

Butterfield Multi-Asset Fund: Balanced GBP

as at 31 May 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.

Butterfield Multi-Asset Fund is a sub-fund of the Butterfield Bank PCC Limited which is authorised as an open-ended Class B Scheme by the Guernsey Financial Services Commission and listed on the The International Stock Exchange.

Performance chart



Performance summary

- The Fund "C" Class returned -1.14% in May, with the NAV ending the month at £0.9396.
- Global equities gained 0.1% in May amid market volatility driven by inflation concerns and uncertainty relating to central bank policies.
- As widely anticipated, the US Federal Reserve hiked rates by 50 bps during the May FOMC meeting and the Bank of England raised interest rates to 1%, the highest level in 13 years.
- In Fixed Income markets, UK government bonds, measured by the FTSE Gilts All Stocks index, fell 2.97%, with long dated (over 15 years to maturity) gilts shedding 6.54%.
- There were mixed returns in the commodities market. Crude oil futures gained 9.53% during the month, with Gold falling 3.14%.

May commentary

Sentiment continued to deteriorate but the expected market bounce came in the penultimate week of the month with most equity markets posting positive returns, albeit miniscule, in May. With bond yields continuing to rise along with inflation, it was another rocky month for Fixed Income markets. In the UK, the yield on 10 year gilts rose to its highest level since 2015, ending the month at 2.1%.

We met with the manager of the JO Hambro UK Growth Fund which has performed strongly over the long-term although the large overweight to small-cap stocks can, as advised by the fund manager, make that performance lumpy and prone to drawdowns. Nonetheless the fund manager has a proven track record and is disciplined at selling when valuations provide better opportunities elsewhere.

Over a shorter timeframe the Fund, like many other active growth funds, has underperformed their benchmark as, over the last few years, the industry had shifted towards a growthier investment style. This has seen many caught on the wrong side of a value rotation that started at the back-end of 2021 and was then exacerbated by the war in Ukraine earlier this year.

Unlike others, however, the fund managers' identification of mis-priced growth in their process has allowed them to invest in areas of the market that might be eschewed by the more typical growth-style funds. As such the Fund's YTD performance, whilst negative in absolute terms, has held up relatively well versus peers. We remain confident the Fund is well placed to deliver compelling compound returns over the long-term.

Total return to 31 May 2022	Since launch	5 years	3 years	1 year	YTD	3 months	1 month	3 years annualised	5 years annualised
Class A	53.72%	10.82%	9.24%	-3.91%	-6.89%	-1.51%	-1.23%	2.99%	2.08%
Class B	60.79%	13.48%	10.90%	-3.42%	-6.70%	-1.39%	-1.19%	3.51%	2.56%
Class C (launched 31 August 2021)	-6.04%	-	-	-	-6.50%	-1.26%	-1.14%	-	-

Discrete calendar year returns	2013	2014	2015	2016	2017	2018	2019	2020	2021
Class A	8.33%	3.13%	2.65%	10.73%	5.72%	-7.19%	13.95%	2.91%	7.49%
Class B	8.53%	3.48%	3.14%	11.16%	6.21%	-6.85%	14.52%	3.42%	8.04%
Class C (launched 31 August 2021)	-	-	-	-	-	-	-	-	-

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.

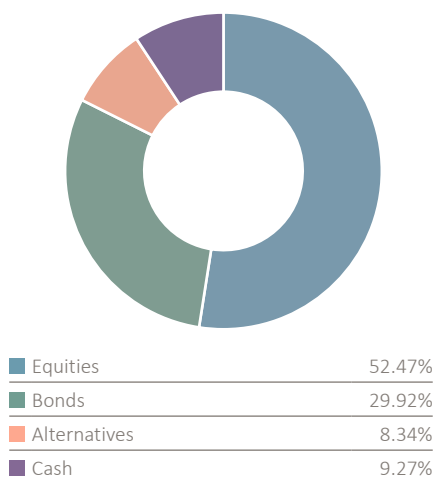
www.butterfieldgroup.com

Key facts as at 31 May 2022

Investment manager and Custodian	Butterfield Bank (Guernsey) Limited
Administrator	Praxis Fund Services Limited
Domicile	Guernsey
Fund size	£25.83 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	£1.5372
Expense ratio*	1.50%
Ongoing charges figures	2.05%
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	£1.6079
Expense ratio*	1.00%
Ongoing charges figures	1.55%
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	£0.9396
Expense ratio*	0.50%
Ongoing charges figures	1.05%
Bloomberg code	MCDIOPC GU
SEDOL	BNK8YL3
ISIN	GG00BNK8YL30
UK reporting status	Yes
Distributions	No

*Expense ratio is inclusive of the fees due to the Investment Manager, Custodian and Administrator as well as other operating expenses of the fund.

Asset allocation



Top 10 holdings

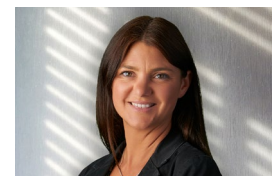
iShares UK Gilts 0-5 years	9.17%
JP Morgan US Value	5.06%
iShares Physical Gold ETC	4.99%
Findlay Park America	4.68%
iShares Core S&P 500	4.55%
Loomis Sayles US Growth	4.18%
Artemis Lux US Select	4.13%
iShares Core FTSE 100	4.12%
Liontrust Special Situations	3.93%
AXA Framlington UK	3.84%
Total Top 10	48.65%
15 other holdings	42.08%
Cash	9.27%
TOTAL	100.00%

Full details of the Fund are in the Scheme Particulars and the Supplemental Scheme Particulars available at www.butterfieldgroup.com/investments/asset-management/butterfield-funds/multi-asset-balanced-fund

Multi-Asset Fund team



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