

## Butterfield Multi-Asset Fund: Balanced GBP

as at 31 January 2022

### Objective

The Fund aims to provide investors with solid risk-adjusted returns over the medium to long term. It follows Butterfield's dynamically-managed flagship 'Balanced' strategy, maintaining a balance between capital preservation and long-term capital growth, through a diverse range of investment opportunities from around the world.

### Performance summary

- The Fund "B" Class returned -3.86% in January, with the NAV ending the month at £1.6567.
- January was a volatile month for markets with both risk assets and safe haven assets generally declining.
- Global equities experienced their worst month since March 2020, government yields generally rose and credit spreads widened.
- Within developed equity markets, the S&P500 Index fell 5.17%. The potential for higher-for-longer inflation coupled with hawkish comments from Fed Chair Powell triggered a broad market sell-off.
- In fixed income markets, U.S. 10-year Treasury yield rose 27 bps to 1.78% with markets pricing in five rate hikes by year-end.
- Commodities were a bright spot, particularly energy, as oil & gas prices rose. Attention focused on the simmering situation in Ukraine as the possibility of a military conflict escalated.

### Performance chart



### January commentary

There were very few places for investors to hide in January. Global financial markets made a shaky start to the year with volatility being driven by rising inflation, higher interest rates and the ongoing tensions between Russia and Ukraine.

The decline in equity markets has been largely driven by tech stocks, with the NASDAQ down 9% over the month. With the Federal Reserve expressing concern regarding persistent inflationary pressures they indicated that interest rates will rise in March.

On the plus side, some industries have weathered the recent volatility a lot better. In particular, oil company share prices have risen sharply with crude oil futures reaching their highest level since 2014. The prospect of higher rates has been positive for banks, with the FTSE All-Share Banks Index rising 12.3% during the month. Because of this, the FTSE 100 index, which has just 1.2% exposure to IT stocks and much larger weights in the energy and financial sectors, was one of the few major global equity indices to post a positive return in January.

Within fixed income, UK government bonds, as measured by the FTSE Gilts All Stocks index, sank 3.85%, while long dated (over 15 years to maturity) gilts were hit by a 6.62% decline. Corporate bonds also lost ground during the month.

Whilst some of the fund's underlying holdings invest in high growth companies, they also maintain a valuation discipline and typically avoid the areas of greatest excess. Additionally, they respond to higher inflation by owning companies that enjoy strong competitive advantages, secular growth opportunities and pricing power. We remain confident the fund is well placed to deliver compelling compound returns over the long-term.

Total return to 31 January 2022	Since launch	5 years	3 years	1 year	YTD	3 months	1 month	3 years annualised	5 years annualised
Butterfield Multi-Asset Fund: Balanced GBP "B"	65.67%	22.04%	20.77%	4.60%	-3.86%	-2.78%	-3.86%	6.49%	4.06%

Discrete calendar year returns	2013	2014	2015	2016	2017	2018	2019	2020	2021
Butterfield Multi-Asset Fund: Balanced GBP "B"	8.53%	3.48%	3.14%	11.16%	6.21%	-6.85%	14.52%	3.42%	8.04%

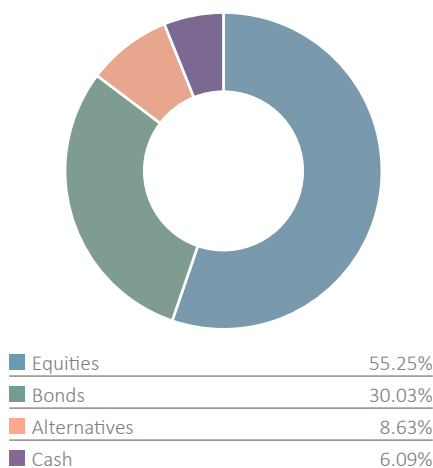
Past performance is not necessarily a guide to the future performance and may not be repeated. Performance prior to 15/07/19 was in respect of the Diversified Opportunities Fund.

[www.butterfieldgroup.com](http://www.butterfieldgroup.com)

## Key facts as at 31 January 2022

Investment manager and Custodian	Butterfield Bank (Guernsey) Limited
Administrator	Praxis Fund Services Limited
Domicile	Guernsey
Fund size	£23.15 million
Valuation	Weekly
Dealings	Friday
Available for sale	Channel Islands
Share class	Class A
Minimum investment	£10,000
Minimum additional	£1,000
NAV per share	£1.5865
Expense Ratio	1.50%
Bloomberg code	MCDIOPA GU
SEDOL	B4XSK75
ISIN	GG00B4XSK755
UK reporting status	Yes
Distributions	No
Share class	Class B
Minimum investment	£25,000
Minimum additional	£5,000
NAV per share	£1.6567
Expense Ratio	1.00%
Bloomberg code	MCDIOPB GU
SEDOL	B4Y9806
ISIN	GG00B4Y98063
UK reporting status	Yes
Distributions	No
Share class	Class C
Minimum investment	£100,000
Minimum additional	£10,000
NAV per share	£0.9665
Expense Ratio	0.50%
Bloomberg code	MCDIOPC GU
SEDOL	BNK8YL3
ISIN	GG00BNK8YL30
UK reporting status	Yes
Distributions	No

## Asset allocation



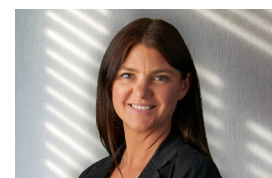
## Top 10 holdings

iShares UK Gilts 0-5 years	7.41%
Findlay Park America	5.28%
JP Morgan US Value	5.26%
Loomis Sayles US Growth	5.07%
iShares Physical Gold ETC	4.85%
Artemis US Select	4.60%
AXA Framlington UK	4.52%
Liontrust Special Situations	4.51%
iShares Core S&P 500	4.36%
iShares Core FTSE 100	4.35%
<b>Total Top 10</b>	<b>50.21%</b>
14 other holdings	43.70%
Cash	6.09%
<b>TOTAL</b>	<b>100.00%</b>

## Multi-Asset Fund team



**Tony Abreu**  
VP, Senior Investment Manager



**Emma Alford**  
AVP, Investment Manager



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VP, Investment Strategy

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