

Butterfield Multi-Asset Fund: Balanced GBP as at 28 February 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 -1.58% in February, with the NAV ending the month at £1.6305.
- Equity and bond markets experienced a difficult month as Russia's invasion of Ukraine in late February shocked the world.
- Investors were also concerned that central banks may dampen growth in their efforts to get inflation under control.
- Developed market equities declined 2.5% leaving them down 7.6% for the year-to-date with European stocks among the worst hit as the Eurostoxx 50 EUR index fell 5.89% over the month.
- Bond yields were volatile. The US 10-year Treasury yield was up from 1.78% to 1.82%, briefly rising above 2%, while the equivalent UK yield rose from 1.31% to 1.41% and Germany's from 0.01% to 0.16%.
- Commodities recorded a strong rise in February. Agriculture was the best performing component with strong gains in wheat. Russia and Ukraine account for around 30% of global wheat exports.

Performance chart



February commentary

Global markets have been shaken by the unfolding crisis in Ukraine. The MSCI World All Countries Index, which measures global equities, declined 2.55% in February, with European stocks among the worst hit as the Eurostoxx 50 EUR index fell 5.89%. However, this pales in comparison to Russian equities, which according to the RTS index were down 30.25% for the month in local currency terms as of 25th February. Since then the Russian stock exchange has been closed.

For the second month in a row, UK large-cap stocks have remained resilient with the FTSE 100 index offering a small positive return while most other markets are down. Elsewhere, commodities have seen a surge in value, with precious metals, oil and wheat all posting large gains for the month. Last week the prices of both WTI and Brent crude oil rose above \$100 per barrel for the first time since 2014 due to fears that the Russian conflict will heavily impact supply.

Markets are now focused on the range of sanctions imposed on Russia by the West. These sanctions have been designed to impose maximum economic pain on Russia, while limiting the impact on the West. This is of course a very difficult balancing act, especially given Europe's reliance on Russia for their energy supply.

The Fund started the year with a defensively positioned portfolio. During 2021 we reduced exposure to corporate credit in favour of sovereign debt. We also reduced our cyclical consumer exposure in favour of defensive healthcare via the Polar Capital Global Healthcare Fund. Gold has performed well this year and continues to provide a hedge in these uncertain times. It is the Fund's second largest position after UK Gilts.

Total return to 28 February 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"	63.05%	17.56%	15.21%	2.87%	-5.39%	-4.39%	-1.58%	4.83%	3.29%

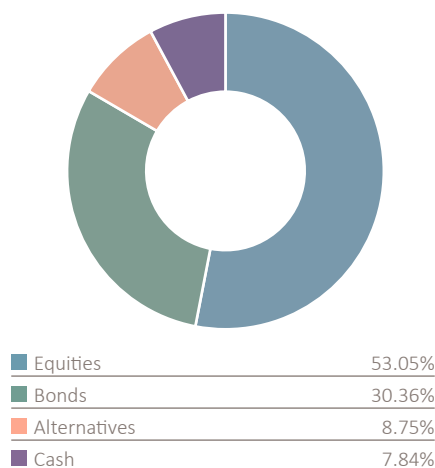
Discrete calendar year returns	2013	2014	2015	2016	2017	2018	2019	2020	2021
Butterfield Multi-Asset Fund: Balanced GBP "B"	8.53%	3.48%	3.14%	11.16%	6.21%	-6.85%	14.52%	3.42%	8.04%

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.

Key facts as at 28 February 2022

Investment manager and Custodian	Butterfield Bank (Guernsey) Limited
Administrator	Praxis Fund Services Limited
Domicile	Guernsey
Fund size	£24.43 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	£1.5608
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	£1.6305
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	£0.9516
Expense Ratio	0.50%
Bloomberg code	MCDIOPC GU
SEDOL	BNK8YL3
ISIN	GG00BNK8YL30
UK reporting status	Yes
Distributions	No

Asset allocation



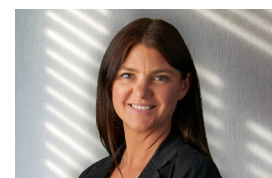
Top 10 holdings

iShares UK Gilts 0-5 years	9.21%
iShares Physical Gold ETC	5.16%
JP Morgan US Value	4.96%
Findlay Park America	4.83%
Loomis Sayles US Growth	4.68%
Artemis US Select	4.32%
iShares Core FTSE 100	4.12%
iShares Core S&P 500	4.10%
AXA Framlington UK	4.09%
Liontrust Special Situations	4.09%
Total Top 10	49.56%
14 other holdings	42.60%
Cash	7.84%
TOTAL	100.00%

Multi-Asset Fund team



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Manager



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AVP, Investment Manager



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