

Select Invest Fund: Cautious Class

Quarter 3 2025

Objective

To offer a convenient vehicle for investing in an international portfolio of mutual funds or exchange traded funds, which are anticipated to provide the best opportunities for long-term capital growth and accumulated income across a range of risk tolerance classes.

Investment policy

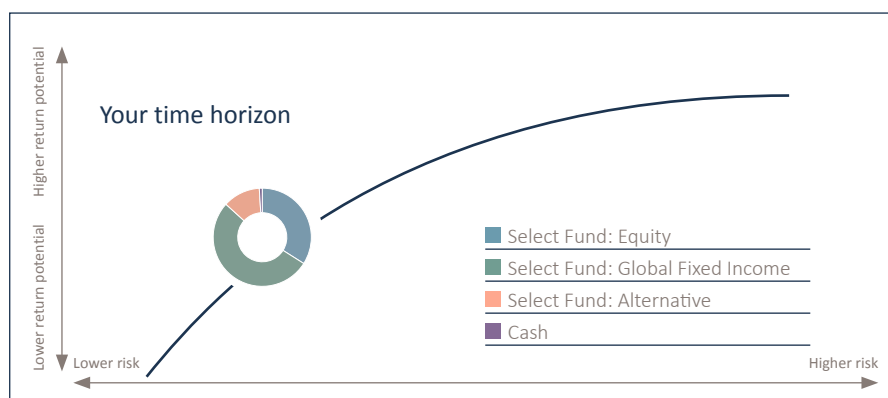
The Fund seeks to invest in various weightings of three broad asset classes; Equities, Fixed Income and Alternatives. The Fund achieves this by allocating its assets to either the Butterfield Select Fund's Share Classes or mutual funds and ETF's that invest in Equities, Fixed Income and Alternatives. Investments will be made on long-term strategic basis and allow for a short to medium term tactical shifts in keeping with the overall objective of each class.

Key facts as at 30 September 2025

Currency	USD
Valuation	Weekly
Dealings	Friday
Front end fee	None
Units available	Accumulation
Identifier	BUTSLIN BH
Fiscal year end	30 June
Minimum investment	USD 1,000
Total expense ratio	0.58%
Size of fund (millions)	USD 4.946
NAV per share	USD 17.88
Risk rating	Low risk/Low return

**Does not include underlying fund fees*

Risk profile



Target Positioning

	Underweight	Neutral	Overweight
Equity			
Bonds			
Alternative			
Cash			

Average annual compound returns

	Quarter	Year to date	1 year	3 years	5 years
Total returns	3.29%	8.43%	5.99%	9.10%	3.46%
Index returns	3.88%	10.66%	8.50%	11.50%	5.01%

Fund review

Select Fund: Equity

The Select Equity Fund returned 6.3% in the third quarter of 2025, slightly behind the MSCI World Index, which returned 7.3%. For the first nine months of the year, the Fund returned 16.5%, close to the MSCI World Index, which returned 17.4%.

Global equity markets performed very well in the quarter, rising in July, August and September. This continued a strong recovery from the low point for markets in the middle of April. The catalyst for the rally was President Trump easing back on proposed trade tariffs. While US tariffs have been imposed on a wide range of trading partners up to an effective rate of around 17%, the market has judged that the economy can withstand tariffs at this level.

The theme of Artificial Intelligence (AI) was also a key driver of the performance of equity markets. However, it has not been smooth sailing for AI related investments this year. The announcement that Chinese company DeepSeek had developed a new AI model with considerably less computing power hit semiconductor stocks and those linked to the data centre buildout earlier in the year. The “Liberation Day” tariff announcements in early April then hit cyclical stocks including AI names, but subsequent earnings calls and announcements suggested the AI capital investment buildout will continue. Technology stocks such as Arista Networks, Nvidia, and Applied Materials contributed positively to relative performance over the quarter.

During the quarter, cyclical stocks outperformed defensive stocks by a considerable margin. The market implied odds of a US recession spiked in April as large tariffs were announced, but then fell in the third quarter as recession worries faded. Consumer Staples was the only sector to see a negative total return over the quarter. Other defensive sectors such as Health Care and Insurance also lagged. Utilities is traditionally a defensive sector, but was resilient as it benefitted from the pickup in energy demand from data centres.

The Federal Reserve cut interest rate cuts in September, which supported equity markets. More cuts are expected later this year. It is very unusual for interest rates to be cut when company earnings are being revised higher. This is a supportive backdrop for equities, although valuations are expensive. The AI theme is now a dominant factor in the S&P 500, so we are monitoring the evolution closely and thinking about winners and losers from the new technological revolution.

Select Fund: Global Fixed Income

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 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.

Select Fund: Alternative

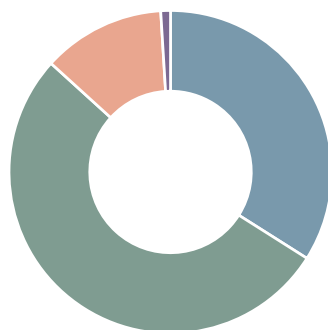
The Alternative Class returned +2.58% in Q3 of 2025, which underperformed the HFRX Global Hedge Fund Index return of +3.19%. Global equity market indices posted positive performance in the third quarter of 2025, supported by easing global trade tensions and continued growth in the artificial intelligence (“AI”) sector. U.S. equity markets generated positive returns, driven by strong corporate earnings despite policy uncertainties and reports of mixed economic data.

Within the fund, all strategies were positive for the quarter. Within equities, the long book contributed, driven by exposure to the technology, industrials, and healthcare sectors. Relative value gains stemmed from the equities sub-strategy, primarily within the technology sector. Quantitative strategies also generated positive performance from futures trades in metals, currencies, and livestock, while exposures to industrials, consumer staples, and energy modestly detracted.

Benchmark composition

55% B of A Merrill Lynch 5-10 Yr US Gov/Corp
AAA-A Rated, 35% MSCI World (Free), 10% HFRX
Global Hedge Fund.

Asset allocation



Select Fund: Equity	33.98%
Select Fund: Global Fixed Income	52.76%
Select: Alternative	12.29%
Cash	0.97%

Top 10 holdings

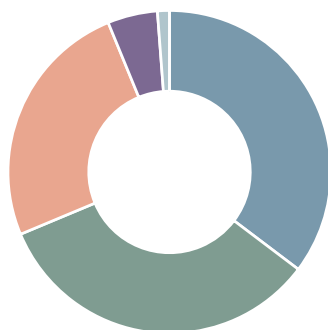
1	US TREASURY N/B 1.5 15/02/2030	3.17%
2	US TREASURY N/B .875 15/11/2030	2.50%
3	iShares Global Financials ETF	2.37%
4	RENAISSANCERE FINANCE 3.45 01/07/2027	2.28%
5	iShares MSCI Japan ETF	2.02%
6	US TREASURY N/B 0.625 15/05/2030	2.00%
7	NVIDIA Corporation	1.93%
8	US TREASURY N/B 1.125 15/05/2040	1.89%
9	US TREASURY STRIPS 0 15/11/2034	1.78%
10	US TREASURY STRIPS 0 15/11/2031	1.78%

Contact us

Butterfield
Asset Management
Limited

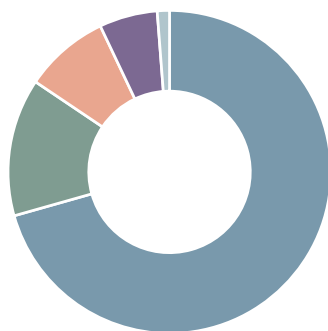
Tel: (441) 299 3817

Fixed income allocation



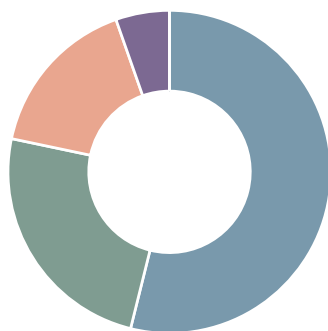
Corporate	35.3%
Government	33.4%
Securitised/Collateralised	25.1%
High yield	5.0%
Cash	1.2%

Equity sector allocation



North America	70.6%
Europe developed	13.8%
Asia/Pacific	8.5%
UK	5.8%
Emerging markets	1.2%

Alternative strategy allocation



Long/Short Equity	53.9%
Relative Value	24.4%
Quantitative	16.3%
Macro	5.4%