

Select Fund: Global Fixed Income Class

Quarter 3 2025

Objective

To maximise total return through income and capital gains by investing in medium to high-grade US dollar-denominated debt securities with a medium/long-term maturity profile and some top performing mutual funds to provide attractive opportunities for capital growth.

Investment policy

The Fund will target a weighted average duration of six years and enhance returns through sector and credit diversification of securities and funds. Fund investments will include a range of top-performing offshore fixed income mutual funds in targeted areas.

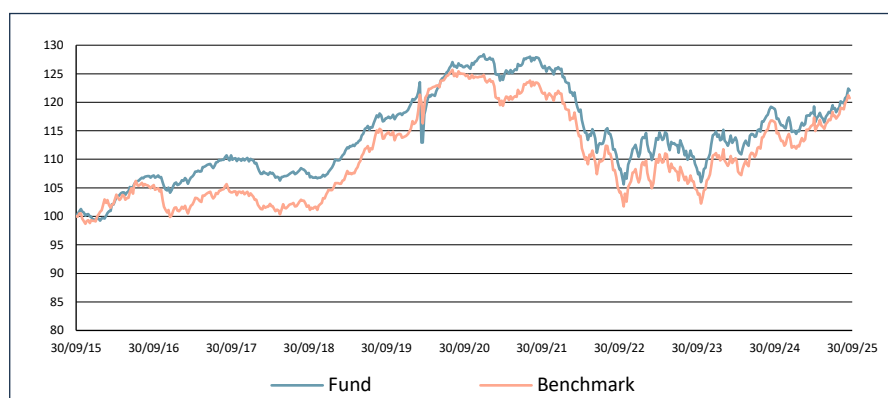
Investment process

Important considerations for our fixed income investment choices are liquidity and safety of principal. Our philosophy is to focus on all elements of total return to incrementally outperform the benchmark (which excludes fees) on a consistent basis.

Key facts as at 30 September 2025

Currency	USD
Valuation	Weekly
Dealings	Friday
Front end fee	None
Units available	Accumulation
Identifier	BUTSLFX BH
Fiscal year end	30 June
Minimum investment	USD 10,000
Total expense ratio	1.32%
Size of fund (millions)	USD 36.51
NAV per share	USD 22.56
Risk rating	Moderate risk/ Moderate return

Performance chart



Average annual compound returns

	QTD	YTD	1 year	3 years	5 years	10 years
Fund	1.94%	5.93%	2.56%	4.03%	-0.69%	1.99%
Benchmark	1.85%	7.27%	3.41%	4.95%	-0.73%	1.88%

Fund review

The Global Fixed Income Class produced a return of 1.94%, net of fees, in Q3, outperforming the 1.85% return of the fund's benchmark. Active positioning added value across corporate credit, and inflation exposures - both contributing positively to performance.

The third quarter began with rising political pressure, looming tariff deadlines, renewed questions over central-bank independence and ended with a resumption of US monetary easing alongside growing risks of a government shutdown. Short-dated Treasuries outperformed, as investors leaned into carry and the probability of rapid base rate cuts increased. Inflation expectations firmed but remained relatively well anchored despite concerns over the fiscal deficit and a stronger macro backdrop.

Policy moves across major economies underscored the continuation of the global easing cycle. After nearly a year on hold, the Federal Reserve lowered its base rate by 25 bps to 4.25%, as did the Bank of England, while both the European Central Bank and the Bank of Japan left policy unchanged. By quarter-end, futures markets were expecting another 25 bps US cut in October and had fully priced a glide path toward a 3% policy rate by end-2026, consistent with the Fed's estimate of the neutral rate of interest.

On the US macro front, the final second quarter GDP print was revised up to an annualised 3.8%, while the Atlanta Fed's GDPNow estimate for the third quarter closed the quarter up at around 3.9%, highlighting broad-based momentum even as employment trends remained weak. The composition of

Contact us

**Butterfield
Asset Management
Limited**

Tel: (441) 299 3817

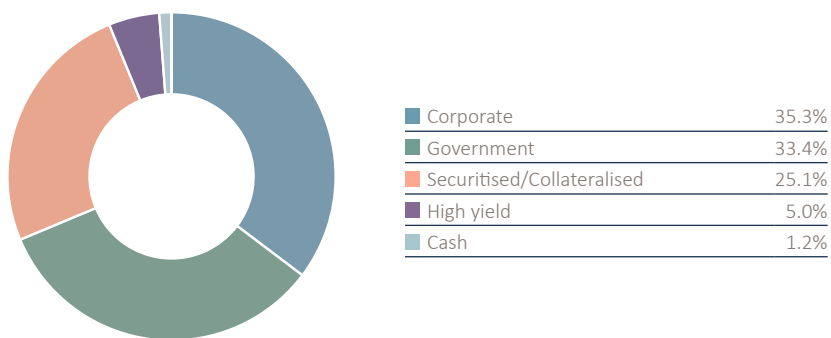
growth is important: AI-related capex is driving output and productivity gains but contributing far less to payrolls, leaving labour demand uneven. This imbalance sharpens the Fed's dilemma. Firm activity and inflation argue against a rapid easing cycle, while softening employment breadth supports the case for insurance cuts to prevent slack from becoming entrenched.

The US dollar ended the quarter modestly stronger, supported by improving growth dynamics and steady equity inflows that helped stabilise the greenback. The yen remained weak, with policy normalisation progressing at a glacial pace and real yield gaps persisting. Sterling underperformed amid concerns over stagflation (weak growth with elevated inflation) and a challenging fiscal outlook. The Canadian dollar lagged on softer domestic momentum and weaker oil prices. Euro strength also stalled, with German fiscal stimulus expected to filter into the domestic economy only gradually, while the war in Ukraine continues without resolution. Together, these factors leave the US dollar positioned for a potential technical rebound, reversing part of its 10% year-to-date decline.

We remain cautiously constructive on risk assets but with tighter overall budgets. Global growth is stabilising as the "Liberation Day" drag fades, China remains subdued continuing to export disinflationary pressure, and US activity shows resilience despite softer employment breadth. With US nominal growth still running at solid

levels, we added selective high-quality corporate credit exposure during the quarter to capture attractive carry opportunities, while maintaining a neutral stance on US duration and a modest preference for a flatter US yield curve.

Asset allocation



Top 10 holdings

1	PIMCO US SHORT DATED HY CORP BOND FUND	5.0%
2	US TREASURY N/B .875 15/11/2030	4.5%
3	US TREASURY N/B 0.625 15/05/2030	3.6%
4	US TREASURY N/B 1.125 15/05/2040	3.5%
5	US TREASURY STRIPS 0 15/11/2034	3.2%
6	US TREASURY STRIPS 0 15/11/2031	3.2%
7	US TREASURY N/B .625 15/08/2030	2.9%
8	US TREASURY N/B 4.5 15/11/2033	2.9%
9	TSY INFL IX N/B 1.875 15/07/2034	2.9%
10	US TREASURY N/B 1.75 15/08/2041	2.8%

Benchmark composition

Merrill Lynch US Corp and Government 5-10 year A rated and above.

www.butterfieldgroup.com

Past performance is not indicative of future performance. This document is for information purposes only and does not constitute an offer or solicitation of products or services where prohibited by applicable law. Further, this document is not intended to provide specific investment, financial, accounting, legal or tax advice and no reliance should be placed on the information it provides. Butterfield Asset Management Limited and Butterfield Bank (Cayman) Limited are each wholly-owned subsidiaries of The Bank of N.T. Butterfield & Son Limited. Butterfield Asset Management Limited is licensed to conduct investment business by the Bermuda Monetary Authority. Registered office address: 65 Front Street, Hamilton HM12, Bermuda. Butterfield Bank (Cayman) Limited is licensed to conduct securities investment business by the Cayman Islands Monetary Authority. Registered office address: Butterfield Place, 12 Albert Panton Street, PO Box 705, Grand Cayman KY1-1107, Cayman Islands.