

All of the Authorised and issued Shares in the capital of the Fund are approved for listing on the Bermuda Stock Exchange and the Cayman Islands Stock Exchange.

The Directors of the Butterfield US\$ Bond Fund Limited whose names appear in this Prospectus have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

If this Prospectus is received in electronic form, the Directors take no responsibility for changes made subsequent to its transmission nor for any errors or omissions arising therefrom.

OFFER BY

**BUTTERFIELD US\$ BOND FUND LIMITED**

(incorporated in and under the laws of Bermuda with limited liability)  
to make a continuous offering  
of up to 25,000,000 Shares  
of US\$0.10 par value

Dated: February 2026

**The latest audited financial statements which are published under separate cover are an integral part of the prospectus.**

**NEITHER THE BERMUDA STOCK EXCHANGE NOR THE CAYMAN ISLANDS STOCK EXCHANGE TAKE RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EACH OF THEM EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS DOCUMENT.**

This Prospectus, together with the most recent audited financial statements constitutes the Listing Particulars of the Fund and include information given in compliance with the Listing Rules of the Cayman Islands Stock Exchange. The Directors of the Fund collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made reasonable inquiry, that to the best of their knowledge and belief there are no facts or omissions of which would make any statement in this Prospectus misleading. The Cayman Islands Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this document.

Admission of the Shares to the Official List of the Cayman Islands Stock Exchange would not in any event constitute a warranty or representation by the Cayman Islands Stock Exchange as to the competence of any party connected with the Fund, the adequacy of the information contained in this Prospectus or the suitability of the Fund for investment purposes. The Cayman Islands Stock Exchange has not reviewed or in any respect approved this Prospectus or the offering of the Shares.

The Fund has been classified as a Bermuda Standard Fund. As such, the Fund is subject to regulation and supervision as provided for in the Investment Funds Act 2006, as amended of Bermuda. However, the Fund should be viewed as an investment suitable only for investors who can fully evaluate and bear the risks involved.

Registration by the Bermuda Monetary Authority does not constitute a guarantee by the Authority as to the performance of the fund or its creditworthiness.

Furthermore, in registering such a fund, the Authority shall not be liable for the performance of the fund or the default of its operators or service providers, nor for the correctness of any opinions or statements expressed in the offering document.

Furthermore, in issuing such a license or in registering a fund, the Authority shall not be liable for any losses or default of the fund or for the correctness of any opinions or statements expressed in any prospectus or offering document.

Subject to the said filing and permission, no action has been taken to permit an offering of Shares in the Fund or the distribution of this Prospectus in any jurisdiction where action would be required for such purposes. Accordingly, this Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not Authorised. In particular:

(a) the Shares in the Fund have not been registered under any United States securities legislation and are not being offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions or areas subject to its jurisdiction or to U.S. persons. As used in this Prospectus, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction including the Commonwealth of Puerto Rico. "U.S. person" means: (i) any resident of the United States; (ii) a corporation, partnership or other entity incorporated, created or organised in or under the laws of the United States or any political subdivision thereof; (iii) an estate of which any executor or administrator is an U.S. person; (iv) a trust of which any trustee is a U.S. person; (v) an agency or branch of a non-U.S. entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and (vii) any partnership or corporation if it is organised or incorporated by a U.S. person under the laws of a jurisdiction outside the United States primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended (unless it is organised and incorporated, and owned, by accredited investors, as defined in regulation D promulgated under such Act, who are not natural persons, estates or trusts); provided, however, that the term "U.S. person" shall not include (i) a branch or agency of a U.S. bank or insurance company operating outside the United States for valid business reasons; (ii) a discretionary or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States; (iii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, provided that an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by non-U.S. law; (iv) any trust of which any professional fiduciary acting as a trustee is a U.S. person, provided that a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; or (v) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; and

Any information or representation made by any dealer, salesperson or other person and not contained herein must be regarded as unauthorised and must accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

Potential subscribers of Shares in the Fund should inform themselves as to:

- (a) the possible tax consequences,
- (b) the legal requirements, and

(c) any foreign exchange restrictions or exchange control requirements

which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding and disposal of Shares in the Fund.

Butterfield US\$ Bond Fund Limited is managed by Butterfield Asset Management Limited, a subsidiary of The Bank of N.T. Butterfield & Son Limited (the “Bank”) and licensed to conduct Investment business by the Authority. It is an investment company owned by its investors as shareholders, and therefore is an independent entity from the Bank. The Fund is subject to its market risk and its investments are not guaranteed by the Bank.

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## **PREAMBLE**

Butterfield US\$ Bond Fund Limited is a mutual fund which was incorporated as an exempted company with limited liability and unlimited duration on 26th May, 1992, in and under the laws of Bermuda.

The objective of the Fund is to offer a convenient and efficient vehicle for investing in a diversified portfolio of U.S. dollar denominated bonds, debentures and other debt instruments. There can be no assurances that such objectives will always be attained.

The investment advisor is Butterfield Asset Management Limited (the "Investment Advisor"). The Custodian is The Bank of N.T. Butterfield & Son Limited (the "Custodian"). The administrator is MUFG Fund Services (Cayman) Limited (the "Administrator"). The Administrator shall also be the Registrar and Transfer Agent. The Investment Adviser is a wholly owned subsidiary the Custodian, Bermuda's first bank, which was established in 1858. Through its principal headquarters located in Bermuda with offices in The Bahamas, Canada, Cayman Islands, Guernsey, Jersey, Mauritius, Singapore, Switzerland and the United Kingdom, the Bank is engaged in a wide range of international banking, trust and investment services.

This Prospectus is published in connection with the offering of Shares of US\$0.10 par value each in the Fund (the "Shares").

The initial minimum subscription for the Class A Shares is US\$10,000. The initial minimum subscription for the Class B Shares is US\$1,000,000 and the initial subscription for the Class C Shares is \$5,000,000, subject to the discretion of the directors of the Fund (the "Directors") to vary such minimum from time to time.

As an open-ended investment company, the Fund has the ability to repurchase its Shares at the request of its members. As described under "Compulsory Redemption", the Fund will periodically repurchase its Shares at their net asset value. The Fund also plans to make a continuous offering of Shares on each Valuation Day. Valuation days are any day that both banks in Bermuda are open for business and banks in the principal financial centre for payments in the relevant currency are open for business (the "Valuation Day").

It is the intention of the Directors, at their discretion, to distribute quarterly dividends on the Class A and Class B Shares which may be paid out of net income or net realised investment gains. Members will have the option to have their dividends automatically reinvested in Shares or paid in cash. Class C Shares will be an accumulating share Class.

In addition, the Directors are Authorised to issue debt, but they have no plans for debt under present conditions, nor do they plan to use debt to leverage or gear the net asset value.

The Directors may exercise all powers of the Fund in order to borrow funds as and when deemed necessary by the Investment Advisor.

## **THE FUND**

### **Introduction**

The Fund was incorporated on 26th May, 1992, under the provisions of the Companies Act 1981 OF Bermuda, as amended.

The present Authorised share capital of the Fund is US\$2,512,000 divided into 25,120,000 Shares of US\$0.10 par value each, of which 120,000 Shares of US\$0.10 par value have been designated as organisational Shares (the "Organisational Shares") and have been allotted for cash at par to the Investment Advisor and its nominees;

5,000,000 Shares of US\$0.10 par value each have designated as Class A Shares,  
15,000,000 Shares of US\$0.10 par value each have designated as Class B Shares,  
5,000,000 Shares of US\$0.10 par value each have designated as Class C Shares.

Under the Bye-Laws, the Organisational Shares have only nominal rights if and so long as there are any other Shares of the Fund in issue.

The Memorandum of Association and the Bye-Laws comprise the constitution of the Fund.

The Fund has not established a place of business outside Bermuda.

### **Investment Objectives and Strategies**

The investment objective of the Fund is to maximise total return whether through income or capital gains by investing in investment grade U.S. dollar denominated debt securities which may consist of bonds, debentures (including convertibles), notes, bills, mortgages, certificates and whatsoever suitable quality investments which, in the opinion of the Investment Advisor will help to achieve the Fund's objectives. Although not limited to the aforementioned investments, other investments could include U.S. dollar money market instruments and funds

(including money market funds managed by the Investment Advisor) and bank time deposits. Up to 10% of the portfolio may be invested in securities denominated in currencies other than USD, The Fund may also lend securities and write covered options on its portfolio in order to enhance its total return.

To achieve the stated objective, the portfolio will be structured to take advantage of anticipated changes in interest rates in order to enhance the total return of the portfolio. Investments will also be made to take advantage of cyclical changes in the market. However, when in the opinion of the Investment Advisor, the general trend in interest rates is upwards, a substantial portion of the Fund's assets may be held defensively in the form of bank deposits and other short-term financial instruments including U.S. dollar money market funds. The overall interest rate volatility of the Fund will seek to be less than or equal to a portfolio comprised of government securities maturing within three to seven years, denominated in US Dollars. At the discretion of the Investment Advisor, forward exchange contracts including US Treasury futures, credit default swaps, options and other forms of financial instruments may be utilised from time to time for hedging purposes and in the management of the Fund's portfolio risk.

The investments will be managed with the intention of maintaining sufficient liquidity to meet anticipated redemptions so as to minimise the possibility that investments will have to be sold for this purpose, before maturity.

The Class A, Class B and Class C Shares have different minimums set for investors to subscribe to them, and there will be differences in the management fees payable to the Investment Advisor in respect of such Shares. They will be accounted for separately, for the purposes of the calculation of net value but share in the common underlying investment pool. It is the responsibility of each individual investor to determine which class of share best meets their investment requirements. Neither the Fund nor the Investment Advisor will be held liable for ensuring that any investor is appropriately invested. All subscriptions will be automatically placed into Sub-Class A unless clearly marked otherwise on the application form.

Investment on an international basis involves fluctuations in the prices of assets, foreign exchange rates, taxes, exchange controls and other political and economic developments. Availability of information, standards of accounting, auditing and financial reporting and the size, expense and liquidity of markets vary widely from country to country and may limit the diversification of the Fund. There can be no assurances that the Fund will be successful or that investment objectives will be attained, but the intent of the Investment Advisor will be to follow such policies as the environment in the future appears to dictate in order to meet those objectives.

Investment in the Fund involves risks and could result in losses. Prospective investors are expected to be aware of the risks of investing in the Fund. See "Risk Factors" below.

The assets of the Fund will be held by the Custodian, or by other agents on behalf of the Custodian.

## **Investment Guidelines**

### **Ratings**

The Fund does not invest in securities rated below "investment grade" at the time of purchase, although the Fund is not precluded from holding such securities should they be downgraded to below investment grade subsequent to their purchase. The overall credit quality of the Fund is currently determined by applying a numerical score to each of the ratings categories (using S&P's Fund Credit Quality Matrix).

The Fund seeks to attain an overall weighted credit "score" of the portfolio equal to or above AA-. Under certain circumstances, the credit score may exceed AA- for short periods of time with the express objective of minimizing realized losses. Although the Fund seeks to remain within the credit quality guidelines outlined above, the Directors reserve the right to alter such guidelines as market conditions warrant.

### **Maturity**

At purchase, all securities must have a maturity or weighted average life less than or equal to 10 years.

### **Portfolio Concentration**

The maximum exposure to any single issuer is 10%, with the exception of securities issued or guaranteed by the US Government its Agencies or Instrumentalities, including securities guaranteed by the FDIC. The maximum exposure to any single issue shall be 7%, with the exception of securities issued or guaranteed by the US Government its Agencies or Instrumentalities, including securities guaranteed by the FDIC, although at the discretion of the Investment Advisor, this limit may be increased to 10% in order to minimize immediate realized capital loss to existing shareholders.

### **Securitized Products**

The Fund may invest in securitized products including, but not limited to, Residential Mortgage-Backed Securities, Asset-Backed Securities and Commercial Mortgage-Backed Securities. Investments in these types of securities are limited to combined total of 30% of the Fund. Securitized products have unique risk and return characteristics that may change the expected return and/or average life of the securities over time.

## **Risk Factors**

**Prospective investors should carefully consider the risks involved in an investment in the Fund, including but not limited to those discussed below. Prospective investors should consult their own legal, tax and financial advisors as to all of these risks and an investment in the Fund generally.**

The Fund will endeavour to reduce excessive risk, as much as possible by:

1. Diversifying credit risk across a wide range of different assets classes and issuers
2. Applying risk management techniques to the strategy

However, prospective investors should consider the following factors in determining whether an investment in the Fund is a suitable investment:

### **Access to Information and Effect on Redemptions:**

Because of the wide range of potential investments, potentially rapid shifts in the concentration of investments among types of securities or strategies, the inherent complexity of many of the Fund's investment strategies and other factors, prospective Shareholders and Shareholders will not have sufficient information to analyse or evaluate in detail the specific risks and potential returns of the Fund's investment programs prospectively. The Investment Advisor generally will not provide detailed information about the Fund's portfolios or any advance notice of anticipated changes in the composition of the Fund's portfolios, nor will the Investment Advisor provide information to prospective Shareholders as to how the Fund voted proxies. Furthermore, in response to questions and requests and in connection with due diligence meetings and other communications, the Fund and the Investment Advisor may provide additional information to certain Shareholders and prospective Shareholders that is not distributed to other Shareholders and prospective Shareholders. Such information may affect a prospective shareholder's decision to invest in the Fund, and Shareholders may be able to act on such additional information and redeem their Shares potentially at higher values than other investors. Any such redemption may result in reduced liquidity for other investors and, in order to meet larger or more frequent redemptions, the Fund may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Fund. Each Shareholder is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Investment Advisor and the Fund is sufficient for its needs and must accept the foregoing risks. Additionally, the Fund may share portfolio holdings with certain service providers or regulators or certain investors in order to comply with various applicable regulatory requirements. Although the Fund has policies, procedures, agreements, and/or similar safeguards in place to prevent the further sharing of this information in such instances, there is no guarantee that such information will remain confidential.

### **Borrowing:**

The Fund may use borrowings for any purpose. The use of borrowing creates special risks and may significantly increase the Fund's investment risk. Borrowing creates an opportunity for greater yield and total return but, at the same time, increases the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the net asset value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the net asset value per Share may decrease more rapidly than would otherwise be the case.

### **Business Risk:**

There can be no assurance that the Fund will achieve its investment objective. The investment results of the Fund are reliant upon the success of the Investment Advisor.

### **Credit Risk:**

An issuer that a Fund is exposed to may default and not make payments on all securities potentially leading to a Fund incurring a loss of principal. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell, which could adversely affect a Funds' principal value.

Additionally, while it is intended that the Fund will be invested in securities which have the credit rating as set out in the Investment Guidelines, there may be market conditions which lead to a wider downgrade of credit ratings affecting some or all of those securities including government issued securities. In such circumstances, the Fund shall take such action as it considers appropriate and in the best interest of the Shareholders take into account relevant advice and any guidance from any regulatory authority (where applicable). If a counterparty is subsequently downgraded below the minimum rating and the Fund believes it is in the best interest of the Shareholders of the Fund, the exposure may continue to be held.

### **Collective Investment Vehicle:**

The Fund is a pooled investment vehicle. Depending on the timing of subscriptions, a Shareholder may be exposed to risks, costs and outcomes arising from a pro rata share of the Fund's operating expenses and investment activity that occurred prior to (or after) such Shareholder's investment in the Fund. Therefore, Shareholders in the Fund may receive income or bear expenses (e.g., regulatory actions,

litigation matters and taxes) which are attributable to activities, transactions or other events that occur in a time period unrelated to the time period during which such Shareholder is a Shareholder. Furthermore, the Fund may not have any authority or practical ability to allocate such items to the Shareholders that were Shareholders in such other time period, and Shareholders in the Fund at the time the item of income or expense is received, paid or accrued may receive the benefit or burden of such item.

**Counterparty:**

To the extent that investors in the Fund have exposure to financial instruments through third parties, they may be subject to risk of loss of its assets on deposits with a broker, FX dealer, or bank in the event of their bankruptcy or insolvency, or that of any broker through which the Fund executes and clears transactions, or the bankruptcy or insolvency of an exchange or clearing house. In the case of any such bankruptcy or insolvency, the Fund may recover only a pro rata share of all property available for distribution to all of the counterparty's customers. Such amount may be less than the amounts owed to the Fund. Therefore, investors in the Fund could lose substantial amounts or even their entire investment.

**Cybersecurity:**

As part of their businesses, the Service Providers process, store and transmit large amounts of electronic information, including information relating to the transactions of the Fund, and personally identifiable information of the Shareholders. Similarly, service providers to the Investment Advisor and its affiliates, the Fund, especially the portfolio managers, the Bankers and the Administrator, may process, store and transmit such information. The Service Providers have procedures and systems in place that they believe are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Service Providers may be susceptible to compromise, leading to a breach of the network. The Service Providers' systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of a Service Providers information systems may cause information relating to the transactions of the Fund, and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed.

The service providers to the Investment Advisor, the Fund and the portfolio funds are subject to the same electronic information security threats as the Service Providers. If a Service Provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed. In addition, such incidents could affect issuers in which the Fund invests, and thereby cause the Fund's investments to lose value.

The loss or improper access, use or disclosure of a Service Providers' proprietary information may cause such Service Provider and/or The Fund, among other things, financial loss, the disruption of their respective business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Shareholders' investments therein.

**Dependence on Service Providers:**

The Fund is also dependent upon its affiliates, its counterparties and the third-party service providers disclosed in this Prospectus, including the Investment Advisor and its affiliates, the portfolio managers, the Sub-Advisor, the Bankers, the Administrator, the Custodian, legal counsel and the auditors and any other service provider described herein (the "Service Providers"). Errors are inherent in the business and operations of any business, and although the Investment Advisor will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Fund and the Shareholders' investments therein.

As the Fund has no employees, the Fund is reliant on the performance of the Investment Advisor and other Service Providers. Each Shareholder's relationship in respect of its Shares is with the Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Shareholder will have any contractual claim against any Service Provider for any reason related to its services to the Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant Service Provider is, *prima facie*, the Fund.

**Effects of Health Crises:**

Outbreaks of health epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome or SARS, swine flu caused by H1N1 virus, or H1N1 Flu, and the novel coronavirus disease that emerged in late December 2019 (COVID-19), on a regional or global scale may affect investment sentiment and result in volatility in global financial markets. In addition, any such outbreaks may result in restrictions on travel and public transport and prolonged closures of workplaces which may have a material adverse effect on the regional or national economies which have imposed such restrictions and which, in turn, may have a wider impact on the global economy. Accordingly, a significant outbreak of a health epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn give rise to significant costs to the Fund and adversely affect the Fund's business and financial results.

**Exchange of Tax Information:**

Bermuda has implemented a legal and regulatory regime that the OECD has recognised as generally complying with internationally agreed standards for transparency and exchange of information for tax purposes. Furthermore, Bermuda is treated by the OECD as a jurisdiction that has substantially implemented the internationally agreed tax standard (as developed by the OECD in co-operation with non-OECD countries and endorsed by G20 Finance Ministers and by the United Nations Committee of Experts on International Co-operation in Tax Matters). The implementation of this standard has involved Bermuda entering into a number of bilateral tax information exchange agreements which provide that the competent authorities of the participating countries shall, upon request, provide assistance through the exchange of information that is relevant to the administration or enforcement of the domestic laws of the participating countries concerning taxes covered by the agreements without regard to any domestic tax interest requirement or bank secrecy for tax purposes. Such information shall include information that is relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of the agreements and shall be treated as confidential in the manner provided therein. Consequently, each Shareholder should be aware that in accordance with such arrangements (as extended or varied from time to time to comply with then current international standards, to the extent adopted by Bermuda or any other relevant jurisdiction), relevant information concerning it and/or its investment in the Fund may be provided to the competent authority of a jurisdiction with which Bermuda has entered a tax information exchange agreement (or equivalent).

**General Economic and Market Conditions; Liquidity:**

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund and the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). Other events, including but not limited to measures to address U.S. federal and state budget deficits (including ongoing difficulties agreeing on a long-term federal budget), downgrade of U.S. long-term sovereign debt, debt crises in the Eurozone, and declines in certain commodity prices, have resulted and may result in the future in an unusually high degree of volatility in both the U.S. and non-U.S. financial markets. Additionally, global economies and financial markets are becoming increasingly interconnected, which increases the possibility that conditions in one country or region might adversely impact issuers in a different country or region. These factors may affect the level and volatility of the prices, the liquidity of the Fund's investments and the availability of certain investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. Market disruptions may from time to time cause dramatic losses for the Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

**Market Crisis and Government Intervention:**

The global financial markets have in the past few years undergone pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions was suddenly and/or substantially eliminated. In addition, as one would expect given the complexities of the global financial markets and the limited timeframe within which governments were able to take action, these interventions were sometimes unclear in scope and application, resulting in confusion and uncertainty which in itself was materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

The United States Federal Reserve and certain non-US governments and supra-governmental agencies and organizations have previously taken, and in certain cases continue to take, significant steps to intervene in the financial markets. Current and future government and/or supra-governmental interventions may lead to a change in valuations of securities that is detrimental to the Fund's investments. Such intervention is subject to inherent uncertainties relating to prevailing economic conditions and political considerations.

The Investment Advisor believes that it is possible that emergency intervention may take place again in the future. The Investment Advisor also believes that the regulation of financial markets is likely to be increased in the future. It is impossible to predict the impact of any such intervention and/or increased regulation on the performance of the Fund or the fulfilment of its investment objective.

**Hedging Transactions:**

The Fund may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of its investment portfolios; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in the Fund's portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Fund's securities; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Advisor deems appropriate. The Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. The Investment Advisor may be unable to anticipate the occurrence of a particular

risk and, therefore, may be unable to attempt to hedge against it. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolios will always be exposed to certain risks that cannot be hedged.

**FATCA and Similar Measures:**

Under the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder (together, as amended from time to time, “FATCA”), the Fund may be subject to a 30 per cent withholding tax on certain payments to it of US source income (including interest and dividends) (a “FATCA Deduction”) and under the relevant Bermudian legislation the Fund may be subject to financial penalties or other sanctions unless the Fund complies with the requirements of the Model 2 intergovernmental agreement between the United States and Bermuda (the “US-Bermuda IGA”) (which seeks to implement the requirements of FATCA) and legislation enacted in Bermuda to implement the US-Bermuda IGA.

A number of other jurisdictions have entered into or are committed to entering into inter-governmental agreements for the automatic cross-border exchange of tax information similar to the US-Bermuda IGA, including, in particular, under a regime known as the Common Reporting Standards (“CRS”). Bermuda has signed, along with over 100 other countries, a multilateral competent authority agreement to implement the CRS. Under Bermudian law giving effect to the CRS, Bermudian “Financial Institutions”, including the Fund, will be required to identify specified persons in the jurisdictions that are implementing the CRS, and from 2017 to report related information to the relevant competent authority in Bermuda (for automatic exchange with the relevant tax authorities in such jurisdictions) in order to avoid the possible imposition of financial penalties or other sanctions.

While the Fund seeks to satisfy its obligations under FATCA, the US-Bermuda IGA, the CRS and the associated implementing legislation in Bermuda to avoid the imposition of any FATCA Deductions, financial penalties and other sanctions, the ability of the Fund to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). The Fund intends to satisfy such obligations, although there can be no assurances that it will be able to do so. There is therefore a risk that the Fund may be subject to one or more FATCA Deductions, financial penalties and other sanctions, any of which may have a material adverse effect on the Net Asset Value and hence on the Net Asset Value per Share.

All prospective investors and Shareholders should consult with their respective tax advisers regarding the possible implications of FATCA, the US-Bermuda IGA, the CRS and the associated implementing legislation in Bermuda and any other similar legislation and/or regulations on their investments in the Fund.

**General Economic and Market Conditions:**

The success of the Fund’s activities are affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund’s investments. Volatility or illiquidity could impair the Fund’s profitability or result in losses.

Economies around the world are currently in a state of change. Certain countries are in recession, and some commentators expect that others could follow suit. Amongst other things, a period of recession is characterised by decreases in employment, spending, business incomes and inflation, while the frequency of insolvencies rises and often increased governmental economic intervention. It is impossible to predict the effects of an economic recession on the investments of the Fund.

**Interest Rate Risk:**

Debt securities are subject to interest rate risk. In general, if prevailing interest rates rise, the value of debt securities will tend to fall, and if interest rates fall, the value of debt securities will tend to rise. Changes in the value of a debt security usually will not affect the amount of income the Fund receives from it but could affect the value of the Fund’s Shares. Interest rate risk is generally greater for long-term debt securities.

**Investment and Trading Risks in General:**

All securities investments risk the loss of capital. No guarantee or representation is made that the Fund's investment program, diversification strategies or risk monitoring goals will be successful. Investment in funds along with the securities and other instruments they invest in involves credit risks. Although the Fund’s investment program is expected to provide a high level of protection from the risk of loss inherent in the ownership of such a wide array of diversified investments, there can be no assurance that these strategies will completely protect against this risk or that the Fund’s investment objectives will be obtained.

**Loss of Investment:**

Expected losses may not equal actual losses. Shareholders may lose all or substantially all of their investment in the Fund. The Fund’s investments, including its investments in seemingly low risk investments, could decrease as well as increase in value

**Lack of Management Rights:**

Except as may be otherwise provided in the constituent instruments of the Fund, the holders of the Fund's Shares generally have no right to participate in the management of the Fund. The Fund's Organizational Shares, which carry only nominal rights, have been issued exclusively to the Investment Advisor.

**Management Risk:**

There is no guarantee that the investment techniques and risk analyses used by the Fund's portfolio managers will produce the desired results.

**Market Risk:**

Market risk refers to the possibility that the market values of securities that the Fund holds will rise or fall, sometimes rapidly or unpredictably. Security values may fall because of factors affecting individuals, companies, industries or sectors or the markets as a whole, reducing the value of an investment in the Fund. Accordingly, an investment in the Fund could lose money over short or even long periods. The market values of the securities the Fund holds also can be affected by changes or perceived changes in the United States or foreign economies and financial markets and the liquidity of securities, among other factors.

**Net Asset Value Considerations:**

The net asset value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover its initial investment when it chooses to redeem its Shares or upon compulsory redemption if the net asset value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

**No Separate Counsel:**

Conyers Dill & Pearman Limited ("Conyers") acts as Bermuda legal counsel to the Fund and the Investment Advisor (collectively the "Parties"). No separate counsel has been retained to act on behalf of the Shareholders. Conyers is not responsible for any acts or omissions of the Parties (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, Custodian/prime broker or other service provider to the Parties.

**Non-Transferability of Shares:**

Investors may acquire Shares in the Fund only for investment and not for resale, and the Shares are transferable only with the directors' consent. There will be no resale market for the Shares. Consequently, Shareholders will only be able to dispose of their Shares by means of redemption.

**Operational Risk:**

The Fund depends on the Investment Advisor and its affiliates to develop and implement appropriate systems for the Fund's activities. The Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain securities, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Fund's activities. In addition, the Fund relies on information systems to store sensitive information about the Service Providers and the Shareholders. Certain of the Fund's and the Investment Advisor's activities will be dependent upon systems operated by third parties, including the portfolio managers, the Administrator, market counterparties and other service providers, and the Investment Advisor may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Service Providers, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. In addition, despite the security measures established by the Service Providers and third parties to safeguard the information in these systems, such systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft, loss or public dissemination of the information stored therein. A breach of the Fund's information systems or the loss, improper access, use or disclosure of a Service Providers or the Fund's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed, which may cause the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. In addition, such incidents could affect issuers in which the Fund invests, and thereby cause the Fund's investments to lose value. Any of the foregoing failures or disruptions could have a material adverse effect on the Fund and the Shareholders' investments therein.

**Other Activities of the Investment Advisor and Portfolio Managers:**

The Investment Advisor and its affiliates and the Fund's portfolio managers may provide discretionary investment management services to managed accounts and other investment partnerships or funds, some of which may have similar or dissimilar investment objectives to those of the Fund and/or which may or may not follow the same investment strategy. The portfolio strategies the Investment Advisor and its affiliates and the Fund's portfolio managers may use for other investment funds or accounts could conflict with the transactions and strategies described herein and affect the prices and availability of the securities and other financial instruments in which the Fund invests.

**Possible Effect of Redemptions:**

Shareholders may redeem their Shares in accordance with the bye-laws of the Fund. Substantial redemptions could require the Fund to liquidate investments more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and to achieve a market position appropriately reflecting a smaller asset and shareholder base. This could adversely affect the value of the Shares.

**Possible Law Changes:**

No assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Prospectus. Prospective Shareholders should seek, and must rely on, the advice of their own advisers with respect to the possible impact on its investment of any future proposed legislation or administrative or judicial action.

**Repurchase Agreement Risk:**

Repurchase agreements are agreements in which the seller of a security to the Fund agrees to repurchase that security from the Fund at a mutually agreed upon price and time. Repurchase agreements carry the risk that the counterparty may not fulfil its obligations under the agreement. This could cause the Fund's income and the value of your investment in the Fund to decline.

**Fund Systematic Risk:**

The Fund depends on the Investment Advisor and its affiliates to develop and implement appropriate systems for the Fund's activities. The Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain securities, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Fund's activities. In addition, the Fund relies on information systems to store sensitive information about the Service Providers and the Shareholders. Certain of the Fund's and the Investment Advisor's activities will be dependent upon systems operated by third parties, including the portfolio managers, the Administrator, market counterparties and other service providers, and the Investment Advisor may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Service Providers, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. In addition, despite the security measures established by the Service Providers and third parties to safeguard the information in these systems, such systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft, loss or public dissemination of the information stored therein. A breach of the Fund's information systems or the loss, improper access, use or disclosure of a Service Providers or the Fund's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed, which may cause the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. In addition, such incidents could affect issuers in which the Fund invests, and thereby cause the Fund's investments to lose value. Any of the foregoing failures or disruptions could have a material adverse effect on the Fund and the Shareholders' investments therein.

**Financial Markets Systemic Risk:**

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Fund interacts are all subject to systemic risk. A systemic failure could have material adverse consequences on the Fund and on the markets for the securities in which the Fund seeks to invest.

**Trade Errors:**

The Investment Advisor and/or Portfolio Managers may on occasion experience errors with respect to trades executed for the Fund. Trade errors may result in losses or gains. The Investment Advisor and/or Portfolio Managers will endeavour to detect booking errors and trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. The Investment Advisor and/or Portfolio Managers will not be responsible for trade errors caused by a counterparty, such as a broker-dealer, though it will strive to recover any losses associated with such error from the counterparty. To the extent that the Investment Advisor and/or Portfolio Managers determines that it is responsible for a trade error, it will reimburse the Fund consistent with the Investment Advisor's and/or Portfolio Managers trade error policy. The Investment Advisor and/or Portfolio Managers may use gains to the Fund resulting from its trade errors to reduce or offset the Fund's losses arising from other trade errors. For the avoidance of doubt, administrative, booking errors or pricing errors will not be considered trade errors.

**Transaction Costs:**

The Fund's investment approach may involve a high level of trading and turnover of the Fund's investments which may generate substantial transaction costs which will be borne by the Fund.

**The foregoing list of risk factors does not purport to be complete or fully explain the risks involved in an investment in the Fund.**

**Fees and Expenses**

The Fund will bear all its own operating, brokerage and out-of-pocket expenses, including (in so far as they relate to the Fund) the fees and expenses of the Directors, the Investment Advisors, the Custodian, the Administrator, the Registrar and Transfer Agent, the Secretary and the registered office, the Accountants, the Auditors of and the Legal Advisors to the Fund, the costs of printing and distributing the financial reports and statements, the annual government fee and the license fee payable in Bermuda and any other applicable taxes including the Bermuda Stock Exchange, Bermuda Monetary Authority and the Cayman Islands Stock Exchange.

The minimum account balance requirement for the US\$ Bond Fund is US\$10,000. To encourage shareholders to meet their minimum balance requirements, a monthly fee is applied to accounts that remain below the minimum balance. The monthly fee, which is US\$12, is applied to accounts that are below the minimum balance on the 15th day of each month (or last business day prior to that date). Accounts with zero-balances do not incur a fee.

Under the terms of the Investment Advisory Agreement referred to below, the Investment Advisor will be entitled to receive a monthly fee which is by additional agreement calculated at a rate of no more than 1% per annum of the average of the valuations of the net asset value of the entire Fund in each month. Currently this is calculated at the rate of 0.50% per annum for the Class A Shares, 0.25% for the Class B Shares and 0.25% maximum for Class C Shares subject to the Director's discretion and will be paid on the last Valuation Day in each month. The fee of the Investment Advisor will be reduced to take account of the management fee already levied on assets held in Shares of other Funds managed by the Investment Advisor. The Investment Advisor is, in addition, entitled to receive the commission referred to in this document, of up to 5%, but does not intend to charge such commission at the present time.

The Investment Advisor, and not the Fund, will be responsible for the fees of any consultants utilised by the Investment Advisor exclusively for the Fund (or except that where consultancy services are provided by a Director or Directors the fees and expenses payable to such Director or Directors will be borne by the Fund and determined by the other Directors in accordance with the Bye-Laws). However, no such fee will be payable where the Director is employed by the Bank or one of its subsidiaries or affiliates.

Under the terms of the Custody agreement, referred to below, the Custodian is entitled to receive a quarterly fee calculated and can be up to the rate of 0.10% per annum in accordance with the Custodian's published fee schedule. Relevant out-of-pocket expenses may also be charged to the Fund by the Custodian. Administrator fees for Registrar and Transfer Agency Services, and Accounting and Valuation Services, will be an all inclusive fee for services rendered subject to a minimum fee of US \$5,000 per valuation. The Company's Secretary and Registered Office charge customary fees for such services.

As an exempted company, the Fund is liable for annual registration fee based on the assessable capital of the fund payable to the Bermuda Government.

As an "investment fund" as defined in the Investment Funds Act 2006 of Bermuda, as amended, an annual authorization fee is paid to the Bermuda Monetary Authority.

Annual listing fees are payable to the Bermuda Stock Exchange and the Cayman Islands Stock Exchange.

All expenses will be borne out of the income or capital of the Fund as determined by the Directors for classes of A and B Shares.

Requests for statements outside of the normal interval may be charged a flat rate of \$25.00.

Fees for investigations may be charged out at the normal hourly rate.

## **MANAGEMENT OF THE FUND**

### **Board of Directors**

The Directors are responsible for the overall investment and administrative policies and the management of the Fund.

Jeffrey Abbott  
Head of Asset Management, Bermuda  
The Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM 12, Bermuda

Stefano Bertolini  
Senior Portfolio Manager  
The Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM 12, Bermuda

Nigel Garrard  
Head of Asset Management, Guernsey  
Butterfield Bank (Channel Islands) Limited  
Martello Court  
Admiral Park  
St. Peter Port

Guernsey GY1 3AP, Channel Islands

**Alternate Director**

Jody Feldman (for Jeffrey Abbott)  
Managing Director, Bermuda  
The Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM 12, Bermuda

**Registered Office**

Clarendon House  
2 Church St.  
Hamilton HM 11, Bermuda

**Investment Advisor**

Butterfield Asset Management Limited  
65 Front Street  
Hamilton HM 12, Bermuda  
Telephone: 441-299-3817

**Custodian and Bankers**

Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM 12, Bermuda  
Telephone: 441-295-1111

**Registrar and Transfer Agent and Administrator**

MUFG Fund Services (Cayman) Limited  
Maiden Place  
227 Elgin Avenue  
Grand Cayman, Cayman Islands KY1-1107  
Telephone: 345-914-1000

**Accountants**

MUFG Fund Services (Cayman) Limited  
Maiden Place  
227 Elgin Avenue  
Grand Cayman, Cayman Islands KY1-1107  
Telephone: 345-914-1000

**Auditors**

Ernst & Young Ltd.  
3 Bermudiana Road  
Hamilton HM 11, Bermuda

**Legal Advisors**

Conyers Dill & Pearman Limited  
2 Church Street  
Hamilton HM 11, Bermuda

**Listing Sponsor**

Butterfield Securities (Bermuda) Limited  
65 Front Street  
Hamilton HM 12, Bermuda

**Secretary**

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda  
Telephone: 441-295-1422

**Director's Interest**

- (a) No Director presently has any beneficial interest in any of the Shares.
- (b) Jeffrey Abbott, Jody Feldman, Stefano Bertolini, Reece Jarvis and Nigel Garrard are Directors or Officers of the Bank or the Investments Advisors, or both. The Investment Advisor will be receiving fees and/or commissions from the Fund.

**Jeffrey Abbott** (*Bermudian*)

Jeffrey Abbott is the Head of Butterfield Asset Management Bermuda. He joined Butterfield Asset Management in May 2016 as a Senior Portfolio Manager responsible for the development, implementation and management of global investment portfolios. In 2019 he was promoted to Vice President, Private Clients. He contributes to the strategic investment planning and development at Butterfield Asset Management as a cochair person on the investment committee. Mr. Abbott has over 25 years of experience within the investment industry with clientele ranging from individual to institutional clients including trusts, pensions and insurance structures. Before joining Butterfield Asset Management Mr. Abbott was a Portfolio Manager at HSBC Bank Bermuda Ltd. Prior to HSBC he worked at Zurich Investment Services Limited where he was an Investment Analyst; PRP Performa Limited where he worked as a Portfolio Manager assistant; and The Bank of NT Butterfield & Son Limited where he began his career at Butterfield Asset Management, working in project management, brokerage and investment services. Mr. Abbott graduated from St Mary's University in 1999 with a B.Comm (Finance) and a B.Comm (Economics). He is a CFA charterholder, and member of the local Bermuda CFA Society.

**Nigel Garrard** (*British*)

Nigel Garrard has worked within the investment industry since 1995, providing discretionary investment management services to institutions, trusts and private clients. Having joined Butterfield in 2005 as a senior investment manager, he has held the position of VP, Investment Strategy and most recently, was appointed Head of Asset Management for the Channel Island business in 2023. In his role, Mr. Garrard is responsible for all aspects of the investment business in the Channel Islands. He has extensive experience in the management of investment portfolios, as well as the formulation of global investment strategy. He is the co-chairman of Butterfield's Investment Committee, which is charged with the formulation of ongoing investment strategy. Mr. Garrard is a member of Butterfield Guernsey's Asset and Liability Committee and he is Director of Butterfield Money Market Fund Limited, Butterfield US\$ Bond Fund Limited, Butterfield Select Fund Limited and Butterfield Select Invest Fund Limited.

**Stefano Bertolini** (*British*)

Stefano Bertolini is a senior portfolio manager with nearly 20 years of experience in financial services, mainly in London. He started his career in wealth management and private banking, later transitioning into sell-side equity research with a focus on equities. Before joining the Bank and moving to Bermuda, he worked for a full-service investment banking and capital markets firm as a lead analyst covering the European lodging sector. He is a CFA charter holder and holds the CFA Investment Management Certificate. He also has a Masters in Finance (MiF) from London Business School, where he was a 2016/2017 winner of the AQR Asset Management Institute Award.

It is estimated that the aggregate emoluments of the Directors will not exceed \$10,000 per annum. No Director that is currently employed or associated with the Bank or its subsidiaries is permitted to review compensation related to their position as Director of the Funds. None of the Directors have entered into a contract with the Fund with respect to the provision of the director's services to the Fund.

For those Directors not employed or associated with the Bank or its subsidiaries the Fund will purchase director's and officer's liability insurance for their benefit.

**Investment Advisor**

Under an investment advisory agreement dated March 21, 2019 (the "Investment Advisor Agreement"); Butterfield Asset Management Limited has been appointed as Investment Advisor of the Fund.

Butterfield Asset Management Limited (a wholly owned subsidiary of the Bank of N.T. Butterfield & Son Limited) is a limited liability company incorporated in Bermuda in, 1993, to carry on the investment business started over 50 years ago by the Bank.

Butterfield Asset Management Limited is responsible for the management of a wide range of investment products and provides investment management services to a diverse range of customers, including individuals, trusts, high net worth individuals, corporations and pension plans.

Butterfield Asset Management Limited has a dedicated team of investment professionals in Bermuda but also has a number of investment professionals in many of the other key jurisdictions.

The Investment Advisory Agreement may be terminated by either party thereto giving to the other not less than three months' written notice.

There has been no criminal conviction or disciplinary action taken by a securities supervisory or other regulatory body against the Investment Advisor.

The Investment Advisory Agreement may be terminated by either party thereto giving to the other not less than three months' written notice.

**Directors of the Investment Advisor are:**

**Jeffrey Abbott** (*Bermudian*)

See information under Fund Directors.

**Reece Jarvis** (*British*)

Reece Jarvis joined The Bank of N. T. Butterfield & Son Limited in 2012 as a Senior Portfolio Manager, Butterfield Asset Management and was subsequently promoted to Head of Fixed Income. He is involved in the management of both the Butterfield funds and segregated institutional accounts. Mr. Jarvis is also a member of Butterfield's Investment Councils charged with the formulation of ongoing investment strategy and research. Mr. Jarvis has over 2 decades of experience within the investment industry with clientele ranging from individual to institutional clients including trusts, pensions and insurance structures. Prior to coming to Bermuda, Mr. Jarvis worked within Fixed Income at Schroders, Daiwa Asset Management and Aberdeen Asset Management based in London. He is also a Chartered Financial Analyst and a member of the local Bermuda CFA Society

**Jody Feldman** (*Bermudian*)

Jody Feldman is the Managing Director of Bermuda, a position he has held since January 2024. Before his promotion to Managing Director, Mr. Feldman was the Head of Corporate Banking in Bermuda. Jody has spent two decades working in the financial services sector in London, New York and Bermuda. Prior to returning to Bermuda to join Butterfield, Mr. Feldman was the Managing Director and Head of Financial Institutions (North America) for the Corporate Banking team at Deutsche Bank in New York. He also served as Co-Head of the Insurance Council, focusing on increasing sales and trading revenues with insurance companies by leveraging relationships across the banking and markets teams. Mr. Feldman started his career at HSBC where he spent 15 years working with financial institution clients. He holds the Chartered Financial Analyst designation and is a graduate of Lafayette College in Easton, Pennsylvania.

**Michael Ferreira** (*Bermudian*)

Michael is the current head of Butterfield Securities (Bermuda) Ltd. and oversees the company's Advisory, Execution-only and Trading services. He brings nearly 20 years of investment experience and specializes in providing strategic investment recommendations tailored to client's financial objectives and market trends. After earning a Bachelor of Commerce from McMaster University in 2005, Michael went on to pass the FINRA Series 7 Exam and Level 1 of the Chartered Financial Analyst (CFA) examination. In addition to his professional background, Michael is an advanced Portuguese speaker, with proficiency in both spoken and written communications.

**Wayne Chapman** (*British / Bermudian*)

Prior to joining the Bank of Bermuda in 1980 Mr. Chapman worked in the United Kingdom as a Financial Accountant. While at Bank of Bermuda he worked in a number of roles through to the sale of the Bank of Bermuda to HSBC in 2004. Those roles included Mutual Fund Head accounting roles in both Bermuda and Luxembourg as well as acting as the Managing Director of Luxembourg Bank before being appointed as the Head of Head of Investments for the Bank of Bermuda in 1997 and also joining the Banks Executive Committee. In 2002, Mr. Chapman was promoted to be the Global Head of Private Clients for the Bank of Bermuda Group. From 2004 to 2016 Mr. Chapman worked for HSBC Private Bank until the business was sold to the Bank of N.T. Butterfield & Son Limited providing consultancy services to Butterfield. Through to 31 December 2023 Mr. Chapman has also work as both an Employee and Director of a number of Investment Management Boards, Trust Companies and Mutual funds registered in Bermuda, Luxembourg and Dublin. He continues to act as a Director of Butterfield Trust subsidiaries, Butterfield Asset Management Limited and Butterfield Securities (Bermuda) Limited.

**Potential Conflict of Interest**

The Directors, Investment Advisor and its affiliates, the Portfolio Funds, the Portfolio Managers, Auditors and Custodians (the Conflict Parties") are subject, and the Fund is exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Fund and the Shareholders' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Fund. When a conflict of interest arises Conflict Parties will endeavour to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with their respective fiduciary and other duties to the Fund. The Investment Advisor has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest. Unless the context clearly indicates otherwise, references in this section to conflicts of interest that may apply to the Investment Advisor should be understood to apply to the Investment Advisor and its affiliates.

The Conflict Parties may from time-to-time act as director, manager, investment manager, Custodian, registrar, broker, administrator, depositary, investment advisor or dealer in relation to, or be otherwise involved in, other investment funds established by parties other than

the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund, particularly if such other investment funds have similar objectives to those of the Fund. The Conflict Parties will, at all times, have regard in such event to their respective obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The Conflict Parties or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Investment Advisor, the portfolio managers nor any of their respective affiliates nor any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but they will, as necessary, allocate such opportunities on an equitable basis between the Fund and other clients

Directors of the Fund may also be directors of the Investment Advisor, or directors of companies in which the Fund's assets are or may be invested. As such, the Directors may have a conflict between their obligation to act in the best interests of the Fund and their interest in generating revenues or other benefits for other entities with persons with which they are affiliated. A Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of director, or may act in a professional capacity to the Fund on such terms as the directors may determine. No Director shall be disqualified by his office from contracting with the Fund in any capacity, nor shall any such contract or arrangement entered into by the Fund in which any director is in any way interested be liable to be voided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. A Director may not vote nor be counted in the quorum on any resolutions by which he is appointed to hold any office or place of profit under the Fund or at which the terms of any such appointment are arranged.

Prospective Shareholders should understand that (i) the relationships among the Conflict Parties are complex and dynamic and (ii) as the Conflict Parties' businesses change over time, the Conflict Parties may be subject, and the Fund may be exposed, to new or additional conflicts of interest. There can be no assurance that this Prospectus addresses or anticipates every possible current or future conflict of interest that may arise or that is or may be detrimental to the Fund or the Shareholders. ***Prospective Shareholders should consult with their own advisors regarding the possible implications on their investment in the Fund of the conflicts of interest described in this Prospectus.***

### **Administrator**

Under an administration agreement dated December 2024, (the "Administration Agreement") MUFG Fund Services (Cayman) Limited has been appointed Administrator of the Fund and pursuant to the Administration Agreement; the Administrator will perform certain administrative and clerical functions for the Fund.

The Administrator has responsibility, under the general supervision of the Directors of the Fund, for disbursing payment of fees and other expenses of the Fund and providing administrative services. The Administrator will also be responsible for maintaining and keeping of all financial books and records for the Fund and for the preparation and calculation of the Fund's Net Asset Value (NAV), the register of shareholders and for administering the issuance, redemption and transfer of Shares of the Fund.

Under the Administration Agreement, the Fund has indemnified the Administrator and its servants or agents, from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs expenses or distributions of any kind or nature whatsoever, other than those resulting from fraud, gross negligence or wilful default on its part in performing its obligations or duties.

In performing its duties as administrator, the Administrator is entitled to rely and generally will rely on information provided to it by persons designated by the Fund, including but not limited to the Fund's accountants, the Investment Advisor, the Custodian and brokers and shall not be responsible for errors contained in such information received from such persons.

The Administrator, MUFG Fund Services (Cayman) Limited, is responsible for maintaining the register of holders of Shares (under Bermuda law, referred to as "members") and for administering the issue, redemption and transfer of Shares on behalf of the Fund.

The fees and expenses of the Administrator will be borne by the Fund (see "Fees and Expenses")

The Administration Agreement may be terminated by either party thereto, giving to the other not less than 90 days written notice. Less than 90 days' notice may be given if (i) either party fails to perform its obligations under the agreements and fails to rectify such breach within 30 days or (ii) the Fund or the Administrator goes into liquidations (other than voluntary liquidation).

### **Custodian**

Pursuant to the terms of a custody agreement dated 5<sup>th</sup> October 2018, (the "Custody Agreement") the Custodian, Bank of N.T. Butterfield & Son Limited, has been appointed by the Fund and the Investment Advisor as Custodian of the assets and uninvested cash of the Fund, which will be held on behalf of the Fund either directly by the Custodian or through other sub-Custodians, nominees, agents, or delegates of the

Custodian. The Fund may maintain certain of its assets in interest bearing instruments with the Custodian. In addition, the Custodian is responsible for recording investment transactions entered into for the account of the Fund.

The Custody Agreement may be terminated by either party thereto, giving to the other not less than 90 days' written notice. Less than 90 days' notice may be given if (i) either party fails to perform its obligations under the Custody Agreement and fails to rectify such breach within 30 days or (ii) the Fund or the Custodian goes into liquidations (other than voluntary liquidation).

The fees and expenses of the Custodian will be borne by the Fund (see - Fees and Expenses).

## **Secretary and Registered Office**

Pursuant to the terms of a Client Services Agreement dated December 2024 (the "CCS Agreement"), Conyers Corporate Services (Bermuda) Limited (the "Secretary") has been appointed by the Fund to act as the Fund's secretary and to provide its registered office in Bermuda.

The fees and expenses of the Secretary in the performance of its functions for the Fund will be borne by the Fund.

The CCS Agreement may be terminated by either party thereto, giving to the other not less than 30 days written notice. Less than 30 days' notice may be given in certain circumstances.

## **Material Contracts**

The following contracts, not being contracts in the ordinary course of business, have been entered into since the incorporation of the Fund and are, or may be, material:

1. Investment Advisory Agreement dated 21<sup>st</sup> March 2019, between the Fund and the Investment Advisor pursuant to which the Investment Advisor was appointed Investment Advisor of the Fund.
2. Custody Agreement dated 5<sup>th</sup> October 2018 amongst the Fund, the Investment Advisor and the Custodian pursuant to which the Custodian was appointed Custodian of the assets of the Fund.
3. Administration Agreement dated December 2024, amongst the Fund, the Investment Advisor and the Administrator pursuant to which the Administrator was appointed administrator of the Fund.
4. The CCS Agreement dated December 2024 between the Fund and the Secretary pursuant to which the Secretary was appointed to provide secretarial and registered office services.

## **SHARES**

### **Classes of Shares**

Through the issuance of different classes of Shares, which the Directors of the Fund are empowered under the Bye-Laws to create, the Fund will make possible for investors to participate in a portfolio consistent with the investment policies and objectives of the particular class of share. Additionally, in order to maintain adequate liquidity, the Fund will maintain a portion of its assets in bank deposits. Where required, Shares in the Fund can be issued up to any amount and divided into classes with different rights, privileges and conditions.

Members are entitled to convert their Shares between classes, save and except into or from Organisational Shares.

### **Issuance of Shares**

The Fund will issue Shares of the applicable Class on the applicable Dealing Day where duly completed application forms have been received by the Bankers, together with sufficient funds held in the applicant's Bankers' account (the "Subscriber's Account") by no later than the Subscription Cut-Off Time. For the sake of clarity, the Bankers will withdraw the full subscription proceeds required to purchase the Shares of the applicable Class, on the applicable Dealing Day, from the Subscriber's Account.

With respect to subscriptions for Shares originating in the Cayman Islands, the Fund will issue Shares of the applicable Class on the applicable Dealing Day where duly completed application forms have been received by the Bankers, together with sufficient funds held in the applicant's account (the "Cayman Subscriber's Account") at Butterfield Bank (Cayman) Limited (the "Cayman Bankers"), by no later than the Subscription Cut-Off Time. For the sake of clarity, the Cayman Bankers will withdraw the full subscription proceeds required to purchase the Shares of the applicable Class, on the applicable Dealing Day, from the Cayman Subscriber's Account.

If these conditions are not satisfied, then the application (subject to Directors' discretion) shall be held over until the next Dealing Day following satisfaction of these conditions and Shares of the applicable Class, will be issued at the Net Asset Value of the applicable Shares as at that next Dealing Day.

The Bye-Laws of the Fund provide that Shares may not be issued at less than the net asset value per Share. Further, Shares may not be issued at less than their par value. The Directors' intention is that there shall be a Valuation Day on Wednesday in each week (or if Wednesday is not a Business Day in Bermuda, or a Business Day in a principal market area for the Fund's assets, the next Business Day following Wednesday) and/or such other days as may from time to time be determined by the Directors either in any particular case or generally in Bermuda, except at quarter end when a weekly NAV will be suspended and the quarter end valuation will be completed for that week.

New member subscriptions will be accepted only in respect of amounts of no less than US\$10,000 for the Class A Shares, US\$1,000,000 for the Class B Shares and US\$5,000,000 for the Class C Shares. The right is reserved to reject any application or to accept any application in part only. If any application is not accepted, the amount paid on application will be returned, together with any accrued interest (at the Banker's overnight interest rate) and, if any application is accepted for fewer Shares than the number applied for, the balance of the amount paid on application will be returned together with any accrued interest (at the Bank's overnight interest rate).

### **Share Registration**

It is not intended to issue physical share certificates. Contract Notes will be issued to an applicant or member normally within two weeks after the relevant Dealing Day (as defined in the Glossary). Fractional Shares will be issued.

The Fund is not bound to see to the execution of any trust, whether express, implied or constructive, to which any of its Shares are subject. Shares purchased for those under 18 years of age must be registered in the name of the parent or guardian.

### **Share Price Determination**

The price of Shares will be determined by reference to their net asset value, which is the value calculated after the deduction of liabilities attributable to the Class account in respect of such Shares, from the total assets attributable to such Class account from the total liabilities. Rounding adjustments to the nearest two decimal places are permitted to give convenient figures for dealing. There will be a separate net asset value calculation in respect of Class A Shares, Class B Shares and Class C Shares.

The assets of the Fund comprise the aggregate of: (i) investments owned or contracted to be acquired; (ii) cash on hand or on deposit including accrued interest; (iii) cash payments outstanding on any Shares allotted; (iv) bills and demand notes and amounts receivable including net amounts receivable in respect of investments contracted to be realised; (v) interest accrued on interest-bearing investments held except that accrued and included in the quoted price of the relevant investment; and (vi) other property and assets of any kind and nature including futures contracts, options and prepaid expenses as valued and defined from time to time by the Directors.

The liabilities of the Fund are deemed to include: (i) bills and accounts payable; (ii) management and administrative expenses payable and/or accrued; (iii) the gross acquisition consideration of investments or other property contracted to be acquired; (iv) reserves Authorised or approved by the Directors for duties, charges, taxes or contingencies; (v) the aggregate amount of all borrowings and interest, commitment fees, and other charges arising in connection therewith; and (vi) other liabilities of the Fund of whatsoever nature (except liabilities represented by outstanding Shares and surplus of the Fund) including outstanding payments on any Shares previously redeemed (contingent liabilities (if any) being valued in such manner as the Directors may determine from time to time or in any particular case).

The value of the net assets of the Fund will be determined in accordance with the Bye-Laws of the Fund which provide, amongst other things, that:

- (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that the same is not worth the full amount thereof in which event the value thereof shall be such as the Directors deem to be the reasonable value thereof;
- (ii) any asset quoted, listed, traded or dealt in on an exchange or market is to be valued by reference to the last traded price on the relevant Valuation Day on the major exchange or market in which the said assets are so dealt;
- (iii) any non-negotiable asset may be valued by accruing to the acquisition cost, on a daily basis any interest earned and the amortised capital value of such asset, increased over the acquisition price to reflect the reducing period to maturity;
- (iv) in respect of any asset referred to in (ii) above, the Directors may instead adopt prices ruling on another exchange or market in respect thereof if they consider that such prices provide in their opinion a fairer criterion of value; and

- (v) the Directors at their absolute discretion may permit some other method of valuation to that described in (ii), (iii) and (iv) above to be used if they consider that such valuation better reflects the fair value of any investment or investments.

It is the intention of the Directors that, where an asset is not quoted, listed, traded or dealt in on an exchange or market and a bona fide arm's length sale or other transaction occurs with respect to assets of the same class, the Directors may have regard to the price at which such transaction is effected and may utilise such price for the purpose of the calculations.

It is also the intention of the Directors that so long as it is the general policy of the Fund to hold all negotiable assets to maturity such assets may be valued on an amortised cost basis by accruing to the acquisition cost, on a daily basis, any interest earned and the amortised capital value of such asset, increased or following a sale, the sale proceeds, over the acquisition price to reflect the reducing period to maturity.

Following the valuation of the Fund's net assets, the net asset value of a Share is found by dividing the value of the said total net assets by the number of Shares in issue.

The Bye-Laws of the Fund provide that any statement as to the net asset value per Share made by or on behalf of the Directors is binding on all parties.

The Bye-Laws provide that the Directors may at any time and from time to time suspend the determination of the net asset value (and consequently the issue and redemption of Shares and the payment of redemption moneys to persons who have applied to redeem Shares) for the whole or any part of a period (a) during which any principal exchange or market on which any significant portion of the assets of the Fund is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such principal exchange or market is restricted, or (b) when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Fund to dispose of its investments or as a result of which any such disposal would be materially prejudicial to the Shareholders; or (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of assets or when for any other reason the value of any of the assets of the Fund cannot in the opinion of the Directors be reasonably or fairly be ascertained, or (d) during which the Fund is unable to repatriate, receive or transfer funds required for the purpose of making payments on the redemption or purchase of Shares or during which any transfer of funds involved in the realisation or acquisition of assets or payments due on redemption of Shares class cannot in the opinion of the Directors be effected at normal rates of exchange, or (e) when the business operations of a service provider to the Fund in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God, or (f) when, as a result of exchange restrictions or other restrictions affecting the repatriation or transfer of funds, transactions on behalf of the Fund are rendered impracticable, or where purchases, sales, deposits or withdrawals of any asset of the Fund cannot be effected at the normal rates of exchange, as determined by the Board, or (g) when the Fund has resolved to wind up, or (h) where the Directors deems it necessary to do so to comply with anti-money laundering laws and regulations or any other law or regulations applicable to the Fund or any service provider, directly or indirectly, in any jurisdiction, or (i) when it is not reasonably practicable to accurately ascertain the value of a material portion of the Fund's assets due to such as the closure of or suspension of trading on any underlying funds or individual investment accounts and segregated accounts; or (j) when the Directors otherwise determine that it is in the best interest of the Fund or its Shareholders to do so, no Shares may be issued or redeemed during such a period of suspension. The Directors will cause notice of their declaration of such a suspension to be published in Bermuda in such newspapers as they may determine.

## **BUYING, SELLING AND EXCHANGING SHARES**

### **Anti-Money Laundering**

Shares may be applied for, redeemed or transferred by means of the procedures outlined below. All applications, redemptions and transfers of Shares are subject to the Bermuda Proceeds of Crime Act 1997 and the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 (together, referred to as the "Legislation") comprise the central framework for Bermuda's anti-money laundering regime. In addition, Bermuda's National Anti-Money Laundering Committee has issued certain Guidance Notes (the "Guidance Notes") on the Legislation. The Legislation and Guidance Notes together comprise a code aimed at the prevention, discouragement, detection and prosecution of money-laundering offences in Bermuda. These measures will require an applicant for Shares to verify its identity to the Bankers and/or Administrator (and also to the Investment Advisor).

Applicants will be required to provide such documents and information as is specified in the application form or as may be requested by the Bankers and/or Administrator in any particular case (together "AML Documents"). By way of example an individual may be required to produce a copy of a passport or national identification card which must display a photograph, signature and date of birth of the bearer and be certified by a notary public, solicitor, company registrar or any person so Authorised under the laws of their country or domicile, together with evidence of their address such as two original or certified recent utility bills. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all directors. Additional information may be required at the Bankers and/or Administrator's discretion to verify the source of the subscription monies.

The details given above are by way of example only and the Bankers and/or Administrator will request such information and documentation as it considers is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information or documents required for verification purposes, the Bankers and/or Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until such information or documents have been provided.

Each applicant for Shares acknowledges that the Bankers and/or Administrator shall be held harmless against any loss arising as a result of a failure to process his application for Shares if such information and documentation as has been requested by the Bankers and/or Administrator has not been provided by the applicant.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's OFAC website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene Bermuda, United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

If a person (the Fund or its delegates or agents) has a suspicion that a payment to the Fund (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to applicable law and/or regulation and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by any enactment or otherwise.

The Bankers and/or Administrator may use the information provided by an investor in support of anti-money laundering or similar reviews, including sharing the information with other funds in which the investor may invest as part of such reviews. Depending on the circumstances of each application, a detailed verification might not be required.

## **Applications**

Shares may be applied for by submitting a completed application form. The applicant should submit one transaction per page. Subsequent applications should be accompanied by written instructions giving the name of the Fund, the relevant Fund account number and the exact name(s) of the account. A contract note confirming the transaction will be mailed to the purchaser.

All Subscriptions must be paid for as set out under "Issuance of Shares" above unless there is specific agreement from the Directors otherwise..

The Bankers will accept facsimile instruction from members who elect to deliver their application form utilizing this option. A member may select this option by so indicating in writing. Neither the Bankers nor the Administrator shall not be liable for any loss incurred by the member by reason of the Bankers and/or Administrator acting on facsimile instructions whether or not it may be shown that the instructions were not originally signed or sent by the Authorised signatories of the Shares. Authorisation will remain in force until notice in writing of its termination is received by the Bankers.

Upon the determination of the Directors to designate an investment of the Fund as a "Special Investment", a *pro rata* portion of each series and class of Shares (based on the net asset value of each such series and class) will be automatically exchanged for Class S Shares of a series, so that such series of Class S Shares will have an initial aggregate net asset value equal to the fair value of such Special Investment. Class S Shares issued in connection with any single Special Investment will generally constitute a separate series of Class S Shares. Shares exchanged for a series of Class S Shares will be treated as if redeemed as of the date of exchange. A Series of Class S Shares entitle the holder thereof to participate indirectly on a *pro rata* basis in the Special Investment in respect of which such series of Class S Shares has been issued and to the same voting rights as the other classes of Shares. Class S Shares must be held by an Investor until the Special Investment in respect of which they have been issued is realised, or upon the determination of the Directors, in their discretion, that such investment need not be treated as a Special Investment any longer (such determination, a "deemed realization" of such Special Investment). Class S Shares are not redeemable by a Shareholder.

Upon the realization or deemed realisation of a particular Special Investment, all (or, if only a portion of the Special Investment is realised or deemed realised, a portion) of a Shareholder's Series of Class S Shares attributable to such Special Investment will be exchanged back into Shares of the Original class. The exchange of Shares will occur as of the last day of the calendar month in which the Fund's realization or deemed realization of the relevant Special Investment occurred. If the shareholder has redeemed all of its Shares, such shareholder will receive payment in cash or in kind in respect of the Class S Shares, net of expenses.

## **Redemptions**

A form of request to redeem Shares will be supplied and signed by the investor. Redeeming members must sign the request in the exact name or names in which the Shares are registered and should indicate any special capacity in which they are signing (such as trustee or Custodian

or on behalf of a partnership, corporation or other entity). The completed form of request must be sent to the Bankers by the applicable Redemption Cut-Off Time. If sent by mail, the Fund recommends using registered mail.

All redemption proceeds will be paid into the Shareholder's Subscriber's Account or Cayman Subscriber's Account, as the case may require (each a "Client Account") at the Shareholder's risk and expense. Should the Shareholder no longer maintain its Client Account, with the approval of the Directors and/or Investment Advisor, the holding will be redeemed in full and payment made only in the name of the registered Shareholder by cheque, draft or wire transfer at the Shareholder's request, risk and expense unless there is specific approval from the Directors.

The Bye-Laws provide that, save in the case of Class S Shares, Shares will be redeemed on the next Dealing Day following receipt of the redemption request in proper form by the Redemption Cut-Off Time. Where a redemption request is received after the Redemption Cut-Off Time, the redemption will be processed, in accordance with the terms hereof, on the next occurring Valuation Day. The present intention of the Directors is that, so far as practicable, there shall be a Valuation Day on Wednesday in each week (or if Wednesday is not a Business Day in Bermuda or a Business Day in a principal market area for the fund's assets, the next business Day following Wednesday) and/or such other days as may from time to time be determined by the Directors either in any particularly case or in Bermuda, except at quarter end when a weekly NAV will be suspended and the quarter end valuation will be completed for that week. The provisions in the Bye-Laws, which allow greater intervals between Valuation Days and which permit the suspension of redemptions in defined circumstances (see "Issuance of Shares") are designed to give necessary flexibility. Generally, an amount equal to the net asset value per Share on redemption, (subject to the power of the Directors to deduct therefrom an amount sufficient in their opinion to meet sale and fiscal charges incurred in realising assets to provide funds to meet the request) will be transferred by the Fund to a member redeeming Shares within four Business Days of such redemption in accordance with the payment provisions set out above. The Directors may pay the redemption price in whole or part or in specie. Subject to the foregoing, the amount due to the redeeming member will be paid in US Dollars. The Directors may establish at any time reserves or holdbacks for estimated costs, expenses, liabilities and contingencies which could reduce the amount of the payment of the redemption price.

Redemption of part of a holding of Shares is permitted provided that it will not result in the member remaining registered as a holder of Class A Shares with a net asset value of less than US\$10,000, Shares with a net asset value of less than US\$1,000,000, or Class C Shares with a net asset value of less than US\$5,000,000 unless the Directors otherwise agree.

Class S Shares are not redeemable at the option of Shareholders but may be redeemed at any time by the Fund. The Directors may compulsorily redeem any or all shareholders at any time for any reason on five (5) days' notice.

The Bankers, acting either as principal or as agent, may elect to purchase Shares presented for redemption at a price not less than the relevant redemption price.

The Directors reserve the right to limit the number of redemptions that may be affected on any Dealing Day as may be advised to Shareholders, in advance, from time to time.

The Bankers will accept facsimile instruction from members who elect this option. A member may select this option by so indicating in writing. Neither the Bankers nor the Administrator shall not be liable for any loss incurred by the member by reason of the Bankers acting on facsimile instructions whether or not it may be shown that the instructions were not originally signed or sent by the Authorised signatories of the Shares. Authorisation will remain in force until notice in writing of its termination is received by the Bankers.

## **Transfer of Shares**

Shares are transferable by instrument in writing signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and recorded in the register of members of the Fund. Unless the Directors otherwise agree, no transfer may be made which result in either the transferor or the transferee remaining or being registered as the holder of Class A Shares with a net asset value of less than US\$10,000, Class B Shares with a net asset value of less than US\$1,000,000 and Class C Shares with a net asset value of less than US\$5,000,000. The Directors may decline to register any transfer of Shares over which the Fund has a lien and may suspend the registration of transfers for not more than a total of 30 business days in any year. In the case of the death of any one of joint members, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint member in the Shares registered in the names of such joint members.

The form of transfer will be supplied on request. Members wishing to transfer Shares must sign the transfer in the exact name or names in which the Shares are registered, and indicate any special capacity in which they are signing and all other required details. The completed form of transfer, duly stamped if applicable, must be sent to the Bankers.

The Fund will not be liable for any stamp duty in connection with any transfer, sale, assignment, disposal of or other transactions in the Shares, which is the responsibility of the parties to such transactions.

## **Compulsory Redemption**

The Directors may compulsorily redeem any or all Shares held by a Shareholder at any time for any reason. The Directors are required by the Fund's Bye-laws to give any affected Shareholder five (5) days written notice of any such redemption.

## **Application Procedures**

Subject to the disclosure under "Issuance of Shares" and "Applications" above, initial applications must be made on the Initial Application form enclosed with this document, subsequent applications for Shares may be made either (i) on the application form enclosed with this document or (ii) by written application (a) stating the number of Shares applied for, (b) undertaking to pay the amount due if the application is accepted, (c) stating the name and address in which the Shares are to be registered and the address to which the Contract Note is to be dispatched, and (d) confirming that the applicant has received and considered this Prospectus and the latest audited financial statements and that application is made on the terms of this Prospectus and subject to the Bye-Laws of the Fund.

The initial minimum subscription for Class A Shares is US\$10,000, the initial minimum subscription for Class B Shares is US\$1,000,000 and the initial minimum subscriptions for Class C Shares is US\$5,000,000. Additional subscriptions may be made in any amount.

Applications should be sent to the Bankers c/o Butterfield Asset Management Limited, P.O. Box HM 195, Hamilton HM AX, Bermuda to be received by the Subscription Cut-Off Time.

Applications which do not fulfil the conditions stated in this document may be rejected and the right is reserved to reject any application which does fulfil such conditions.

Contract Notes will be awarded by ordinary post no later than two (2) following the relevant Valuation Day to the person(s) in whose name(s) the Shares are to be registered or, in the case of joint holders, to the registered address of the first-named holder.

## **Communications**

All statements, reports and other communications shall be sent to you in electronic form, such as email or by regular mail/post at our discretion to the person(s) in whose name(s) the Shares are to be registered or, in the case of joint holders to the registered address of the first-named holder.

## **ADDITIONAL INFORMATION**

### **General**

Save as disclosed in this document, no Director is materially interested in any contract or arrangement subsisting at the date hereof, which is significant in relation to the business of the Fund. None of the Shares of the Fund are under option. As at the date of this Prospectus, no Director has any material interest in any contract or arrangement with the Fund.

The Fund is not engaged in any litigation and does not have any claim of material importance pending or threatened by or against it.

No commission has been or will be paid by the Fund for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in the Fund, other than any sums paid to the Investment Advisor as described under the headings, "Investment Advisor", and "Fees and Expenses" above.

Save as disclosed in this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given by the Fund to any promoter or Director, or any firm of which a Director is a partner.

In accordance with standard practice in the securities industry, telephone calls may be recorded.

Any complaint may be filed with Butterfield Asset Management at the address provided in the prospectuses above. Additionally, complaints may be telephoned into 441-299-3817 or facsimile 441-292-9947. All complaints will be acknowledged within 24 hours.

### **Bye-Laws**

The Bye-Laws of the Fund contain provisions governing, amongst other things, the following matters (please note that in this section, the words "member" or "members" are used in place of the words "shareholder" or "shareholders")

- (a) The quorum at general meetings and the voting rights of members. At any general meeting not less than two members representing not less than ten percent of the Shares, represented in person or by proxy, constitute a quorum for the transaction of business. Subject to Shares having special voting rights, at any general meeting each member shall, on a show of hands, have one vote and, on a poll, one vote for each Share held. A proxy need not himself be a member. The holders of the Organisational Shares have voting rights only when no other Shares are in issue.
- (b) The requisition of Special General Meetings by the members. Members of the Fund holding at the date of deposit of their requisition not less than one-tenth of the paid-up voting capital of the Fund shall be entitled to requisition a meeting of the members and the Directors shall be obliged forthwith duly to convene a Special General Meeting of the Fund.
- (c) The location of general meetings. It is not the Director's intention to hold general meetings outside Bermuda unless exceptional circumstances justify it, but the Bye-Laws permit the Directors to authorise this.
- (d) The remuneration of Directors. This will be determined by the members in general meeting. However, it is intended that any Director who is an employee of the Bank or of any of its subsidiaries or affiliates shall not be entitled to any remuneration in his capacity as a Director.
- (e) The ability of Directors to hold any office or place of profit with the Fund (other than as auditor), to act in a professional capacity to the Fund and otherwise to contract with the Fund. In general, a Director shall not vote or be counted in the quorum on any resolution of the Directors concerning his own appointment as the holder of any office or place of profit with the Fund or any other company in which the Fund is interested (including the arrangement or variation of the terms or the termination thereof). No Director or proposed or intending Director shall be disqualified by his office from contracting with the Fund, either with regard to his tenure of any office or place of profit or as vendor, purchaser or any other manner, nor shall such a contract or any other contract or arrangement in which the Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Fund or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office provided that the Director who, to his knowledge, is in any way interested in a contract or arrangement with the Fund shall declare the nature of his interest at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any case at the first meeting of the Directors after he knows that he is or has become so interested.
- (f) The alteration or making of Bye-Laws. This requires the approval of the Directors and confirmation by the members in general meeting, as evidenced by the affirmative vote of a majority of members.
- (g) Each Director, Secretary or other officer of the Fund shall be indemnified by the Fund against, and it shall be the duty of the Directors out of the funds of the Fund to pay all costs, losses and expenses which any such Director or officer may incur or become liable for by reason of any contract entered into, or act or thing done by him as such Director or officer, or in any way in the discharge of his duties, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Fund, and have priority as between the Members over all other claims except as respects any such Director or officer where any such cost, loss or expense shall happen through his own fraud or dishonesty.

No Director, Secretary or other officer of the Fund shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Fund through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Fund, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Fund shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by an error of judgment, omission, default, or oversight on his part, or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own fraud or dishonesty.

- (h) The power of the Directors to impose restrictions so as to ensure that no Shares are acquired or held by (i) any person in breach of the law or requirements of any jurisdiction or (ii) any person in circumstances which, in the Directors' opinion, might reasonably be expected to prejudice or risk prejudicing in any way either the Fund or the members. There are consequential provisions for compulsory redemption or transfer of Shares in these circumstances.

There is no provision in the Bye-Laws requiring a Director to retire by reason of any age limit and there is no share qualification for Directors. To be passed, resolutions of the Fund in general meeting, where required under the Bye-Laws, require (save in the case of (f) above) a simple majority of the votes cast by members who, entitled to do so, vote in person or by proxy at the meeting at which the resolution is proposed.

## **Inspection of Documents**

Copies of the following documents are available for inspection free of charge by appointment at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the registered office of the Fund and at the office of The Bank of N. T. Butterfield & Son Limited, Hamilton, Bermuda.

- (i) the Memorandum of Association and Bye-Laws of the Fund;
- (ii) this Prospectus;
- (iii) the Material Contracts listed above;
- (iv) the audited accounts of the Fund for each of the three (3) financial years immediately preceding the issue of the prospectus; and
- (v) the Companies Act 1981 as amended.

### **Annual General Meetings**

The Annual General Meeting of members of the Fund will be held in Bermuda or such other location as the Directors may from time to time determine for the purpose, amongst others, of considering the audited financial statements of the Fund. Notices convening the Annual General Meeting together with the annual report and accounts of the Fund will be sent to members at their registered addresses not later than 5 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to members.

### **Reports and Accounts**

The Fund's year-end is the last Business Day in June in each year. Accounts will be produced to 30th June but will be prepared on the basis of valuations as at the last Business Day in June. Audited accounts will be made available to members within six months of the conclusion of each financial year. The Fund will also make available unaudited interim reports to members within two months of the last Valuation Day in the relevant period.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The Fund adopted this basis of accounting on July 1, 2014. The financial statements were previously prepared in accordance with accounting principles generally accepted in Canada and Bermuda ("GAAP").

Ernst & Young Ltd., Chartered Accountants have given and have not withdrawn their written consent to the inclusion herein of their name and reference to them in the form and context in which they appear. The latest Financial Statements, audited by Ernst & Young Ltd., Chartered Accountants, which are published under separate cover, are an integral part of this prospectus. No events have occurred subsequent to the date of the audited financial statements but before the date of this prospectus which provide material additional information relating to conditions that existed at the date of the financial statements which cause significant changes to assets or liabilities or which will or may have a significant effect on the future operations of the Fund.

### **Taxation**

THE DISCUSSION THAT FOLLOWS IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE BERMUDA TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

At the date of this Prospectus, there is no Bermuda income, corporation, or profits tax, withholding tax, capital tax, capital transfer tax, estate duty or inheritance tax payable by the Fund or its Shareholders. The Fund has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax will not, until March 31, 2035, be applicable to the Fund or to any of its operations, or to the Shares, debentures or other obligations of the Fund, except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Fund or any land leased or let to the Fund.

### **Regulatory Reporting**

## United States

Please refer to Beneficial Ownership and Withholding on Certain Payments above.

### **FATCA**

The U.S. Foreign Account Tax Compliance Act (“FATCA”) provisions of the Hiring Incentives to Restore Employment Act of 2010 require certain foreign financial institutions (“FFIs”) (which may include the Fund) to enter into an agreement with the U.S. Internal Revenue Service (the “IRS”) to disclose to the IRS the name, address, tax identification number, and other specified information of certain U.S. and non-U.S. persons who own a direct or indirect interest (a “financial account”) in the FFI, and to withhold on certain investors that fail to provide such information, or otherwise be subject to a 30% withholding tax with respect to certain U.S. source income (including interest and dividends) and gross proceeds from any sale or distribution of property that can produce U.S. source dividends and interest (“withholdable payments”) and “passthru” payments (generally withholdable payments and payments that are attributable to withholdable payments) made by FFIs. Further, if the Fund is not characterized as an FFI, it may be characterized as a passive non-financial foreign entity, in which case it may be subject to such 30% withholding tax on certain payments unless it either provides information to withholding agents with respect to its “substantial U.S. owners” or makes certain certifications. The regulations issued under FATCA provide that the FATCA withholding tax is currently imposed with respect to payments of certain U.S. source income, and recently proposed Treasury regulations provide that this withholding tax will not be imposed with respect to payments of gross proceeds from the sale of property or reinsurance premiums. The recently proposed regulations also provide that this withholding tax will not apply to pass thru payments made before the date that is two years after the date that final Treasury regulations are published that define the term “passthru payment.” Taxpayers are permitted to rely on the provisions of the proposed Treasury regulations until final Treasury regulations are published.

The Bermuda government has entered into a Model 2 Intergovernmental Agreement (an “IGA”) with the United States to facilitate the implementation of FATCA. Under the Model 2 IGA, the Fund has registered with the IRS and is subject to the requirements of FATCA, including due diligence, reporting and withholding. Assuming registration and compliance pursuant to the Model 2 IGA, an FFI would be treated as compliant with FATCA and not subject to withholding.

The Fund may be subject to the requirements imposed on foreign financial institutions or passive non-financial foreign entities under FATCA and will use reasonable efforts to avoid the imposition of a withholding tax under FATCA, which may include entering into an agreement with the IRS. In this event, a Shareholder will be required to provide any information, tax documentation and waivers that the Fund determines are necessary to avoid the imposition of such withholding tax. The ability of the Fund to satisfy such obligations will depend on each Shareholder providing, or causing to be provided, any information, tax documentation and waivers, including information concerning the direct or indirect owners of such Shareholder, that the Fund determines are necessary to satisfy such obligations. The Shareholder understands that the Board may compulsorily redeem the Shares of any Shareholder who does not provide this information. Furthermore, if the Shareholder fails to provide such information upon request, the Shareholder acknowledges and agrees that the Fund may specially allocate any withholding penalties or other costs or expenses incurred by the Fund to the Shares held by the Shareholder.

Companion provisions of FATCA may require individual holders of Shares to annually report with their U.S. federal income tax returns certain information with respect to the Shares issued by the Fund (a “specified foreign financial asset”) on IRS Form 8938 (“Statement of Specified Foreign Financial Assets”).

### **The OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – Common Reporting Standard**

The Standard for Automatic Exchange of Financial Account Information in Tax Matters (commonly referred to as the “Common Reporting Standard” or “CRS”) is a regime developed by the Organisation for Economic Co-operation and Development (“OECD”) to facilitate and standardize the exchange of information on residents’ assets and income, primarily for taxation purposes, between numerous jurisdictions around the world (“participating foreign jurisdictions”). Bermuda is a signatory to The Multilateral Convention on Mutual Administrative Assistance in Tax Matters which permits participating foreign jurisdictions to enter into agreements that provide for the automatic exchange of information with respect to certain tax matters. On October 29, 2014, Bermuda signed The Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the “MCAA”) which provides the legal basis through which participating foreign jurisdictions can agree to the CRS. Bermuda, together with over 100 other participating foreign jurisdictions, has committed to implement CRS with effect from January 1, 2016 and as a result, the Fund is required to identify accounts held directly or indirectly by residents in participating foreign jurisdictions and to report information on such persons to the relevant tax authority in Bermuda, which will then exchange such information annually with foreign fiscal authorities.

In general, by investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- (i) the Fund (or its agent) may be required to disclose to the Service, the Bermuda Minister of Finance and other foreign fiscal authorities certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;

- (ii) the Bermuda Minister of Finance may be required to automatically exchange information as outlined above with foreign fiscal authorities;
- (iii) the Fund (or its agent) may be required to disclose to the Service, the relevant tax authority in Bermuda and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- (iv) the Fund may require the investor to provide additional information and/or documentation which the Fund may be required to disclose to the Bermuda Minister of Finance;
- (v) in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the investor concerned; and
- (vi) neither the Fund (nor its agent) shall be held liable for any form of damages or liability to the investor as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with CRS, any applicable IGA or any of the relevant underlying legislation.

This summary does not address all of the provisions of FATCA and/ or CRS or other Reporting Requirements that might be applicable to the Fund, or a particular Shareholder. Moreover, changes in applicable tax and regulatory laws after the date of this Prospectus may alter anticipated tax consequences or the matters referred to in this summary. None of the Fund, the Investment Advisor, or any of their respective officers, directors, employees, agents, accountants, counsel or consultants assumes any responsibility for the tax consequences to any Shareholder of an investment in the Fund.

Shareholders should consult their own tax advisors regarding FATCA, and CRS and any equivalent or similar regime and the possible implications of such rules for their investments in the Fund.

An investment in the Fund could result in significant adverse tax consequences for U.S. Shareholders and or U.K. Shareholders or other Shareholders resident in a DRS participating foreign jurisdiction, which are not discussed herein. Accordingly, such persons should not invest in the Fund without first consulting their tax advisors.

## Glossary

In this Prospectus, the following expressions shall bear the following meanings:

Asset Backed Securities	represent a participation in, or are secured by and payable from, as stream of payments generated by particular assets, such as commercial paper, credit card receivables, auto loans, or home-equity loans;
Auditors	Ernst & Young Ltd. or such other person or firm appointed as auditor of the Fund
Bankers	The Bank of N.T. Butterfield & Son Limited;
Bankers Acceptances (BA)	a short-term credit investment created by a non-financial firm and guaranteed by a bank;
Bond	interest-bearing or discounted certificate of indebtedness paying a fixed rate of interest over the life of the obligation;
Business Day	business days are any day that banks in Bermuda are open for business and banks in the principal financial centre for payments in the relevant currency are open for business;
Bye-Laws	corporate document which governs how the Fund, is to be maintained and operated;
Cash and cash equivalents	are highly liquid and highly rated instruments such as commercial paper or bank deposits;
Canadian Dollar of CDN\$	currency of Canada;
Capital Gain	difference between selling price of an asset and its cost when purchased;
Certificate of deposit (CD)	also called a time deposit this is a certificate issued by a bank or thrift that indicates a specified sum of money has been deposited. A CD has a maturity date and a specified interest rate, and can be issued in any denomination. The duration can be up to five years;
Classes	each class of Shares in the capital of the Fund created and designated by the Directors from time to time, with reference to the investment objectives and other terms and conditions applicable to such class, the particulars of which are set out in the Prospectus;
Commercial paper (CP)	short-term promissory notes either unsecured or backed by assets such as loans or mortgages issued by a corporation. The maturity of commercial paper is typically less than 270 days; the most common maturity range is 30 to 50 days or less. They are usually sold, like Treasury bills, at a discount;
Contract Notes	written confirmation of a trade;
Custodian	The Bank of N.T. Butterfield & Son Limited or such other person or persons appointed as Custodian, cash Custodian or prime broker by the Directors;
Dealing Day	Wednesday in each week, or, if it is not a Business Day, the subsequent Business Day, so that it is the Business Day immediately subsequent to any Valuation Day or such other day or days in substitution therefor or addition thereto as the Directors may determine so long as there shall be at least one Dealing Day in each month;
Deposit	bank deposits are cash deposited in a financial institution for credit to a customer's account;
Directors	the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as they may be appointed from time to time;
Dividends	individual share of earnings distributed among stockholders of a corporation or company in proportion to their holdings;
Duties and Charges	include all stamp and other duties, taxes, Governmental charges, brokerage, bank charges, transfer fees and registration fees;
Economic risks	risk associated with changes in exchange rates or local regulations, which could favour the services or products of a competitor;
Euro or EUR or €	currency code of the European Union;

Euro Certificates of Deposit (ECD)	CDs issued by a U.S. bank branch or foreign bank located outside the U.S. Almost all Euro CDs are issued in London;
Euro commercial paper (ECP)	an unsecured, short-term debt instrument in Euro issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. The debt is usually issued at a discount, reflecting prevailing market interest rates;
Euro note	a debt security in Euro, usually maturing in one to 10 years;
Fixed Rate Bond (Fixed Bonds)	a bond whose rate is fixed for the life of the loan;
Floating Rate Note (FRN)	variable rate bonds with an interest rate that is periodically reset, usually every three to six months and that carry a fixed spread usually over the six-month London Interbank Offered Rate (LIBOR);
Fund	Butterfield US\$ Bond Fund Limited
GBP or £	currency code of the United Kingdom;
Government Agencies / Securities	negotiable securities issued by the U.S. Treasury Department, including Treasury bills, notes and bonds. Also federal agency securities many of which are backed by the Full faith and credit of the U.S. Government;
Instrumentalities	government agencies issuing marketable securities backed by the full faith and credit guarantee of the government.;
Investigation	a searching inquiry for ascertaining facts; detailed or careful examination;
Investment	the following types of publicly-issued and privately-placed investments: Shares, securities, interests, units, corporate and municipal bonds, notes, debentures and other debt obligations; United States and foreign government bonds, bills, notes and other debt obligations issued by or on behalf of United States or other foreign government agencies; money market instruments; other interest-bearing securities; depository receipts; loans, physical and intangible assets; intellectual property; real estate; real estate-related securities; real estate fixtures; futures contracts; bankers acceptances; foreign exchange; trust receipts; public and private common and preferred stock; debentures; warrants; instalment receipts; pre-organisation certificates and subscriptions; limited partnership interests; general partnership interests; other interests or property of whatever kind or nature of any person, government or entity whatsoever commonly regarded as securities; commodity interests (commodity interests, commodity futures contracts, foreign currency futures contracts, stock index futures contracts, and other interests or property commonly regarded as commodities, and rights and options, including, without limitation, puts and calls, with respect to any of the foregoing); currency interests (foreign currencies, foreign currency futures contracts, and other interests or property commonly regarded as currencies, and rights and options, including, without limitation, puts and calls, with respect to any of the foregoing); options, including, without limitation puts and calls and any combinations thereof (written by the Fund or others); swaps; and rights and derivative instruments convertible into or related to the aforementioned securities, including, without limitation, short positions in any such securities, whether held directly or indirectly through a special purpose vehicle or otherwise;;
Investment Advisor	Butterfield Asset Management Limited;
Investment Grade	securities which are rated at or above Baa3/BBB by the Nationally Recognized Statistical Ratings Organizations (NRSRO);
Issuer	a legal entity that develops, registers and sells securities for the purpose of financing its operations. Issuers may be domestic or foreign governments, corporations or investment trusts. Issuers are legally responsible for the obligations of the issue and for reporting financial conditions, material developments and any other operational activities as required by the regulations of their jurisdictions. The most common types of securities issued are common and preferred stocks, bonds, notes, debentures, bills and derivatives;
Liquidity	the degree to which an asset or security can be bought or sold in the market without affecting the asset's price;
Management Fee	as set out under "Fees and Expenses";

Maturity	the length of time until the principal amount of a bond must be repaid;
Memorandum of Association	memorandum of association of a company is the document that governs the relationship between the company and the outside world. It is one of the documents required to incorporate a company;
Money Market Instruments	debt instruments issued by private organizations, governments and government agencies, generally with maturities of one year or less;
Mutual Fund	an investment company that pools money from its shareholders in stocks, bonds, government securities and short-term money assets. A mutual fund is also known as an open-ended investment company;
Nationally Recognized Statistical Ratings Organizations (NRSRO) instruments;	entities that issue publicly available credit ratings that are current assessments of the creditworthiness of obligors with respect to specific securities or money market instruments;
Net Asset Value or NAV	the per share value of assets in the Fund, computed by subtracting liabilities from the portfolio value of securities held, plus cash and accrued earnings, and dividing the total by the number of outstanding Shares of the relevant Class;
Net proceeds	amount received after all costs are deducted from the sale of a security;
Note	debt instruments with initial maturities longer than one year but shorter than 10 years;
Notice	written notice unless otherwise specifically stated;
Office	registered office of the Fund for the time being;
Open Ended Investment Company	see Mutual Fund;
Organisational Shares	Shares in the capital of the Fund of a par value of USD\$0.01 each having the rights and being subjected to the restrictions specified in the Bye-laws;
Promissory note	written pledge to pay;
Prospectus	formal legal document, that provides details about an investment offering for sale to the public. A prospectus should contain the facts that an investor needs to make an informed investment decision;
Redemption Cut-Off Time	the date and time by which a completed redemption request with respect to a redemption of Shares must be received by the Administrator in order for the Shares to be redeemed as of the next applicable redemption day being 5 pm Atlantic Standard Time on the applicable Valuation Day;
Redemptions	liquidation of a mutual fund share by selling Shares back to the fund's investment manager at the Net Asset Value price;
Register	register of Members maintained by the Fund in Bermuda;
Registrar and Transfer Agent	MUFG Fund Services (Cayman) Limited;
Repurchase agreement (REPO)	contract to sell and subsequently repurchase securities at as specified date and price. Also known as repo, RP or buyback agreement;
Risk	the chance that an investment's actual return will be difference than that of what is expected. This includes losing some or all of the original investment. Risk is usually calculating the standard deviation of the historical returns or average returns of a specific investment;
Risk management	the process of identification, analysis and either acceptance or mitigation of uncertainty in investment decision-making. Essentially, risk management occurs anytime an investor or fund manager analyses and attempts to quantify the potential for losses in an investment and then takes the appropriate action (or inaction) given their investment objectives and risk tolerance;
Seal	Common Seal of the Fund and includes any duplicate common seal which the Directors may by resolution approve or adopt;

Secretary	(subject to the provision of the Companies Act 1981), as amended – the person for the time being appointed to perform the duties of the Secretary of a Fund and includes an Assistant, Acting or Deputy Secretary;
Share	a participating share in the Fund;
Share capital	funds raised by issuing Shares in return for cash or other considerations. The amount of share capital a company has can change over time because each time a business sells new Shares to the public in exchange for cash, the amount of share capital will increase;
Shareholder	a registered owner of Shares;
Short term obligations	a security that matures in one year or less;
Sovereign bonds	debt security issued by a national government within a given country and denominated in a foreign currency;
Subscription	agreement to purchase Shares of a mutual fund from the Fund’s investment manager at the Net Asset Value price;
Subscription Cut-Off Time	the date and time by which a completed application form and cleared funds with respect to a purchase of Shares must be received by the Bankers in order for the Shares to be issued as of the next applicable Dealing Day which shall be 5:00 pm (Atlantic Standard Time) on the proceeding Valuation Day applicable to the Class or such other time and date as the Directors may determine generally or in any particular case;
Treasury Bill (T-Bills)	a security with a maximum maturity of one year issued by the U.S. Treasury Department. Bills are sold at a discount from principal amount and redeemed at face value;
U.S.	United States or The United States of America, (including the States and the District of Columbia) its territories or possessions and other areas subject to its jurisdiction including the Commonwealth of Puerto Rico;
US Dollar or US\$	currency code of the United States of America;
US Person	(i) any resident of the United States; (ii) a corporation, partnership or other entity incorporated, created or organised in or under the laws of the United States or any political subdivision thereof; (iii) an estate of which any executor or administrator is a U.S. Person; (iv) a trust of which any trustee is a U.S. person, (v) an agency or branch of a non-U.S. entity located in the United States, (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States, and (vii) any partnership or corporation if it is organised or incorporated by a U.S. person under the laws of a jurisdiction outside the United States primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended (unless it is organised and incorporated, and owned, by accredited investors, as defined in regulation d promulgated under such Act, who are not natural persons, estates or trusts; provided however, that the term “U.S person” shall not include (i) a branch or agency of a U.S. bank or insurance company operating outside the United States for a valid business reasons; (ii) a discretionary or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States; (iii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, provided that an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion which with respect to the assets of the estate and the estate is governed by non-U.S. law; (iv) any trust of which any professional fiduciary acting as a trustee is a U.S. person, provided that a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust and no beneficiary of the trust (and not settlor if the trust is revocable) is a U.S. person; or (v) an employee benefit plan established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country;
Yield	the amount of income an investment delivers after deduction of charges expressed as a percentage of the amount invested, usually as an annual figure;
Valuation Day	Wednesday in each week (or if Wednesday is not a Business Day in Bermuda or a Business Day in the principal market area for the Fund’s assets, the next business Day following Wednesday) and/or such other days as may from time to time be determined by the Directors either in any particular case or generally in Bermuda, except at quarter end when

a weekly NAV will be suspended and the quarter end valuation will be completed for that week;

Zero-coupon bond (Zeroes)

a bond in which no periodic coupon is paid over the life of the contract. Instead, both the principal and the interest are paid at the maturity date.

The word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons include companies or association or bodies of persons, whether corporate or unincorporated.

References herein to an Act are to an Act of the Bermuda Legislature.