</i> )
<b>Investment Manager:</b>	Butterfield Bank (Channel Islands) Limited <sup>1</sup> P.O. Box 25, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3AP
<b>Custodian:</b>	Butterfield Bank (Channel Islands) Limited P.O. Box 25, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3AP
<b>Independent Auditor:</b>	BDO Limited PO Box 180, Plaza House, 2 <sup>nd</sup> Floor, Admiral Park, St Peter Port, Guernsey, GY1 3LL
<b>Administrator, Secretary, Registrar, &amp; Listing Sponsor*:</b>	Apex Fund and Corporate Services (Guernsey) Limited <sup>2</sup> 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
<b>Legal Advisers:</b>	Carey Olsen (Guernsey) LLP Carey House, Les Banques, St Peter Port, Guernsey, GY1 4BZ
<b>Company Number:</b>	51623 (Registered in Guernsey)

\* Apex Fund and Corporate Services (Guernsey) Limited is a wholly owned subsidiary of Apex Group Limited.

---

<sup>1</sup> Effective 27 May 2025 Butterfield Bank (Guernsey) limited changed its name to Butterfield Bank (Channel Islands) Limited

<sup>2</sup>Effective 31 January 2025, the Company's appointed Administrator, Sanne Fund Services (Guernsey) Limited completed an amalgamation of corporate bodies pursuant to Part VI of the Companies (Guernsey) Law, 2008 with Apex Fund and Corporate Services (Guernsey) Limited (the "Amalgamation"). As a result of the Amalgamation, the name of the Administrator changed to Apex Fund and Corporate Services (Guernsey) Limited. There are no further material changes arising from the Amalgamation and all pre-existing contractual arrangements in place between the Company and the Administrator remain in force.

# Butterfield Bank PCC Limited

## Report of the Directors For the year ended 30 June 2025

The Directors of Butterfield Bank PCC Limited (the “Company” or the “PCC”) are pleased to present herewith their annual report and audited financial statements (“the Financial Statements”) for the year ended 30 June 2025.

### Incorporation and Stock Exchange Listing

The Company was incorporated in Guernsey on 17 March 2010 and has been authorised as a Class “B” collective investment scheme in accordance with the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 2020. Since commencement and as at 30 June 2025 the Company has had only one active cell: Butterfield Multi-Asset Fund – GBP Balanced (the “Cell” or “Fund”), which commenced trading on 4 May 2010. Its Class A Participating Redeemable Preference Shares, Class B Participating Redeemable Preference Shares and Class C Participating Redeemable Preference Shares are admitted to the Official List of The International Stock Exchange (“TISE”).

### Investment Objective

The investment objective of the Company is to seek to achieve long term capital appreciation. The Company will pursue this objective by investing in a highly diversified portfolio of collective investment schemes, exchange traded funds, other equities, bonds, money market instruments, cash, derivative instruments and structured products from around the world.

### Results and Dividends

The Statement of Comprehensive Income for the year is set out on page 17. The total comprehensive income for the year amounted to £1,443,096 (30 June 2024: total comprehensive income of £3,247,842). In line with the Company’s investment objective and the Cell’s distribution policy, no dividends are payable in respect of the Cell (30 June 2024: nil).

The Company remains a reporting fund in accordance with the Offshore Funds (Tax) Regulations 2009 as at the effective date of distribution/retention of the reported income.

### Total expense ratio

#### Year ended 30 June 2025

#### Year end 30 June 2025 % of Net Assets

	Class A %	Class B %	Class C %
Net operating expenses*	0.38	0.38	0.38
Management fees	1.50	1.00	0.50
Management fees offset**	(0.38)	(0.38)	(0.38)
Total expense ratio***	1.50	1.00	0.50

#### Year ended 30 June 2024

#### Year end 30 June 2024 % of Net Assets

	Class A %	Class B %	Class C %
Net operating expenses*	0.70	0.70	0.70
Management fees	1.50	1.00	0.50
Management fees offset**	(0.70)	(0.70)	(0.70)
Total expense ratio***	1.50	1.00	0.50

\*Net operating expenses are the costs of the Company excluding investment gains and losses and withholding tax expenses.

\*\*The Investment Manager bears the ongoing expenses of the Company, including the fees of the Administrator, the Custodian and the Company’s fees in connection with its ongoing listing of Participating Shares on The International Stock Exchange.

\*\*\*The total expense ratio (“TER”) represents total operating expenses of the Company, expressed as a percentage of the average net assets for the accounting period.

# Butterfield Bank PCC Limited

## Report of the Directors, continued For the year ended 30 June 2025

### Directors

The Directors of the Company, who served during the year and to date, are listed on page 1.

### Directors' Interests

The Directors who held office during the year and up to the date of this report and their interests in the shares of the Company were:

Michel Davy holds 25,866.528 Class C Participating Redeemable Preference Shares in the Company.

Alan Bain and Janine Lewis had no direct interest in the share capital of the Company.

### Going Concern

The Directors have reviewed the Company's holdings in cash and cash equivalents, investments and have considered the income deriving from, and the viability of, those investments and the factors that may impact its performance in the forthcoming year, including the potential impact on markets and supply chains of geo-political risks such as the current conflicts in Ukraine and the Middle East, the current US administration trade policies, and continuing macro-economic factors and inflation.

The Board of Directors are aware that the economic disruption caused by the factors identified above has resulted in adverse economic impacts globally and on the locations in which the Company invests and operates.

The Board of Directors relies on the Investment Manager to manage liquid investment portfolios that ensure the company remains a going concern. The Board notes that the portfolios managed by our advisors comprise predominantly liquid assets and therefore provide a basis for effective cash management. See note 7 for more information on the level of risk and how it is managed. The Directors have concluded that the Company has adequate financial resources to continue in operational existence and to meet its liabilities as and when they fall due for at least 12 months from the date of approval of these Financial Statements. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

### Directors' Responsibilities Statement

The Companies (Guernsey) Law, 2008 requires Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for the keeping of proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Company and which enables them to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008 and The Authorised Collective Investment Schemes (Class B) Rules and Guidance 2021 made under The Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the principal documents. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

# Butterfield Bank PCC Limited

## Report of the Directors, continued For the year ended 30 June 2025

### Directors' Statement

The Directors make the following statement:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that all steps have been taken by the Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Corporate Governance

The Directors have considered the effectiveness of their corporate governance practices with regard to the principles set out in the Finance Sector Code of Corporate Governance (the "Code") issued by the Guernsey Financial Services Commission. The Directors are satisfied with their degree of compliance with the principles set out in the Code in the context of the nature, scale and complexity of the business.

### Anti-Bribery and Corruption

The Company adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2008. In consideration of the UK Bribery Act 2010, the Board abhors bribery and corruption of any form and expects all the Company's business activities, whether undertaken directly by the Directors themselves or by third parties on the Company's behalf, to be transparent, ethical and beyond reproach. On discovery of any activity or transaction that breaches the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2008 or the UK Bribery Act 2010, such discovery will be reported to the relevant authorities in accordance with prescribed procedures. The Company is committed to regularly reviewing its policies and procedures to uphold good business practice.

### Criminal Finances Act

The Directors of the Company have a zero-tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero tolerance commitment to preventing persons associated with them from engaging in criminal facilitation of tax evasion.

### Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of US assets in foreign accounts and improving US tax compliance with respect to those assets. On 13 December 2013, the States of Guernsey entered into an intergovernmental agreement ("IGA") with US Treasury, in order to facilitate the requirements under FATCA. The Company registered with the Internal Revenue Service ("IRS") during 2014 as a Foreign Financial Institution ("FFI") and received a Global Intermediary Identification Number. The Company completed its FATCA 2024 reporting by the deadline of 30 June 2025.

### Common Reporting Standard

The Common Reporting Standard ("CRS"), formerly the Standard for Automatic Exchange of Financial Account Information, became effective on 1 January 2016. CRS is an information standard for the automatic exchange of information developed by the Organisation for Economic Co-operation and Development ("OECD"). CRS is a measure to counter tax evasion and it builds upon other information sharing legislation, such as FATCA, the UK – Guernsey Inter-Governmental Agreement for the Automatic Exchange of Information and the European Union Savings Directive, and has superseded the UK – Guernsey Inter-Governmental Agreement for the Automatic Exchange of Information with effect from 1 January 2016. Reporting under CRS in Guernsey is completed on an annual basis. Early adopters who signed the Multilateral Agreement (including Guernsey) have made the necessary information exchanges since September 2017. The Company completed its CRS 2024 reporting by the deadline of 30 June 2025.

### Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive ("AIFMD") is European Union ("EU") legislation aimed at increasing investor protection and reducing systematic risk by creating a harmonised EU framework for managers of alternative investment funds in the EU. The Company is a non-EU Fund with a non-EU Investment Manager and it is listed on a non-EU exchange. As the Company has not sought to raise new capital in the EU, it is not considered to be marketed in the EU, and therefore is not captured by AIFMD.

# Butterfield Bank PCC Limited

## Report of the Directors, continued For the year ended 30 June 2025

### **The Investment Manager**

The Company has, pursuant to its powers under the Investment Management Agreement Amended and Restated 23 June 2016 (the "Investment Management Agreement"), appointed the Investment Manager to be responsible for managing the assets of the Company. Under the Investment Management Agreement made between the Company, the Administrator and the Investment Manager, the Investment Manager is responsible for, inter alia, making decisions in relation to the acquisition, holding and disposal of investments for the Company and reviewing the portfolio of the Company periodically.

The Investment Manager's appointment may be terminated at any time by the Company if there is a material breach of the Investment Management Agreement, upon the insolvency, liquidation (save for the purpose of a previously approved winding up) or receivership of the Investment Manager or if the Investment Manager ceases to be qualified to act as such. The Company is also entitled to remove the Investment Manager on 90 days' prior notice to expire at the end of a calendar quarter.

Under the terms of the Investment Management Agreement the Investment Manager is not liable for any acts or omissions in the performance of its services under the Investment Management Agreement in the absence of wilful misconduct, gross negligence, bad faith or fraud and subject thereto the Investment Manager is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services.

### **Administrator**

Effective 31 January 2025, the Company's appointed Administrator, Sanne Fund Services (Guernsey) Limited completed an amalgamation of corporate bodies pursuant to Part VI of the Companies (Guernsey) Law, 2008 with Apex Fund and Corporate Services (Guernsey) Limited (the "Amalgamation"). As a result of the Amalgamation, the name of the Administrator changed to Apex Fund and Corporate Services (Guernsey) Limited. There are no further material changes arising from the Amalgamation and all pre-existing contractual arrangements in place between the Company and the Administrator remain in force.

The Company appointed Apex Fund and Corporate Services (Guernsey) Limited (the "Administrator") to act as Administrator to the Company pursuant to an Administration Agreement dated 23 March 2010 (the "Administration Agreement"). On 31 August 2021, the original administration agreement and subsequent addendums which set out the terms upon which the Company paid remuneration to the Administrator were amended and restated.

The Administration Agreement may be terminated by either party on not less than six months' notice, or earlier upon certain breaches of the Administration Agreement or the insolvency or receivership of either party or if the Administrator ceases to be qualified to act as such.

Under the terms of the Administration Agreement, the Administrator is not liable for any acts or omissions in the performance of its services under the Administration Agreement other than those that are caused by the Administrator's negligence, breach of the Administration Agreement, dishonesty, fraud, willful neglect, willful misconduct or bad faith. In the absence of fraud, negligence or willful misconduct on the part of the Administrator or any agent which is an associate of the Administrator, the Administrator is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services.

### **Custodian**

The Company appointed Butterfield Bank (Channel Islands) Limited (the "Custodian") to act as Custodian of the Company by an agreement dated 23 March 2010 (the "Custodian Agreement"), and as updated 31 August 2021.

The Custodian Agreement may be terminated by either the Company or the Custodian giving not less than 90 days' notice, or earlier upon certain breaches of the Custodian Agreement or the insolvency or receivership of any party.

The Company has agreed that they shall not hold the Custodian liable for any acts or omissions in the performance of its services under the Custodian Agreement in the absence of wilful misconduct, negligence or fraud and subject thereto to indemnify the Custodian, to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services under the Custodian Agreement.

# Butterfield Bank PCC Limited

## Report of the Directors, continued For the year ended 30 June 2025

### Status of Taxation

The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended, and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption entails payment by the Company of an annual fee of £1,600 for 2025 (30 June 2024: £1,600). It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

The Company has suffered no irrecoverable withholding tax (30 June 2024: £nil) during the year.

### Scheme Particular Amendments

Pursuant to the requirements of The Authorised Collective Investment Schemes (Class B) Rules and Guidance 2021, a review of the Company's scheme particulars ("SP") is completed on an annual basis. The last review of the Company's Scheme Particulars was completed in September 2024.

### Independent Auditor

BDO Limited has been appointed as auditor to the Company and a resolution for their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



**Michel Davy**  
**Director**  
**18 September 2025**



# Butterfield Bank PCC Limited

## Investment Manager's Report For the year ended 30 June 2025

### Fund Performance

The Butterfield Multi Asset Fund Balanced GBP delivered steady returns over the twelve months to 30 June 2025, with Class A units gaining 4.27%, Class B units advancing 4.88%, and Class C units rising 5.40%. Performance was consistent across the year, with gains spread evenly between the second half of 2024 and the first half of 2025.

During the second half of 2024, Class A units returned 2.06%, Class B 2.32%, and Class C 2.58%. In the first half of 2025, Class A rose 2.17%, Class B 2.51%, and Class C 2.75%.

Overall, performance remained in line with much of the local peer group.

### Market and Portfolio Review

#### *Second Half of 2024*

The latter half of 2024 was shaped by central bank policy moves, geopolitical tensions, and diverging performances across asset classes. Interest rate cuts supported risk sentiment but also weighed on long-dated bond valuations. Global equities delivered flat returns in sterling terms, though volatility was pronounced, with Japan's market briefly experiencing a near 10% one-day drop in August. US equities, led by large-cap technology, outperformed global peers, while gold delivered strong safe-haven gains. Currency movements also contributed positively to the Fund's returns in the fourth quarter, offsetting otherwise lacklustre equity performance.

#### *First Quarter of 2025*

The start of 2025 saw a surge of policy announcements and heightened market uncertainty. Initial optimism around the new US administration gave way to tariff threats, dampening investor confidence. In parallel, the emergence of DeepSeek's low-cost AI model weighed heavily on US mega-cap technology stocks, which had previously driven much of the US equity market's performance. Conversely, UK equities outperformed, particularly in the defence sector, after a government pledge to raise defence spending. European markets also attracted renewed interest as investors rotated away from the US, with support boosted by a proposed €800 billion EU defence programme.

The Fund's allocation to alternatives proved valuable during this period. Gold rose by 16%, while the Ruffer Total Return Fund gained 4.7%, providing meaningful diversification against weakness in equity holdings. Led by weakness in the US market, global equities struggled, with the MSCI World Index falling 1.8% in the quarter—its weakest since 2023.

#### *Second Quarter of 2025*

Volatility persisted in Q2, though market sentiment recovered as trade tensions eased. April was marked by sharp equity sell-offs following the announcement of punitive US tariffs, pushing the VIX to its highest level since the pandemic and driving US Treasury yields to 4.6%. Gold reached a record high during the turbulence.

Risk markets rebounded by mid-April after a temporary pause in tariff implementation was announced, and May delivered strong gains, with the MSCI World Index up nearly 6%—its best month since November 2023. Large cap US technology companies moved once again to the fore, leading the market higher, although returns were limited in Sterling terms as the US Dollar weakened.

June saw fresh geopolitical pressures as tensions between Iran and Israel caused a spike in oil prices, briefly lifting Brent crude to \$80 per barrel before stabilising at \$68. Commodities broadly lagged risk assets, though precious metals remained resilient.

Fund holdings across regions delivered robust contributions during the quarter. In the UK, JO Hambro UK Growth advanced 12.1%. In the US, Loomis Sayles US Growth gained 17.3%. In Europe, Blackrock Continental European Flexible Fund rose 11.3%, while in emerging markets, the Schroders Emerging Markets Fund increased 11.6%. US equities rebounded sharply, with the S&P 500 up 10.94% in the quarter, although sterling-based investors saw gains offset by a weaker US dollar.

# **Butterfield Bank PCC Limited**

## **Investment Manager's Report, continued**

**For the year ended 30 June 2025**

### **Positioning and Strategy**

By the end of June 2025, the Fund maintained a defensive but balanced stance: a modest underweight in equities, neutral bond exposure, and a small overweight to alternatives. This positioning reflects a cautious approach to ongoing global uncertainty while allowing participation in risk asset rallies. Alternatives remain an important diversifier, particularly given their contribution to returns during periods of heightened volatility.

Looking ahead, policy remains the dominant driver of global markets. US trade and fiscal initiatives, including the proposed "One Big Beautiful Bill Act," have the potential to influence the bond market, with debt issuance of up to \$5 trillion over the next decade weighing on US Treasury yields. Geopolitical risks, particularly in the Middle East, and ongoing US-China trade negotiations are likely to fuel further volatility. In addition, currency fluctuations, especially the weakening US dollar, will remain an important factor for sterling investors.

### **Butterfield Bank (Channel Islands) Limited**

**18 September 2025**

# Butterfield Bank PCC Limited

## Custodian's Report


For the year ended 30 June 2025

Dear Shareholders

This report is given in accordance with Rule 6.4 of the Authorised Collective Investment Schemes (Class B) Rules and Guidance 2021 (the "Class B Rules"). All defined terms in this report have the same meaning as defined under the Class B Rules.

In our capacity as Custodian of the Company we confirm that, in our opinion, the Scheme has been managed during the year ended 30 June 2025, in accordance with the provisions of the principal documents of the Company and with The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021, and no material breaches have occurred.

Thompson,  
Andrew

 Digitally signed by Thompson,  
Andrew  
Date: 2025.09.18 16:51:51 +01'00'

**Butterfield Bank (Channel Islands) Limited**  
as Custodian of  
**Butterfield Bank PCC Limited**

18 September 2025

# Butterfield Bank PCC Limited

## Independent Auditor's Report to the Members of Butterfield Bank PCC Limited

### Opinion on the financial statements

In our opinion, the financial statements of Butterfield Bank PCC Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Company for the year ended 30 June 2025 which comprise the Statement of Comprehensive income, Statement of Changes in Equity, Statement of Changes in Net Assets Attributable to Holders in Participating Redeemable Preference Shares, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as issued by the IASB.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs(UK)") and applicable law. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

### Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Directors' paper in respect of going concern and challenging the liquidity of the investment portfolio held, and the expected annual running costs and determining whether these assumptions were reasonable based on our knowledge of the Company and consistent with discussions with both those charged with governance and management. Performing our own considerations regarding the impact of potential redemptions may have on going concern; and
- Reviewing the minutes of meetings of those charged with governance, the RNS announcements and the regulatory compliance reports for any indicators of concerns in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

# Butterfield Bank PCC Limited

## Independent Auditor's Report to the Members of Butterfield Bank PCC Limited, continued

### Overview

<b>Key audit matters (2025 and 2024)</b>	Valuation and ownership of investments
<b>Materiality</b>	<i>Company financial statements as a whole</i>  £500,000 (2014: £534,000) based on 1.75% (2014: 1.75%) of Total Assets (2024: Total Assets)

### An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We carried out a full scope of the Company which was tailored to take into account the nature of the Company's investments, involvement of the Investment Manager, the Company's Administrator and the Custodian, the accounting and reporting environment and the industry in which the Company operates.

In designing our overall audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements.

This assessment took into account the likelihood, nature and potential magnitude of any misstatement. As part of this risk assessment, we considered the Company's interaction with the Manager and the Company's Administrator and Custodian. We obtained an understanding of the control environment in place at the Manager and the Company's Administrator to the extent that it was relevant to our audit. Following these assessments, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Butterfield Bank PCC Limited

## Independent Auditor's Report to the Members of Butterfield Bank PCC Limited, continued

### An overview of the scope of our audit, continued

#### Key audit matters, continued

Key audit matter		How the scope of our audit addressed the key audit matter
<b>Valuation and Ownership of Investments (Note 2, 4)</b>	<p>The investment portfolio as at 30 June 2025 comprised either listed investments or investments in funds whose prices are publicly available.</p> <p>This is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations. The Investment Manager is remunerated based on the net asset value of the funds, derived using those valuations.</p> <p>There is also a risk that errors made in the recording of investment holdings results in the incorrect reflection of investments owned by the Company and therefore we consider this together with the related disclosures to be a key audit matter.</p> <p>We focused on the valuation and ownership of investments because investments represent a material proportion of the net asset value as disclosed in the Statement of Financial Position.</p>	<p>We agreed the ownership of all investment portfolio holdings to the independent Custodian confirmation.</p> <p>We tested the valuation of all investments held by agreeing the prices used in the valuation to independent third-party sources such as Refinitiv.</p> <p>We recalculated the fair value of the investments by multiplying the number of shares held per the statement obtained from the custodian by the price per share.</p> <p>We also checked that amounts were appropriately presented and disclosed within the financial statements.</p> <p>Key observations:</p> <p>Based on the work performed, we did not identify any matters to indicate that the ownership and valuation of the investments are inappropriate.</p>

### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

# Butterfield Bank PCC Limited

## Independent Auditor's Report to the Members of Butterfield Bank PCC Limited, continued

### Our application of materiality, continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2025 £	2024 £
<b>Materiality</b>	500,000	534,000
<b>Basis for determining materiality</b>	1.75% of total assets	1.75% of total assets
<b>Rationale for the benchmark applied</b>	The benchmark was determined as appropriate due to the Company being an investment fund with the objective of long-term capital growth, with investment values being a key focus of users of the financial statements.	
<b>Performance materiality</b>	375,000	400,500
<b>Basis for determining performance materiality</b>	75% of materiality  This was determined using our professional judgement and took into account the complexity of the Company and our long-standing knowledge of the engagement together with a history of minimal errors and adjustments.	

#### *Specific materiality*

We also determined that for investment income and sensitive expenses including investment management fees, director's fees, custodian fees, administration fees, audit fees and legal fees, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on 10% of materiality being £50,000 (2024: £40,500). We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

#### *Reporting threshold*

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £25,000 (2024: £26,700). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

### Other information

The directors are responsible for the other information. The other information comprises 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

# Butterfield Bank PCC Limited

## Independent Auditor's Report to the Members of Butterfield Bank PCC Limited, continued

### Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement within the Report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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, the Directors are responsible for assessing the Company'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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### 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 ISAs (UK) 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations; and
- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the Company.

We considered the significant laws and regulations to be IFRS as issued by the IASB, the Listing Rules issued by The International Stock Exchange, The Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Authorised Collective Investment Schemes (Class B) Rules and Guidance 2021 and the Companies (Guernsey) Law, 2008.

Our procedures in respect of the above included:

- Enquiry with management and those charged with governance concerning known or suspected instances of non-compliance with laws and regulations and fraud;
- Review minutes of meetings of those charged with governance, correspondence with the Guernsey Financial Services Commission and internal regulatory compliance reports to identify and consider any known or suspected instances of non-compliance with laws and regulation;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal and professional expenditure accounts to understand the nature of expenditure incurred.



# Butterfield Bank PCC Limited

## Independent Auditor's Report to the Members of Butterfield Bank PCC Limited, continued

### Auditor's responsibilities for the audit of the financial statements, continued

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Recalculating investment income and realised and unrealised gains and losses in full for listed investments based on external source information; and
- Agreeing prices used in investment valuations to independent third-party sources.

Based on our risk assessment, we considered the areas most susceptible to fraud to be valuation of investments.

Our procedures in respect of the above included:

- Considering whether there are any journal entries throughout the year, which may not be covered by testing of material financial statements class of transactions or balances;
- Performing analytical review on the daily net asset values with a focus on identifying movements over a set threshold and investigating the movements to source documentation; and
- Agreeing prices and investment holdings used in investment valuations to independent third-party sources.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The engagement director on the audit resulting in this independent auditor's opinion is Simon Hodgson.

# Butterfield Bank PCC Limited

## Independent Auditor's Report to the Members of Butterfield Bank PCC Limited, continued

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads "BDO Limited". The letters are cursive and fluid.

BDO Limited  
Chartered Accountants  
Plaza House,  
2nd Floor,  
Admiral Park,  
St Peter Port  
Guernsey

19 September 2025

# Butterfield Bank PCC Limited

## Statement of Comprehensive Income For the year ended 30 June 2025

		30 June 2025	30 June 2024
	Note	Butterfield Multi-Asset Fund – GBP Balanced	Butterfield Multi-Asset Fund – GBP Balanced
		£	£
Net gains on investments at fair value through profit or loss	4	1,006,450	2,861,134
Net foreign exchange (losses)/gains		(27,442)	4,481
		979,008	2,865,615
<b>Income</b>			
Dividend income		566,662	543,507
Interest income		72,054	61,399
Expense reimbursement	6	35,934	-
<b>Total net income</b>		<b>1,653,658</b>	<b>3,470,521</b>
<b>Expenses</b>			
Investment management fees	6	-	26,750
Administration fees	6	85,388	82,921
Directors' fees	6	40,161	32,309
Custodian fees	6	20,848	20,809
Audit fees		34,028	30,196
Annual and regulatory fees		6,602	5,846
Listing fees		16,217	8,719
Brokers' fees		1,007	1,259
Legal fees		4,280	12,643
Other expenses		2,031	1,227
<b>Total operating expenses</b>		<b>210,562</b>	<b>222,679</b>
<b>Profit before tax</b>		<b>1,443,096</b>	<b>3,247,842</b>
<b>Profit for financial year before allocation of income attributable to holders of Participating Redeemable Preference Shares</b>		<b>1,443,096</b>	<b>3,247,842</b>
Profit attributable to holders of Participating Redeemable Preference Shares		(1,443,096)	(3,247,842)
<b>Result for financial year after allocation of profit attributable to holders of Participating Redeemable Preference Shares</b>		<b>-</b>	<b>-</b>
Profit for the year attributable to holders of Equity Management Shares		-	-
<b>Increase in net assets attributable to:</b>			
<b>Holders of Participating Redeemable Preference Shares</b>		<b>1,443,096</b>	<b>3,247,842</b>
<b>Holders of Equity Management Shares</b>		<b>-</b>	<b>-</b>
<b>Profit attributable per Class A Participating Redeemable Preference Share</b>	11	<b>£0.049</b>	<b>£0.121</b>
<b>Profit attributable per Class B Participating Redeemable Preference Share</b>	11	<b>£0.056</b>	<b>£0.129</b>
<b>Profit attributable per Class C Participating Redeemable Preference Share</b>	11	<b>£0.063</b>	<b>£0.137</b>

All profit is attributable to the Participating Redeemable Preference shares of the Cell.

The notes on pages 21 to 37 form an integral part of these Financial Statements.

# Butterfield Bank PCC Limited

## Statement of Changes in Equity For the year ended 30 June 2025

	For the year ended 30 June 2025	For the year ended 30 June 2024
	£	£
<b>As at 1 July</b>	1	1
Profit for the year attributable to holders of Equity Management Shares for the year	-	-
<b>As at 30 June</b>	1	1

## Statement of Changes in Net Assets Attributable to Holders Participating Redeemable Preference Shares For the year ended 30 June 2025

		For the year ended 30 June 2025	For the year ended 30 June 2024
	Note	£	£
<b>As at 1 July</b>		30,470,450	26,401,444
Profit attributable to holders of Participating Redeemable Preference Shares for the year		1,443,096	3,247,842
<b>Total comprehensive income for the year</b>		1,443,096	3,247,842
<b>Transactions with holders of Participating Redeemable Preference Shares:</b>			
Amounts received on issue of shares	8	2,846,705	3,039,976
Amounts paid on redemption of shares	8	(6,112,911)	(2,218,812)
<b>Total transactions with holders of Participating Redeemable Preference Shares</b>		(3,266,206)	821,164
<b>As at 30 June</b>		28,647,340	30,470,450

Notes on pages 21 to 37 form an integral part of these Financial Statements.

# Butterfield Bank PCC Limited

## Statement of Financial Position

As at 30 June 2025

Note	30 June 2025			30 June 2024		
	Company Total	Non-Cellular	Butterfield Multi-Asset Fund – GBP Balanced	Company Total	Non-Cellular	Butterfield Multi-Asset Fund – GBP Balanced
	£	£	£	£	£	£
<b>Assets</b>						
Investments at fair value through profit or loss	26,586,763	-	26,586,763	28,751,430	-	28,751,430
Trade and other receivables	66,712	1	66,711	52,645	1	52,644
Cash and cash equivalents	2,038,067	-	2,038,067	1,713,511	-	1,713,511
<b>Total assets</b>	<b>28,691,542</b>	<b>1</b>	<b>28,691,541</b>	<b>30,517,586</b>	<b>1</b>	<b>30,517,585</b>
<b>Liabilities</b>						
Trade and other payables	44,201	-	44,201	47,135	-	47,135
	44,201	-	44,201	47,135	-	47,135
Liabilities (excluding net assets attributable to holders of Participating Redeemable Preference Shares)	44,201	-	44,201	47,135	-	47,135
Net assets attributable to holders of Participating Redeemable Preference Shares	28,647,340	-	28,647,340	30,470,450	-	30,470,450
<b>Total liabilities</b>	<b>28,691,541</b>	<b>-</b>	<b>28,691,541</b>	<b>30,517,585</b>	<b>-</b>	<b>30,517,585</b>
<b>Equity</b>						
Management Shares	1	1	-	1	1	-
<b>Total equity</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Total liabilities and equity</b>	<b>28,691,542</b>	<b>1</b>	<b>28,691,541</b>	<b>30,517,586</b>	<b>1</b>	<b>30,517,585</b>
<b>Net assets per Class A Participating Redeemable Preference Share</b>			<b>1.7820</b>			<b>1.7090</b>
<b>Net assets per Class B Participating Redeemable Preference Share</b>			<b>1.8944</b>			<b>1.8062</b>
<b>Net assets per Class C Participating Redeemable Preference Share</b>			<b>1.1241</b>			<b>1.0665</b>

Notes on pages 21 to 37 form an integral part of these Financial Statements.

The Financial Statements on pages 17 to 37 were approved and authorised by the Board for issue on 18 September 2025 and signed on its behalf by:



**Michel Davy**  
Director

# Butterfield Bank PCC Limited

## Statement of Cash Flows

For the year ended 30 June 2025

		30 June 2025 Butterfield Multi- Asset Fund – GBP Balanced £	30 June 2024 Butterfield Multi- Asset Fund – GBP Balanced £
	Note		
<b>Operating activities cash flows</b>			
Profit for the financial year		1,443,096	3,247,842
Adjustments for:			
Net gains on financial assets at fair value through profit or loss	4	(1,006,450)	(2,861,134)
Net foreign exchange losses/(gains)		27,442	(4,481)
		<u>464,088</u>	<u>382,227</u>
<b>Changes in working capital</b>			
Increase in trade and other receivables		(14,067)	(38,532)
(Decrease)/increase in trade and other payables		(2,934)	7,332
		<u>447,087</u>	<u>351,027</u>
Proceeds from sale of financial assets at fair value through profit or loss <sup>1</sup>	4	7,224,018	3,495,045
Purchase of financial assets at fair value through profit or loss <sup>3</sup>	4	(4,052,901)	(3,908,954)
<b>Net cash flow from/(used in) operating activities</b>		<u>3,618,204</u>	<u>(62,882)</u>
<b>Financing activities cash flows</b>			
Proceeds from participating redeemable preference shares issued <sup>4</sup>		2,827,281	2,942,330
Redemption of participating redeemable preference shares <sup>2</sup>		(6,093,487)	(2,121,166)
<b>Net cash flows (used in)/from financing activities</b>		<u>(3,266,206)</u>	<u>821,164</u>
<b>Net increase in cash and cash equivalents</b>		351,998	758,282
<b>Effect of exchange rate changes during the year</b>		(27,442)	4,481
<b>Cash and cash equivalents at beginning of year</b>		1,713,511	950,748
<b>Cash and cash equivalents at end of year</b>		<u>2,038,067</u>	<u>1,713,511</u>

The notes on pages 21 to 37 form an integral part of these Financial Statements.

<sup>3</sup> Excludes non-cash transactions. For further details see note 4

<sup>4</sup> Excludes non-cash transactions. For further details see note 8

# Butterfield Bank PCC Limited

## Notes to the Financial Statements

For the year ended 30 June 2025

---

### 1. The Company

Butterfield Bank PCC Limited (the “Company” or “PCC”) was incorporated in Guernsey on 17 March 2010 and has been authorised as a Class “B” collective investment scheme in accordance with the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 2020. Since commencement and as at 30 June 2024 the Company has had only one active cell: Butterfield Multi-Asset Fund – GBP Balanced (the “Cell” or “Fund”), which was admitted to The International Stock Exchange (“TISE”) on 4 May 2010. Its Class A Participating Redeemable Preference Shares, Class B Participating Redeemable Preference Shares and Class C Participating Redeemable Preference Shares (the “PRP Shares”) are admitted to the Official List of TISE.

The principal objective of the Company is to seek to achieve long term capital appreciation. The Company will pursue this objective by investing in a highly diversified portfolio of collective investment schemes, exchange traded funds, other equities, bonds, money market instruments, cash, derivative instruments and structured products from around the world.

### 2. Material Accounting Policy Information

#### ***Basis of accounting***

The Financial Statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). This represents a change from the prior period where the financial statements were prepared in accordance with IFRS as adopted by the European Union.

The Directors implemented this change as the company operates outside of the European Union and the United Kingdom and their respective regulators and referencing the regulatory framework of these jurisdictions can create confusion to the readers of these financial statements. The Directors have assessed the impact and concluded that this change does not result in any material impact on the Company’s accounting policies or disclosure requirements, and no restatement is required in respect of this change.

The Directors believe that the Financial Statements contain all of the information required to enable shareholders and potential investors to make an informed appraisal of the investment activities and profits and losses of the Company for the period to which they relate and do not omit any matter or development of significance.

The Company’s Financial Statements have been prepared on a historical cost basis, except for financial assets or financial liabilities measured at fair value through profit or loss.

#### ***Going concern***

The Directors have reviewed the Company’s holdings in cash and cash equivalents, investments and have considered the income deriving from, and the viability of, those investments and the factors that may impact its performance in the forthcoming year, including the potential impact on markets and supply chains of geo-political risks such as the current conflicts in Ukraine and the Middle East, and continuing macro-economic factors and inflation.

The Board of Directors are aware that the economic disruption caused by the factors identified above has resulted in adverse economic impacts globally and on the locations in which the Company invests and operates.

The Board of Directors relies on the Investment Manager to manage liquid investment portfolios that ensure the company remains a going concern. The Board notes that the portfolios managed by our advisors comprise predominantly liquid assets and therefore provide a basis for effective cash management. See note 7 for more information on the level of risk and how it is managed. The Directors have concluded that the Company has adequate financial resources to continue in operational existence and to meet its liabilities as and when they fall due for at least 12 months from the date of approval of these Financial Statements. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

---

### 2. Material Accounting Policy Information, continued

#### ***New accounting standards effective and adopted***

The Company did not adopt any new or amended accounting standards during the year.

The Directors have reviewed and assessed any new standards, interpretations and amendments that were effective 1 January 2024 and 1 January 2025 and concluded that none of these has a material impact on the financial statements of the Company.

#### ***New Accounting Standards and interpretations applicable to future reporting periods***

The following relevant IFRSs, which have not been applied in these Financial Statements, were in issue at the reporting date but not yet effective:

- IFRS 7 (amended), 'Financial Instruments: Disclosures' (effective for accounting periods commencing on or after 1 January 2026);
- IFRS 9 (amended), 'Financial Instruments' (effective for accounting periods commencing on or after 1 January 2026);
- IFRS 18, 'Presentation and Disclosures in Financial Statements' (effective for accounting periods commencing on or after 1 January 2027).
- IAS 8 (amended), 'Basis of Preparation of Financial Statements' (effective for accounting periods beginning on or after 1 January 2027)

The amendments to IFRS 7 and IFRS 9 were published in May 2024 and relate to the classification and measurement of financial instruments.

IFRS 18 sets out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

Amendments to IAS 8, revise the standard's title to "Basis of Preparation of Financial Statements". The changes clarify concepts including fair presentation, going concern, and the accrual basis of accounting. They also affect the disclosure requirements related to the selection and application of accounting policies.

The Board is in the process of assessing the impact that these new and amended standards will have on future periods and the impact of their adoption in relation to the financial statements of the Company.

#### ***Basis of Aggregation***

The Company's aggregated Financial Statements, which are shown in the total column, represent the sum of the Cell and the non-cellular assets and liabilities within the PCC.

#### ***Financial Assets and Liabilities***

##### ***Financial assets***

Under IFRS 9, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost; or
- fair value through profit or loss ("FVTPL"); or
- fair value through other comprehensive income ("FVOCI").



# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

---

### 2. Material Accounting Policy Information, continued

#### *Financial Assets and Liabilities, continued*

##### *Financial assets, continued*

###### *Classification*

On initial recognition, the Company classifies its financial assets as measured at amortised cost or at fair value through profit or loss ("FVTPL").

This classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

###### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets 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 ("SPPI").

All other financial assets of the Company are measured at FVTPL.

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed.

The Company has determined that it has two business models.

- *Amortised cost: Held-to-collect business model* - this includes cash and cash equivalents and other receivables. These financial assets are held to collect contractual cash flow.
- *Fair value through profit or loss: Other business model* - this includes investments in listed equities and investment funds. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

##### *Financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

###### *Financial liabilities at amortised cost:*

This includes trade and other payables and unsettled investment purchases.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

---

### 2. Material Accounting Policy Information, continued

#### *Financial Assets and Liabilities, continued*

##### ***Derecognition***

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

##### ***Fair Value Measurement Hierarchy***

IFRS 13 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement (see note 7). The fair value hierarchy has the following levels:

- *quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);*
- *inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and*
- *inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).*

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement as a whole. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

##### ***Cash and cash equivalents***

Cash and cash equivalents include current accounts and demand deposits with an original maturity of three months or less.

##### ***Trade and other receivables***

Receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

##### ***Impairment of financial assets***

IFRS 9 introduced the Expected Credit Loss ("ECL") model which brings forward the timing of impairments.

Under IFRS 9 for trade receivables the Company has elected to apply the simplified model as the trade receivables all have a maturity of less than one year and do not contain a significant financing component. Under the simplified approach the requirement is to always recognise lifetime ECLs. Under the simplified approach practical expedients are available to measure lifetime ECL but forward looking information must still be incorporated. Under the simplified approach there is no need to monitor significant increases in credit risk and entities will be required to measure lifetime ECLs at all times.

The Directors have concluded that any ECLs on trade receivables would be highly immaterial to the Financial Statements.

##### ***Trade and other payables***

Payables are not interest-bearing and are stated at their nominal value.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

---

### 2. Material Accounting Policy Information, continued

#### ***Net assets attributable to holders of redeemable shares***

The amounts attributable to holders of participating redeemable preference shares are classified as liabilities in the Company's Statement of Financial Position as they represent puttable instruments at the option of the holder meeting the applicable criteria for such categorisation.

Redeemable shares are issued and redeemed at the holder's option at prices based on the relevant Cell's net asset value at the time of issue or redemption of redeemable shares in that Cell. The Cell's net asset value per redeemable share is calculated by dividing the net assets attributable to holders of redeemable shares in that Cell by the total number of outstanding redeemable shares in that Cell at the redemption date. The dealing in the Cell is carried out on a weekly basis.

#### ***Investment Income***

Income is included in the Statement of Comprehensive Income as follows:

- Dividends receivable are accounted for on an accruals basis. The Company accrues for dividend income where the instrument is held at the ex-dividend date and the Company's right to receive the dividend is irrevocable.
- Interest revenue is recognised on a time-proportionate basis using the effective interest method.

#### ***Expenses***

Expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

#### ***Foreign Exchange***

The functional and presentation currency of the Company is Pounds Sterling ("Sterling").

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities denominated in foreign currencies at the end of the accounting period are translated into Sterling at the closing exchange rates at the reporting date. Gains and losses arising on translation are included in the Statement of Comprehensive Income.

#### ***Management Shares***

The Management Shares have been created so that Redeemable Preference Shares may be issued. To qualify as Redeemable Preference Shares, the shares were required under the Companies (Guernsey) Law, 2008, at incorporation, to have a preference over some other class of share capital. The Management Shares are not redeemable and do not carry a right to participate in the profits or assets of the Company. Each holder of Management Shares is entitled to receive notice of and attend any general meeting of the Company.

### 3. Judgements and estimates

The preparation of Financial Statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 3. Judgements and estimates, continued

The most critical estimates, that the Directors have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the Financial Statements is the fair value of financial assets designated to be at fair value through profit or loss (see note 2). The fair value of securities not traded in an active market may be determined by the Company using reputable pricing sources (such as pricing agencies) or indicative prices from market makers and not from judgements of the Directors. For these purposes, the Directors consider prices obtained from the administrators of underlying non-exchange traded securities to which the securities are puttable back to the issuer as being a reliable pricing source in an inactive market. Quotes obtained from pricing sources may be indicative and not executable or binding. The Company's classification of fair value measurements and the risk management policies are disclosed in note 7.

### 4. Investments at fair value through profit or loss

The investment portfolio can be analysed as follows.

	30 June 2025 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2024 Butterfield Multi-Asset Fund – GBP Balanced £
Bond and Bond Funds	9,871,955	10,340,256
Commodity Funds	931,600	1,074,000
Equity or Equity Funds	15,783,208	17,337,174
<b>Financial assets at fair value through profit or loss</b>	<b>26,586,763</b>	<b>28,751,430</b>

	30 June 2025 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2024 Butterfield Multi-Asset Fund – GBP Balanced £
Asia securities	156,698	195,959
Europe securities	1,342,681	1,430,975
Global investment strategy securities*	7,139,493	8,450,875
Japan securities	725,148	859,534
United Kingdom securities	10,377,273	10,667,690
United States securities	6,845,470	7,146,397
<b>Financial assets at fair value through profit or loss</b>	<b>26,586,763</b>	<b>28,751,430</b>

\*The investment strategies for these portfolios are not limited to a specific region but are spread globally.

	30 June 2025 Butterfield Multi-Asset Fund – GBP Balanced £	30 June 2024 Butterfield Multi-Asset Fund – GBP Balanced £
Listed Funds	9,791,154	8,791,099
Unlisted Funds	16,795,609	19,960,331
<b>Financial assets at fair value through profit or loss</b>	<b>26,586,763</b>	<b>28,751,430</b>

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 4. Investments at Fair Value Through Profit or Loss, continued

	30 June 2025 Butterfield Multi-Asset Fund – GBP Balanced	30 June 2024 Butterfield Multi-Asset Fund – GBP Balanced
	£	£
Book cost brought forward	25,735,120	24,873,553
Additions	4,551,099	3,908,954
Disposals	(7,722,216)	(3,495,045)
Realised gains on financial assets	1,171,236	447,658
<b>Book cost carried forward</b>	<b>23,735,239</b>	<b>25,735,120</b>
Net unrealised gains on financial assets brought forward	3,016,310	602,834
Movement in net unrealised gains on financial assets during the year	(164,786)	2,413,476
<b>Net unrealised gains on financial assets carried forward</b>	<b>2,851,524</b>	<b>3,016,310</b>
<b>Fair value carried forward</b>	<b>26,586,763</b>	<b>28,751,430</b>

See the unaudited Portfolio Statement on page 38 for further information on the types of financial assets held and currency exposure.

Included in the Additions and Disposals figure are non-cash items of £19,424 (2024: £97,646) which relates to the conversion of one investment share class to another.

	30 June 2025 Butterfield Multi-Asset Fund – GBP Balanced & Company Total £	30 June 2024 Butterfield Multi-Asset Fund – GBP Balanced & Company Total £
Net gains on financial assets at fair value through profit or loss:		
Realised gains	1,171,236	447,658
Unrealised (losses)/gains	(164,786)	2,413,476
<b>Net gains on financial assets at fair value through profit or loss</b>	<b>1,006,450</b>	<b>2,861,134</b>

### 5. Share Capital

#### a) Non-cellular

#### Authorised

The Company has unlimited authorised Management Shares.

#### Issued and fully paid

1 Management Share of £1

30 June 2025 and  
30 June 2024

£

1

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 5. Share Capital, continued

#### a) Non-cellular, continued

##### Management Shares

The Management Shares may only be issued at par. The rights attaching to the Management Shares are as follows:

##### (i) Voting Rights:

The Management Shares carry no voting rights whilst any Participating Redeemable Preference Shares of any Cell are in issue.

##### (ii) Dividends and distribution of assets on a winding up:

The Management Shares do not carry any right to dividends. In the event of a liquidation, they rank pari passu inter se but only for return of the nominal amount paid up on them using only assets of the Company not comprised within any of the Cells.

##### (iii) Redemption:

The Management Shares are not redeemable and do not carry a right to participate in the profits or assets of the Company.

#### b) Cellular - Butterfield Multi-Asset Fund – GBP Balanced

The Cell has unlimited authorised Participating Redeemable Preference Shares.

##### Issued and fully paid

Number of Participating Redeemable Preference Shares	30 June 2025			
	Butterfield Multi-Asset Fund – GBP Balanced			
	Class A No.	Class B No.	Class C No.	Total No.
At 1 July 2024	2,587,039	2,815,315	19,657,024	25,059,378
Issued shares	17,379	58,796	2,490,679	2,566,854
Redeemed shares	(2,314,347)	(90,361)	(1,814,668)	(4,219,376)
At 30 June 2025	290,071	2,783,750	20,333,035	23,406,856

	£	£	£	£
Share Premium				
At 1 July 2024	2,949,212	(450,722)	18,985,981	21,484,471
Issued shares	30,114	113,166	2,703,425	2,846,705
Redeemed shares	(3,958,910)	(170,916)	(1,983,085)	(6,112,911)
At 30 June 2025	(979,584)	(508,472)	19,706,321	18,218,265

##### Issued and fully paid

Number of Participating Redeemable Preference Shares	30 June 2024			
	Butterfield Multi-Asset Fund – GBP Balanced			
	Class A No.	Class B No.	Class C No.	Total No.
At 1 July 2023	2,646,848	3,288,255	17,988,057	23,923,160
Issued shares	94,799	2,969	2,836,615	2,934,383
Redeemed shares	(154,608)	(475,909)	(1,167,648)	(1,798,165)
At 30 June 2024	2,587,039	2,815,315	19,657,024	25,059,378

	£	£	£	£
Share Premium				
At 1 July 2023	3,046,061	356,676	17,260,570	20,663,307
Issued shares	150,102	5,000	2,884,874	3,039,976
Redeemed shares	(246,951)	(812,398)	(1,159,463)	(2,218,812)
At 30 June 2024	2,949,212	(450,722)	18,985,981	21,484,471

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 5. Share Capital, continued

*b) Cellular - Butterfield Multi-Asset Fund – GBP Balanced, continued*

#### Authorised

The rights attaching to the Participating Redeemable Preference Shares are as follows:

##### *(i) Voting Rights:*

On a show of hands, every holder who (being an individual) is present in person shall have one vote and, on a poll, every holder present in person or by a proxy or by a duly authorised representative shall have one vote for every Participating Redeemable Preference Share held.

##### *(ii) Dividends:*

The shareholders of a Cell may from time to time by simple majority resolution declare dividends payable to Shareholders of the relevant Cell up to an amount recommended by the Directors. The Directors may from time to time if they think fit pay interim dividends on Participating Redeemable Preference Shares of a particular Cell if justified by the profits of that Cell.

##### *(iii) Winding Up:*

The Participating Redeemable Preference Shares carry a right to a return of the surplus assets remaining on the winding up of a Cell and such assets of that Cell are distributed to the holders of the Participating Redeemable Preference Shares pro rata.

##### *(iv) Redemption:*

The Participating Redeemable Preference Shares may be redeemed by shareholders at the net asset value of the relevant Class at the valuation point on each dealing day. Redemption values at the year end are shown in note 10. The Participating Redeemable Preference Shares have no par value.

### 6. Material Agreements & Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

#### Related Party Transactions

The Investment Manager and Custodian are considered to be related parties of the Company.

The Company is responsible for the continuing fees of the Investment Manager, Administrator and the Custodian in accordance with the Investment Management, Administration and Custodian Agreements all dated 23 March 2010 and any amendments and restatements thereof.

#### Material Agreements

##### *Investment Management Fees*

Pursuant to the provisions of the Investment Management Agreement (as amended June 2016) the Investment Manager received investment management fees during the year ended 30 June 2025 in return for managing each class of Participating Redeemable Preference Shares in issue in the Company as follows:

	30 June 2025	30 June 2024
<b>Butterfield Multi-Asset Fund – GBP Balanced</b>		
Class A	1.5%	1.5%
Class B	1.0%	1.0%
Class C	0.5%	0.5%

Effective from 1 October 2022 fees are calculated daily and are payable monthly in arrears.

With effect from 31 August 2021, the Investment Manager agreed to bear the ongoing expenses of the Company and the Cells including fees of the Administrator, the Custodian and the fees payable in connection with the ongoing listing of the Participating Shares to the Official List of The International Stock Exchange, the Investment Manager was due to reimburse the Company £35,934 in relation to the ongoing expenses of the Company (2024: £nil), of which £35,934 was receivable at the year end.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

---

### 6. Material Agreements & Related Party Transactions, continued

#### Material Agreements, continued

##### *Investment Management Fees, continued*

With effect from 1 September 2022, the Investment Manager has waived its right to receive investment management fees up to an amount equal to the total of all other expenses of the Company. During the year £174,628 (30 June 2024: £195,929) of investment management fees were waived.

During the year, the Investment Manager was due a fee of £nil (30 June 2024: £26,750) of which £nil was outstanding at the year end (30 June 2024: £954).

No performance fee is payable to the Investment Manager (30 June 2024: £nil)

##### *Administration Fees*

With effect from 30 September 2022, the Administrator is entitled to receive a fixed fee from the Cell of £80,000 per annum based on the Cell having three share classes. Such fees are calculated daily and payable monthly in arrears.

The Administrator also receives a shareholder transaction fee of up to £100 per individual/joint applicant or £200 per corporate/entity applicant and a fixed fee of £1,000 per annum for each additional share class of the Fund. These fees are payable monthly in arrears.

The Administrator had an addendum to the Administration Agreement signed on 29 July 2014 to provide an agent to assist with compliance with FATCA for the Company. During the year, the Administrator has earned a fee based on time spent of £1,229 (30 June 2024: £834).

For the collation of client due diligence for any new investor a fee of up to £100 per investor is charged. Any other duties of the Administrator shall be subject to additional fees which shall be agreed in advance between the Company, Investment Manager and Administrator.

During the year, the Administrator earned a fee of £85,388 (30 June 2024: £82,921) of which £7,219 (30 June 2024: £6,503) was outstanding at the year end.

Janine Lewis, who has served as a Director of the Company with effect from 28 March 2023, was a Director of the Administrator until 10 June 2025. Ms Lewis continues to serve as an independent Director of the Company.

##### *Custodian Fees*

Pursuant to the provisions of the Custodian Agreement, the Custodian is entitled to be paid annual fees out of the Company of 0.075% of the Net Asset Value of the Company, calculated weekly and payable monthly in arrears, subject to an annual minimum of £24,000, with effect from 1 October 2018 Butterfield Bank (Guernsey) Limited ("the Bank") agreed to reduce the annual minimum fee to £14,000 and to waive its charge of £75 per investment transaction.

During the year, the Custodian earned a fee of £20,848 (30 June 2024: £20,809) of which £3,547 (30 June 2024: £1,737) was outstanding at the year end.

##### *Directors' Fees and Interests:*

Effective from 1 April 2024 onwards, the Directors were entitled to an annual fee of £20,000 per annum.

Alan Bain was appointed to the Board on 31 August 2021 and agreed to waive his entitlement to a Director's fee. He is the Deputy Managing Director of Butterfield Bank (Channel Islands) Limited, the Investment Manager.

The Directors of the Company are considered to be key management personnel.

As at 30 June 2025, Michel Davy held 25,866,528 Class C Participating Redeemable Preference Shares. No other Director had a direct interest in the share capital of the Company.

During the year, the Directors earned fees of £40,161 (30 June 2024: £32,309) of which £nil (30 June 2024: £9,686) was outstanding at the year end.



# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 7. Financial Instruments and Risk Management Policies and Disclosures

In pursuing the Company's investment objectives, a number of financial instruments are held which may include investments, cash balances, debtors and creditors that arise directly from operations.

The following table contains the carrying amounts of financial instruments by category:

	30 June 2025	30 June 2024
	£	£
<b>Financial assets</b>		
Investments at fair value through profit or loss	26,586,763	28,751,430
Financial assets at amortised cost:		
Receivables (excluding prepayments)	55,590	35,946
Cash and cash equivalents	2,038,067	1,713,511
<b>Total financial assets</b>	<b>28,680,420</b>	<b>30,500,887</b>

The Directors consider the carrying amount of cash and cash equivalents and receivables approximates to their fair value

	30 June 2025	30 June 2024
	£	£
<b>Financial liabilities</b>		
Payables	44,201	47,135
Participating Redeemable Preference Shares	28,647,340	30,470,450
<b>Total financial liabilities</b>	<b>28,691,541</b>	<b>30,517,585</b>

Payables are measured at amortised cost.

Participating Redeemable Preference Shares are held at fair value and quoted on an active market.

Political and economic events in the major economies of the world will influence stock and securities markets worldwide. The main risks from the Company holding financial instruments, together with the policy for managing these risks, are set out below.

#### Market risk

The Company's activities expose it primarily to the market risks of changes in equity price, interest rates and foreign currency exchange rates.

#### Equity Price Risk

Equity price risk arises from uncertainty about future prices of financial instruments. The Investment Manager determines investment opportunities and has invested, by the purchase of funds, equities, sovereign bonds and commodities in the equity of collective investment schemes and exchange traded funds to achieve a broad spread of asset classes on a global basis targeting an overall level of volatility lower than that of equity markets. Operating parameters are identified through the model and trading takes place within a defined price range. Positions can predominantly be liquidated with immediate effect.

5% is the sensitivity rate used when reporting equity price risk internally to key management personnel and represents management's assessment of the reasonably possible change in market prices. The sensitivity rate of 5% (30 June 2024: 5%) is regarded as reasonable due to the actual market price volatility experienced during the year

If the Company's investments were to increase or decrease by 5% (30 June 2024: 5%) the impact on the value of the investments would be +/- £1,329,338 (30 June 2024: £1,437,572).

#### Interest Rate Risk

Interest rate risk is the risk that the value of the Company's investments will fluctuate as a result of interest rate changes. The value of interest-bearing financial instruments may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation of other classes. The amount of income receivable from bank balances will be affected by fluctuations in interest rates.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 7. Financial Instruments and Risk Management Policies and Disclosures, continued

#### Interest Rate Risk, continued

By careful assessment of economic and other relevant factors, the Investment Manager will seek to invest in those investments most likely to benefit, or be shielded, from anticipated changes in interest rates.

Although the Company is not significantly exposed to interest rate fluctuations, the table below shows the split between interest and non-interest-bearing financial assets and financial liabilities:

		30 June 2025		30 June 2024
	WAEIR*	Butterfield Multi-Asset Fund – GBP Balanced	WAEIR*	Butterfield Multi-Asset Fund – GBP Balanced
Assets	%	£	%	£
Floating interest rate cash at bank	3.57	2,038,067	4.77	1,713,511
Investment assets		26,586,763		28,751,430
Trade and other receivables		66,712		35,946
<b>Total financial assets</b>		<b>28,691,542</b>		<b>30,500,887</b>
		<b>2025</b>		<b>2024</b>
		<b>£</b>		<b>£</b>
<b>Liabilities</b>				
Trade and other payables		44,201		47,135
Participating Redeemable Preference Shares		28,647,340		30,470,450
<b>Total financial liabilities</b>		<b>28,691,541</b>		<b>30,517,585</b>

\*Weighted Average Effective Interest Rate

All liabilities are non-interest bearing.

#### Currency Risk

Currency risk is the risk that the value of non-Sterling based financial instruments will fluctuate due to changes in foreign exchange rates.

All but a trivial amount of financial instruments are held in Sterling and therefore no significant currency risk arises.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as and when they fall due. The Company may be adversely affected by a decrease in market liquidity for the investments in which it invests which may impair the Company's ability to adjust its positions.

The Company is exposed to liquidity risk, primarily due to potential redemptions of its redeemable shares in the Cell. Shareholders can redeem Participating Redeemable Preference Shares by giving prior notice on any relevant dealing day, however the Directors may, at their discretion, limit the total number of Participating Redeemable Preference Shares in the Cell to be redeemed to 10% of the Company's total issued Participating Redeemable Preference Shares. The limitation will be applied pro rata to all Shareholders who have requested redemptions to be effected on or as at such Dealing Day so that the proportion of each holding redeemed is the same for all such Shareholders. The Company manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate daily. At the current and previous year end all of the investments held were daily redeemable securities.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 7. Financial Instruments and Risk Management Policies and Disclosures, continued

#### Liquidity Risk, continued

The Company's financial instruments include investments which are traded in an organised public market and which are liquid. As a result, the Company would be able to liquidate quickly some of its investments in these instruments in order to meet its liquidity requirements. Cash and cash equivalents and open-ended investment funds have no fixed maturity date. Cash is instantly accessible to the Company. All open-ended investment funds may be redeemed within one month unless a specific notice period is given. All of the investments that were held at the year end were either classified as a level 1 or a level 2 investment in the fair value hierarchy and as a result the liquidity risk to the Company was minimal.

The table below analyses the net financial assets and liabilities attributable to holders of Participating Redeemable Preference Shares into relevant maturity groupings based on the earliest period in which the counterparty is required to pay at the reporting date. The amounts in the table below are the contractual undiscounted cash flows which are the same as the discounted cash flows given the short-term nature of the financial instruments.

30 June 2025	Butterfield Multi-Asset Fund – GBP	
	Balanced	
	Within 1 month	Total
	£	£
<b>Assets</b>		
Financial assets at fair value through profit or loss	26,586,763	26,586,763
Cash and cash equivalents	2,038,067	2,038,067
Trade and other receivables (excluding prepayments)	55,590	60,635
<b>Total financial assets</b>	<b>28,680,420</b>	<b>28,685,465</b>
<b>Liabilities</b>		
Trade and other payables	44,201	44,201
Net assets attributable to holders of redeemable shares	28,647,340	28,647,340
<b>Total financial liabilities</b>	<b>28,691,541</b>	<b>28,691,541</b>

30 June 2024	Butterfield Multi-Asset Fund – GBP	
	Balanced	
	Within 1 Month	Total
	£	£
<b>Assets</b>		
Financial assets at fair value through profit or loss	28,751,430	28,751,430
Cash and cash equivalents	1,713,511	1,713,511
Trade and Other receivables (excluding prepayments)	35,946	35,946
<b>Total financial assets</b>	<b>30,500,887</b>	<b>30,500,887</b>
<b>Liabilities</b>		
Trade and Other payables	47,135	47,135
Net assets attributable to holders of redeemable shares	30,470,450	30,470,450
<b>Total financial liabilities</b>	<b>30,517,585</b>	<b>30,517,585</b>

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

---

### 7. Financial Instruments and Risk Management Policies and Disclosures, continued

#### Credit Risk

All investments are made through funds or fund of funds. Any underlying credit risk exposures in those funds' investments are reflected within the fair values of those funds or fund of funds investments held by the Company. Please see equity price risk disclosures within these Financial Statements for further details on the Company's exposure to equity price risk.

The Company is subject to the risk of the inability of any counterparty (including the Custodian) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Credit risk is the risk that a counterparty will be unable to pay amounts in full when due resulting in financial loss to the Company. As at 30 June 2025, the maximum credit risk the Company is exposed to is £28,680,421 (30 June 2024: £30,500,887) which is its total assets less prepayments.

The Company mitigates its' credit risk by holding cash and cash equivalents with reputable financial institutions, assessing the credit rating of these institutions regularly, and by holding a diversified portfolio of investments.

The Company's cash and cash equivalents and its financial assets at fair value through profit or loss are held in custody with Butterfield Bank (Channel Islands) Limited. Bankruptcy or insolvency of Butterfield Bank (Channel Islands) Limited may cause the Company's rights with respect to assets held with Butterfield Bank (Channel Islands) Limited to be reduced or delayed. Butterfield Bank (Channel Islands) Limited is wholly owned by The Bank of N.T. Butterfield & Son Limited whose S&P long term credit rating is 'BBB+' (30 June 2024: 'BBB+') as at the reporting date.

#### Capital Risk Management

The capital of the Company is represented by the Net Assets Attributable to Participating Redeemable Preference Shareholders. The amount of Net Assets Attributable to Holders of Participating Redeemable Preference Shares can change on a weekly basis, as the Company is subject to weekly subscriptions and redemptions at the discretion of the Participating Redeemable Preference shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for holders of Participating Redeemable Preference Shares, to provide benefits for other stakeholders and to maintain a strong capital base to support the investment activities of the Company. The Board of Directors and Investment Manager monitor capital on the basis of the value of Net Assets Attributable to Holders of Participating Redeemable Preference Shares.

#### Classification of Fair Value Measurements

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Directors.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 7. Financial Instruments and Risk Management Policies and Disclosures, continued

#### Classification of Fair Value Measurements, continued

The table below analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 30 June:

30 June 2025			
	Level 1	Level 2	Total
	£	£	£
<i>Designated at fair value through profit or loss:</i>			
Bond and Bond Funds	5,377,600	4,494,355	9,871,955
Commodity Funds	931,600	-	931,600
Equity or Equity Funds	4,065,229	11,717,979	15,783,208
	10,374,429	16,212,334	26,586,763

30 June 2024			
	Level 1	Level 2	Total
	£	£	£
<i>Designated at fair value through profit or loss:</i>			
Bond and Bond Funds	5,734,940	4,605,316	10,340,256
Commodity Funds	1,074,000	-	1,074,000
Equity or Equity Funds	4,280,534	13,056,640	17,337,174
	11,089,474	17,661,956	28,751,430

The Participating Redeemable Preference Shares are classified as a liability and therefore fall within the scope of IFRS 7. The Participating Redeemable Preference Shares are held at fair value and quoted on an active market, therefore classified within level 1. As at 30 June 2025 the Participating Redeemable Preference Shares liability totalled £26,647,340 (30 June 2024: £30,470,450).

The valuation and classification of the investments are reviewed on a regular basis. The Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All the Company's investments are categorised as level 1 or level 2 financial assets. There were no transfers between levels of the fair value hierarchy during the year.

Financial instruments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include actively traded listed equity funds and commodity funds. The Company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 8. Net assets attributable to PRP shareholders

	Share premium £	Retained earnings £	Total £
<b>At 1 July 2024</b>	21,484,471	8,985,979	30,470,450
PRP shares issued during the year	2,846,705	-	2,846,705
PRP shares redeemed during the year	(6,112,911)	-	(6,112,911)
Profit for the financial year	-	1,443,096	1,443,096
<b>At 30 June 2025</b>	<b>18,218,265</b>	<b>10,429,075</b>	<b>28,647,340</b>

	Share premium £	Retained earnings £	Total £
<b>At 1 July 2023</b>	20,663,307	5,738,137	26,401,444
PRP shares issued during the year	3,039,976	-	3,039,976
PRP shares redeemed during the year	(2,218,812)	-	(2,218,812)
Profit for the financial year	-	3,247,842	3,247,842
<b>At 30 June 2024</b>	<b>21,484,471</b>	<b>8,985,979</b>	<b>30,470,450</b>

Included in the PRP shares issued and redeemed figures during the year are non-cash items of £19,424 (2024: £97,646) which relate to shareholders switching from one class of PRP shares to another. There were no in specie transfers during the year.

Share Premium refers to the liability which has arisen due to share dealing transactions. Retained earnings relates to the net income the Company has earned to date, less any dividend or distributions paid to investors. Together, these two reserves represent net assets attributable to holders of Participating Redeemable shares. Guernsey law does not require a share premium account and as such it can be treated like any other reserve. The Company continues to reflect a share premium account as it has historically done so. All share transactions, at the holder's pro rata share of the share premium account, are recognised through this account until it is depleted.

### 9. Taxation

The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption entails payment by the Company of an annual fee of £1,600 (2024: £1,600). It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

The Company has suffered no irrecoverable withholding tax in the year under review (30 June 2024: £nil).

### 10. Net Asset Value per Participating Redeemable Preference Share

The net asset value per Participating Redeemable Preference Share Class is calculated based on the net assets attributable to holders of each Participating Redeemable Preference Share Class ("NAV") at the reporting date divided by the year end numbers of shares in issue in that Participating Redeemable Preference Share Class at the reporting date. The Dealing NAV per share is the value at which the Participating Redeemable Preference Shares could be redeemed for as at the reporting date.

# Butterfield Bank PCC Limited

## Notes to the Financial Statements, continued

For the year ended 30 June 2025

### 10. Net Assets Value per Participating Redeemable Preference Share, continued

30 June 2025			
Butterfield Multi-Asset Fund – GBP Balanced			
	Class A	Class B	Class C
	£	£	£
NAV	516,902	5,273,655	22,856,783
No. of PRP Shares in issue	290,071	2,783,750	20,333,036
Financial Statements and Dealing NAV per Share	1.7820	1.8944	1.1241

30 June 2024			
Butterfield Multi-Asset Fund – GBP Balanced			
	Class A	Class B	Class C
	£	£	£
NAV	4,421,261	5,084,914	20,964,275
No. of PRP Shares in issue	2,587,034	2,815,314	19,657,025
Financial Statements and Dealing NAV per Share	1.7090	1.8062	1.0665

### 11. Income attributable per Class A, Class B and Class C Participating Redeemable Preference Share

Earnings per Class A Participating Redeemable Preference Share are based on the profit for the year of £18,399 (30 June 2024: profit of £318,701) and on a weighted average number of Class A Participating Redeemable Preference Shares in issue during the year of 375,437 (30 June 2024: 2,624,079).

Earnings per Class B Participating Redeemable Preference Share is based on the profit for the year of £158,048 (30 June 2024: profit of £397,601) and on a weighted average number of Class B Participating Redeemable Preference Shares in issue during the year of 2,798,319 (30 June 2024: 3,079,005).

Earnings per Class C Participating Redeemable Preference Share is based on the profit for the year of £1,266,649 (30 June 2024: profit of £2,531,540) and on a weighted average number of Class C Participating Redeemable Preference Shares in issue during the year of 20,040,103 (30 June 2024: 18,540,172).

### 12. Commitments

At the end of the reporting period no commitments existed.

### 13. Ultimate Controlling Party

The issued PRP shares of the Cell are owned by a number of parties and therefore, in the opinion of the Directors, there is no ultimate controlling party of the Cell or Company, as defined by IAS 24 - Related Party Disclosures.

### 14. Events after the end of the reporting period

The Directors are not aware of any material events which occurred after the reporting date that would require adjustment to or disclosure in the Company's Financial Statements.

# Butterfield Bank PCC Limited

Portfolio Statement (unaudited) – Butterfield Multi-Asset Fund – GBP Balanced  
For the year ended 30 June 2025

Description	Nominal	Fair Value £	Percentage of Net Asset Value %
<b>Commodity Funds (30 June 2024: 3.25%)</b>			
Ishares Physical Gold ETC*	20,000	931,600	3.25%
<b>Total Commodity Funds</b>		931,600	3.25%
<b>Bonds and Bond Funds (30 June 2024: 34.94%)</b>			
Invesco AM IRL Sterling Bond Z Inc**	102,000	1,004,720	3.51%
Ishares UK Gilts 0-5Yr*	15,070	1,940,865	6.78%
Ishares GBP Corporate Bond 0-5Yr*	9,600	985,440	3.44%
Ishares GBP Ultrashort Bond*	5,000	503,800	1.76%
Jupiter Dynamic Bond Class 1 GBP Q Inc. HSC**	55,000	504,900	1.76%
Lyxor Core FTSE UK Gilt 0-5Yr**	9,750	1,947,495	6.80%
M&G Offshore Corporate Bond Fund – II**	1,020,000	1,013,746	3.54%
Nomura Global Dynamic Bond Fund**	103,500	975,319	3.40%
Pimco Global Real Return Inst GBP HI**	111,000	995,670	3.48%
<b>Total Bonds and Bond Funds</b>		9,871,955	34.47%
<b>Equity Funds (30 June 2024: 56.90%)</b>			
Blackrock Global Funds - Continental Eur Fund**	25,250	698,661	2.44%
Capital Group Investment Company of America Lux**	66,000	1,364,220	4.76%
CT Lux UK Equity Income Open-End Fund**	87,315	1,106,583	3.86%
Fidelity Funds-Emkt-W GBP**	345,000	448,845	1.57%
Findlay Park American Fund**	7,750	1,295,258	4.52%
First St-Asian EQ PLUS-III GI**	8,000	156,698	0.55%
Ishares Core FTSE 100 UCITS ETF*	260,000	2,221,180	7.75%
JP Morgan Funds US Value Fund-CGBP**	6,250	1,304,188	4.55%
Loomis Sayles Global Growth Equity SD USDI**	7,750	1,393,801	4.87%
Nomura Funds Ireland Plc Japan Strategic Value GBP**	2,500	369,102	1.29%
JOHCM Continental European Fund**	260,000	644,020	2.25%
JOHCM UK Growth Fund Open-End Fund**	235,000	1,167,010	4.07%
Polar Capital – Healthcare Opportunities Fund**	6,750	368,888	1.29%
Ruffer SICAV - Ruffer Total Return Int**	530,000	962,109	3.36%
Schroder Emerging Markets Fund C Class**	38,000	438,596	1.53%
SPDR S&P 500 UCITS ETF *	3,300	1,488,003	5.19%
Vanguard FTSE Japan UCITS ETF*	12,250	356,046	1.24%
<b>Total Equity Funds</b>		15,783,208	55.09%
<b>Total financial assets held at fair value through profit or loss</b>		26,586,763	92.81%
<b>Other assets/(liabilities):</b>			
Cash and cash equivalents		2,038,067	7.11%
Trade and other receivables		66,712	0.23%
Trade and other payables		(44,201)	(0.15)%
<b>Net Assets attributable to holders of PRP Shares</b>		28,647,340	100.00%

\*Listed

\*\*Unlisted



# Butterfield Bank PCC Limited

## Summary of Portfolio Changes (unaudited) – Butterfield Multi-Asset Fund – GBP Balanced For the year ended 30 June 2025

Description	Opening position at 1 July 2024		Purchases		Sales		Net gains/ (losses) FVTPL		Closing position at 30 June 2025	
	Fair Value	£	Cost	Proceeds	£	£	£	£	Fair Value	£
Artemis Lux US Select Fund	1,422,680		98,865	(1,547,389)			25,844		-	
BGF Cont European Flexible D4 GBP	687,575		73,380	(596,898)			(164,057)		-	
BGF Continental European Flexible Fund Open-End Fund	-		498,198	-			200,463		698,661	
Capital Group Investment Company of America Lux	-		1,359,838	-			4,382		1,364,220	
CT Lux UK Equity Income Open-End Fund	-		1,081,612	-			24,971		1,106,583	
Fidelity Funds-Emkf-W GBP	448,155		-	-			690		448,845	
Findlay Park American Fund	1,362,560		75,411	(119,091)			(23,622)		1,295,258	
First St-Asian Eq Plus-III GI	195,959		-	(39,394)			133		156,698	
Invesco AM IRL Sterling Bond Z Inc	1,017,756		63,586	(79,279)			2,657		1,004,720	
Ishares GBP Corporate Bond 0-5Yr	1,080,590		25,113	(140,700)			20,437		985,440	
Ishares GBP Ultrashort Bond	-		509,886	-			(6,086)		503,800	
Ishares Physical Gold ETC ETP	1,074,000		-	(404,718)			262,318		931,600	
Ishares plc - iShares Core FTSE 100 UCITS ETF	2,421,395		78,790	(441,748)			162,743		2,221,180	
Ishares UK Gifts 0-5Yr	2,355,975		94,260	(531,743)			22,373		1,940,865	
JP Morgan Funds US Value Fund-CGBP	1,458,590		50,498	(206,210)			1,310		1,304,188	
Jupiter Dynamic Bond Class 1 GBP Q Inc. HSC	487,070		45,050	(27,360)			140		504,900	
Liontrust Global Fund Spec Sits C6DGBP	1,257,515		-	(1,246,432)			(11,083)		-	
Loomis Sayles US Growth Equity SD USDI	1,469,278		-	(223,701)			148,224		1,393,801	
Lyxor Core FTSE UK Gilt 0-5Yr	2,298,375		102,890	(515,689)			61,919		1,947,495	
M&G Offshore Corporate Bond Fund – II	1,046,745		68,410	(98,300)			(3,109)		1,013,746	
Nomura Funds Ireland Plc Japan Strategy Value GBP	433,684		-	(95,257)			30,675		369,102	
Nomura Global Dynamic Bond Fund	1,069,045		24,264	(144,664)			26,674		975,319	
JOHCM Continental European Fund Open-End Fund	743,400		-	(129,195)			29,815		644,020	
JOHCM UK Growth Fund Open-End Fund	1,253,840		-	(200,700)			113,870		1,167,010	
Pimco Global Real Return Inst GBP HI	984,700		13,965	(50,435)			47,440		995,670	
Polar Capital – Healthcare Opportunities Fund	861,437		68,448	(474,221)			(86,776)		368,888	
Ruffer SICAV - Ruffer Total Return Int	1,001,988		-	(94,929)			55,050		962,109	
Schroder Emerging Markets Fund C Class (Equity)	459,979		-	(21,003)			(380)		438,596	
SPDR S&P 500 UCITS ETF ETP	1,433,289		218,634	(215,395)			51,475		1,488,003	
Vanguard FTSE Japan UCITS ETF	425,850		-	(77,765)			7,961		356,046	
<b>Total</b>	<b>28,751,430</b>		<b>4,551,098</b>	<b>(7,722,216)</b>			<b>1,006,451</b>		<b>26,586,763</b>	