

Butterfield Bank PCC Limited

Interim Report and Unaudited Condensed Financial Statements

For the period from 1 July 2023 to 31 December 2023

Butterfield Bank PCC Limited

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Butterfield Bank PCC Limited

Directory

Registered Office of the Company:	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
Directors of the Company:	Mr Alan Bain (<i>Non-executive Director</i>) Mr Michel Davy (<i>Non-executive Director</i>) Mrs Janine Lewis (<i>Non-executive Director</i>)
Investment Manager:	Butterfield Bank (Guernsey) Limited <i>whose registered office is:</i> Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3AP
Custodian:	Butterfield Bank (Guernsey) Limited <i>whose registered office is:</i> Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3AP
Independent Auditor:	BDO Limited <i>whose address is:</i> PO Box 180, Place du Pré, Rue du Pré, St Peter Port, Guernsey, GY1 3LL
Administrator, Secretary, Registrar, & Listing Sponsor:	Sanne Fund Services (Guernsey) Limited <i>whose registered office is:</i> 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
Legal Advisers:	Carey Olsen (Guernsey) LLP <i>whose address is:</i> PO Box 98, Les Banques, St Peter Port, Guernsey, GY1 4BZ
Company Number:	51623 (Registered in Guernsey)

Butterfield Bank PCC Limited

Investment Manager's Report

For the period from 1 July 2023 to 31 December 2023

During the period 1 July 2023 to 31 December 2023 (the "Period"), the Butterfield Multi-Asset Fund Balanced GBP Class A returned 4.96%, the Class B returned 5.22% and the Class C returned 5.48%.

The Butterfield Multi-Asset Fund Balanced GBP Class C increased in value by 0.81% during the third quarter of the calendar year, and by a further 4.63% in the fourth quarter.

For the twelve month period 1 January 2023 to 31 December 2023, the Class A units gained 7.58%, the Class B units by 8.12%, and the Class C units added 8.65% for investors over the same period.

Q3 2023 Highlights:

- During the third quarter, both equities and bonds experienced a downturn due to widespread anticipation of prolonged high interest rates, delaying any potential rate cuts until late 2024. Although inflation pressures subsided in many countries (from elevated levels), there was a growing recognition that the investment landscape has shifted.
- Bonds, once seen as a stabilising asset within portfolios, transformed into a source of volatility as we witnessed a bond sell-off over the summer. Global bond markets sold off by 3.6% in the third quarter with US Treasuries disappointing investors.
- Developed market equities, as measured by the MSCI World index fell by 3.4% in USD terms over the quarter. Much attention has been given to the Magnificent Seven, a group of technology stocks that have disproportionately influenced S&P 500 returns, accounting for roughly 80% of gains in 2023.
- Commodities bucked the trend with oil prices rising. The UK was one of the strongest markets in September, benefiting from its large exposure to the energy sector.

US equities declined by 3.3% during the third quarter, amid concerns of persistently high interest rates and a weaker growth outlook. The US Federal Reserve held rates at 5.50% and indicated that rates would need to remain 'higher for longer' as a result of sticky inflation. During the quarter, the ratings agency Fitch downgraded the US credit rating from AAA to AA- citing unsustainable debt levels and deficit trajectories and increased political dysfunction.

Europe ex UK equities declined 2.0% during the third quarter, in Sterling terms. Inflation, whilst declining, was stickier than expected due to higher energy prices. Despite weak economic growth, the unemployment rate in Europe hit a record low in August.

UK equities, as measured by the FTSE 100 index, increased by 2.10% during Q3, benefiting from the large exposure to energy companies as the oil price rose. Inflation finally started to ease falling from 8.7% in May to 6.7% in September. This enabled the Bank of England to slow the level of interest rate hikes from 50bps to 25bps during the quarter.

Emerging market equities declined during the quarter, led by a slowdown in China.

During the third quarter of 2023, we increased our allocation to Japanese equities. Japanese shares looked attractively valued when compared to their own history and to other regional equity markets. In addition, corporate earnings looked solid with a number of upward revisions to estimates. We felt the mix of short-term cyclical factors, plus long-term structural changes, pointed to an encouraging outlook for Japanese shares.

Butterfield Bank PCC Limited

Investment Manager's Report, continued

For the period from 1 July 2023 to 31 December 2023

Q4 2023 Highlights:

- The Fund began the final quarter down as markets in October were roiled by the escalating conflict in the Middle East, driving oil prices and bond yields higher.
- However, relief came in November as inflation data in all major developed markets fell sharply, suggesting the tightening cycle had peaked. The US 10-year Treasury yield fell from a high of 5.0% to 4.4% during the month and equities rebounded sharply.
- Falling energy prices were the main driver behind the decline in inflation numbers as the oil price fell steadily over the quarter.
- Global equities rallied in the last two months of the year, ending the fourth quarter up 11.5% in US Dollar terms, or 6.7% in Sterling terms, as investors became increasingly optimistic about the likelihood of a soft landing.
- Gold reached an all-time high during December, hitting \$2,135 per ounce, but closed the year at \$2,063.

US equities rose 11.7% in Q4, in USD terms, with the Magnificent Seven driving returns. Investors became more optimistic about the prospects for a soft landing which was further exacerbated by what was perceived as a dovish speech from the US Federal Reserve's Chair Jerome Powell in mid-December. There was a raft of positive data during the quarter: the labour market was strong with 336,000 new jobs reported in September; US headline inflation fell to 3.2% in November; and finally, third quarter GDP growth came in at 5.2%, exceeding forecasts.

European equities delivered 7.6% during the final quarter of the year, as Eurozone inflation dropped to 2.4% in November, its lowest level in two years.

UK equities rose by 2.3% during the final quarter of the year, with inflation starting the quarter at 6.7% and ending it at 3.9%. Lower energy and food prices contributed to the lower inflation number.

Emerging markets rallied in the fourth quarter along with developed market equities. Gains in China were modest, held back by the ailing property sector. New policy support measures from Beijing were welcomed.

During November we trimmed our equity exposure, concerned that the market had gotten ahead of itself with rate cuts anticipated in March. We also reduced our weighting to the Jupiter Dynamic Bond fund and rotated the proceeds into short-dated Government bonds to reduce the overall duration of the Fund. This reflects the attractiveness of bonds at current levels and a more cautious outlook for the first half of 2024.

For 2023 as a whole, our best performing holdings were our US equity funds, with Loomis Sayles US Growth Fund delivering over 51% for the year. Artemis US Select returned +22.5%, Findlay Park American Fund +19.8% and the iShares S&P 500 ETF +19.8%. Our holdings in Japanese and European equity funds also delivered strong double digit returns over the year. On the downside, First Sentier Asian Equity Fund declined by 8.3% and the Ruffer Total Return Fund fell 6.4%.

We closed 2023 with a modest underweight position to equities and a neutral position in bonds. We have maintained our tactical overweight allocation to alternative investments. From our analysis, the Fund has performed well among its peers over the second half of 2023 and the year as a whole.

Butterfield Bank (Guernsey) Limited
25 March 2024

Butterfield Bank PCC Limited

Condensed Statement of Comprehensive Income (unaudited)
For the period from 1 July 2023 to 31 December 2023

		1 July 2023 to 31 December 2023 (unaudited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total	1 July 2022 to 31 December 2022 (unaudited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total
	Notes	£	£
Net gains on investments at fair value through profit or loss	3	1,235,540	275,267
Net foreign exchange gains		13,984	10,800
		<u>1,249,524</u>	<u>286,067</u>
Income			
Dividend income		255,555	240,780
Interest income		22,523	2,592
Total net income		<u>1,527,602</u>	<u>529,439</u>
Expenses			
Investment management fees	5	17,824	28,548
Administration fees	5	40,302	36,698
Directors' fees	5	15,000	16,699
Custodian fees	5	10,017	12,147
Audit fees		10,078	13,726
Statutory and regulatory fees		2,281	2,660
Listing fees		3,553	1,368
Broker's fees		225	957
Legal and professional fees		7,011	-
Other expenses		576	302
Total operating expenses		<u>106,867</u>	<u>113,105</u>
Profit before allocation of income attributable to holders of Participating Redeemable Preference Shares		<u>1,420,735</u>	<u>416,334</u>
Profit and total comprehensive income attributable to Participating Redeemable Preference Shares		1,420,735	416,334
Profit and total comprehensive income for the period attributable to holders of Equity Management Shares		-	-
		<u>1,420,735</u>	<u>416,334</u>
Profit attributable per Class A Participating Redeemable Preference Share	10	<u>£0.053</u>	<u>£0.011</u>
Profit attributable per Class B Participating Redeemable Preference Share	10	<u>£0.057</u>	<u>£0.015</u>
Profit attributable per Class C Participating Redeemable Preference Share	10	<u>£0.060</u>	<u>£0.018</u>

All profit above is attributable to the Participating Redeemable Preference Shares of the Cell.

All items in the above statement are derived from continuing operations.

The notes on pages 8 to 20 form an integral part of these unaudited Financial Statements.

Butterfield Bank PCC Limited

Condensed Statement of Changes in Net Assets Attributable to Participating Redeemable Preference Shares (unaudited)
For the period from 1 July 2023 to 31 December 2023

		1 July 2023 to 31 December 2023 (unaudited)	1 July 2022 to 31 December 2022 (unaudited)
	Notes	£	£
As at 1 July		26,401,444	25,534,408
Profit attributable to Participating Redeemable Preference Shares for the period		1,420,735	416,334
Total comprehensive income for the period		1,420,735	416,334
Transactions with holders of Participating Redeemable Preference Shares:			
Amounts receivable on issue of shares	4	719,756	4,873,035
Amounts payable on redemption of shares	4	(789,685)	(1,982,435)
Total transactions with holders of Participating Redeemable Preference Shares		(69,929)	2,890,600
As at 31 December		27,752,250	28,841,342

Statement of Changes in Equity (unaudited)
For the period from 1 July 2023 to 31 December 2023

		1 July 2023 to 31 December 2023 (unaudited)	1 July 2022 to 31 December 2022 (unaudited)
	Notes	£	£
As at 1 July		1	1
Profit for the period attributable to holders of Equity Management Shares		-	-
As at 31 December		1	1

Notes on pages 8 to 20 form an integral part of these unaudited Financial Statements.

Butterfield Bank PCC Limited

Condensed Statement of Financial Position

As at 31 December 2023

		31 December 2023 (unaudited)			30 June 2023 (audited)		
	Note	Company Total	Non Cellular	Butterfield Multi-Asset Fund – GBP Balanced	Company Total	Non Cellular	Butterfield Multi-Asset Fund – GBP Balanced
		£	£	£	£	£	£
Assets							
Investments at fair value through profit or loss	3	26,025,956		26,025,956	25,476,387	-	25,476,387
Cash and cash equivalents		1,816,106	-	1,816,106	950,748	-	950,748
Other receivables and prepayments		18,100	1	18,099	14,113	1	14,112
Total assets		27,860,162	1	27,860,161	26,441,248	1	26,441,247
Liabilities							
Other payables		107,911	-	107,911	39,803	-	39,803
Liabilities (excluding net assets attributable to holders of Participating Redeemable Preference Shares)		107,911	-	107,911	39,803	-	39,803
Net assets attributable to holders of Participating Redeemable Preference Shares	7	27,752,250	-	27,752,250	26,401,444	-	26,401,444
Total liabilities		27,860,161	-	27,860,161	26,441,247	-	26,441,247
Equity							
Management Shares	4	1	1	-	1	1	-
Total equity		1	1	-	1	1	-
Total liabilities and equity		27,860,162	1	27,860,161	26,441,248	1	26,441,247
Net assets per Class A Participating Redeemable Preference Share	10			£1.6093			£1.5333
Net assets per Class B Participating Redeemable Preference Share	10			£1.6966			£1.6124
Net assets per Class C Participating Redeemable Preference Share	10			£0.9993			£0.9474

These unaudited Financial Statements were approved by the Board of Directors on 25 March 2024.

Janine Lewis
Director

The notes on pages 8 to 20 form an integral part of these unaudited Financial Statements.

Butterfield Bank PCC Limited

Condensed Statement of Cash Flows (unaudited)
For the period 1 July 2023 to 31 December 2023

		1 July 2023 to 31 December 2023 (unaudited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total	1 July 2022 to 31 December 2022 (unaudited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total
Notes		£	£
	Cash flows from/(used in) operating activities		
	Profit for the financial period	1,420,735	416,334
	Adjustments for:		
	Net gains on financial assets at fair value through profit or loss	3 (1,235,540)	(275,267)
	Net foreign exchange gains	(13,984)	(10,800)
		171,211	130,267
	Changes in working capital		
	(Increase)/decrease in prepayments and other receivables	(3,987)	2,282
	Increase in other payables	68,108	834
		235,332	133,383
	Proceeds from sale of financial assets at fair value through profit or loss	3 1,535,091	992,147
	Purchase of financial assets at fair value through profit or loss	3 (849,120)	(4,742,642)
	Net cash flow from/(used in) operating activities	921,303	(3,750,495)
	Cash flows (used in)/from financing activities		
	Proceeds from Preference Redeemable Shares issued	4 719,756	4,873,035
	Redemption of Preference Redeemable Shares paid	4 (789,685)	(1,982,435)
	Net cash flows (used in)/from financing activities	(69,929)	2,890,600
	Net increase/(decrease) in cash and cash equivalents	851,374	(726,512)
	Cash and cash equivalents at beginning of period	950,748	1,922,087
	Effect of exchange rate changes during the period	13,984	10,800
	Cash and cash equivalents at end of period	1,816,106	1,206,375

The notes on pages 8 to 20 form an integral part of these unaudited Financial Statements.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

1. The Company

Butterfield Bank PCC Limited (the “Company” or “PCC”) was incorporated in Guernsey on 17 March 2010 and has been authorised as a Class “B” collective investment scheme in accordance with the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 2020. Since commencement and as at 31 December 2023 the Company has had only one active cell: Butterfield Multi-Asset Fund – GBP Balanced (the “Cell” or “Fund”), which commenced trading on 4 May 2010. Its Class A Participating Redeemable Preference Shares, Class B Participating Redeemable Preference Shares and Class C Participating Redeemable Preference Shares (the “PRP Shares”) are admitted to the Official List of The International Stock Exchange (“TISE”).

These unaudited condensed interim financial statements (the “Financial Statements”) are for the period ended 31 December 2023.

The principal objective of the Company is to seek to achieve long term capital appreciation. The Company will pursue this objective by investing in a highly diversified portfolio of collective investment schemes, exchange traded funds, other equities, bonds, money market instruments, cash, derivative instruments and structured products from around the world.

2. Principal Accounting Policies

Basis of preparation and statement of compliance

These Unaudited Condensed Financial Statements (“Financial Statements”) have been prepared in accordance with International Accounting Standard (IAS) 34 ‘Interim Financial Reporting’ and with applicable legal and regulatory requirements. They do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Company’s last Annual Audited Financial Statements for the year ended 30 June 2023.

The Directors believe that the Financial Statements contain all of the information required to enable shareholders and potential investors to make an informed appraisal of the investment activities and profits and losses of the Company for the period and do not omit any matter or development of significance.

The accounting policies applied in these Financial Statements are consistent with those applied in the last Annual Audited Financial Statements for the year ended 30 June 2023, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board.

Going concern

The Directors have reviewed the Company’s holdings in cash and cash equivalents, investments and a consideration of the income deriving from, and the viability of, those investments and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crises in Ukraine and the Middle East, and continuing macro-economic factors and inflation), in the forthcoming year. The Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements, as the Company has adequate financial resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these Financial Statements.

The Board of Directors are aware that the economic disruption caused by the factors identified above has resulted in adverse economic impacts globally and on the locations in which the Company invests and operates.

The Directors rely on the Investment Manager to manage liquid investment portfolios that ensure the Company remains a going concern. The Company’s portfolio comprises predominantly liquid assets and therefore provide a basis for effective cash management. The Directors have concluded that the Company has adequate financial resources and after making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

2. Principal Accounting Policies, continued

Basis of accounting, continued

Basis of Aggregation

The Company's aggregated Financial Statements, which are shown in the total column, represent the sum of the Cell and the non-cellular assets and liabilities within the PCC.

Significant judgements and estimates

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 30 June 2023.

New accounting standards effective and adopted

The accounting policies adopted are consistent with those used in the Annual Financial Report for the year ended 30 June 2023. There were no new standards, interpretations or amendments to standards issued and effective for the period that materially impacted the Company.

New Accounting Standards and interpretations applicable to future reporting periods

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

In addition, the International Sustainability Standards Board (ISSB) published the following Sustainability Disclosure Standards in June 2023, effective for accounting periods commencing on or after 1 January 2024:

- IFRS S1, 'General Requirements for Disclosure of Sustainability-related Financial Information'
- IFRS S2, 'Climate-related Disclosures'

Segmental reporting

The Board has considered the requirements of IFRS 8 – "Operating Segments". The Company has entered into an investment management agreement with the Investment Manager. Subject to its terms and conditions, the investment management agreement requires the Investment Manager to manage the Company's investment portfolio in accordance with the Company's investment guidelines in effect from time to time. However, the Board retains full responsibility to ensure that the Investment Manager adheres to its mandate. Moreover, the Board is fully responsible for the appointment and/or removal of the Investment Manager. Accordingly, the Board is deemed to be the "Chief Operating Decision Maker" of the Company.

In the Board's opinion, the Company is engaged in a single segment of business, being investment in a highly diversified portfolio of collective investment schemes, exchange traded funds, other equities, bonds, money market instruments, cash, derivative instruments and structured products, that business being conducted from Guernsey.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

3. Investments at Fair Value Through Profit or Loss

The investment portfolio can be analysed as follows.

	31 December 2023 (unaudited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total £	30 June 2023 (audited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total £
Alternative Funds	-	670,005
Bond and Bond Funds	9,723,115	9,053,019
Commodity Funds	945,900	880,800
Equity or Equity Funds	15,356,941	14,872,563
Financial assets at fair value through profit or loss	26,025,956	25,476,387

	31 December 2023 (unaudited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total £	30 June 2023 (audited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total £
Asia securities	536,517	690,312
Europe securities	2,394,980	1,389,407
Global investment strategy securities*	7,414,772	7,974,544
Japan securities	804,229	293,768
United Kingdom securities	8,633,690	8,774,210
United States securities	6,241,768	6,354,146
Financial assets at fair value through profit or loss	26,025,956	25,476,387

*The investment strategies for these portfolios are not limited to a specific region but are spread globally.

	31 December 2023 (unaudited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total £	30 June 2023 (audited) Butterfield Multi- Asset Fund – GBP Balanced & Company Total £
Listed Funds	8,194,543	7,532,448
Unlisted Funds	17,831,413	17,943,939
Financial assets at fair value through profit or loss	26,025,956	25,476,387

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

3. Investments at Fair Value Through Profit or Loss, continued

	1 July 2023 to 31 December 2023 (unaudited) Butterfield Multi-Asset Fund – GBP Balanced & Company Total £	1 July 2022 to 30 June 2023 (audited) Butterfield Multi-Asset Fund – GBP Balanced & Company Total £	1 July 2022 to 31 December 2022 (unaudited) Butterfield Multi-Asset Fund – GBP Balanced & Company Total £
Book cost brought forward	24,873,553	23,815,810	23,815,810
Additions	849,120	6,487,158	4,742,642
Disposals	(1,535,091)	(5,529,430)	(992,147)
Realised (losses)/gains on financial assets	(33,347)	100,015	28,831
Book cost carried forward	24,154,235	24,873,553	27,595,136
Net unrealised gains/(losses) on financial assets brought forward	602,834	(195,279)	(195,279)
Movement in net unrealised gains/(losses) on financial assets during the period	1,268,887	798,113	246,436
Net unrealised gains on financial assets carried forward	1,871,721	602,834	51,157
Fair value carried forward	26,025,956	25,476,387	27,646,293

See the unaudited Portfolio Statement on page 21 for further information on the types of financial assets held and currency exposure.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

3. Investments at Fair Value Through Profit or Loss, continued

	1 July 2023 to 31 December 2023 (unaudited) Butterfield Multi-Asset Fund – GBP Balanced & Company Total £	1 July 2022 to 30 June 2023 (audited) Butterfield Multi-Asset Fund – GBP Balanced & Company Total £	1 July 2022 to 31 December 2022 (unaudited) Butterfield Multi-Asset Fund – GBP Balanced & Company Total £
Net gains on financial assets at fair value through profit or loss:			
Realised (losses)/gains	(33,347)	100,015	28,831
Unrealised gains	1,268,887	798,113	246,436
Net gains on financial assets at fair value through profit or loss	1,235,540	898,128	275,267
Dividend income	255,555	515,479	240,780
Total gains on financial assets at fair value through profit or loss	1,491,055	1,413,607	516,047

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

4. Share Capital

a) Non-cellular

Authorised

Issued and fully paid	31 December 2023 £	30 June 2023 £
1 Management Share of £1	1	1

Management Shares

The Management Shares may only be issued at par. The rights attaching to the Management Shares are as follows:-

(i) Voting Rights:

The Management Shares carry no voting rights whilst any PRP Shares of any Cell are in issue.

(ii) Dividends and distribution of assets on a winding up:

The Management Shares do not carry any right to dividends. In the event of a liquidation, they rank pari passu inter se but only for return of the nominal amount paid up on them using only assets of the Company not comprised within any of the Cells.

(iii) Redemption:

The Management Shares are not redeemable and do not carry a right to participate in the profits or assets of the Fund.

b) Cellular - Butterfield Multi-Asset Fund – GBP Balanced

Authorised

The Cell has unlimited authorised Participating Redeemable Preference Shares.

Issued and fully paid	For the period from 1 July 2023 to 31 December 2023 (unaudited)			
	Butterfield Multi-Asset Fund – GBP Balanced			
Number of PRP Shares	Class A No.	Class B No.	Class C No.	Total No.
At 1 July 2023	2,646,848	3,288,255	17,988,057	23,923,160
Issued during the period	62,315	-	658,941	721,256
Redeemed during the period	(96,979)	(155,023)	(402,112)	(654,114)
At 31 December 2023	2,612,184	3,133,232	18,244,886	23,990,302
Share Premium	£	£	£	£
At 1 July 2023	3,046,061	356,676	17,260,570	20,663,307
Issued during the period	96,429	-	623,327	719,756
Redeemed during the period	(152,923)	(250,029)	(386,733)	(789,685)
At 31 December 2023	2,989,567	106,647	17,497,164	20,593,378

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

4. Share Capital, continued

b) Cellular - Butterfield Multi-Asset Fund – GBP Balanced, continued

Issued and fully paid	1 July 2022 to 30 June 2023 (audited)			
	Butterfield Multi-Asset Fund – GBP Balanced			
Number of Participating Redeemable Preference Shares	Class A No.	Class B No.	Class C No.	Total No.
At 1 July 2022			14,379,54	22,610,05
	2,777,104	5,453,407	4	5
Issued shares	130,596	15,219	6,786,119	6,931,934
Redeemed shares	(260,852)	(2,180,371)	(3,177,606)	(5,618,829)
At 30 June 2023	2,646,848	3,288,255	17,988,057	23,923,160
Share Premium	£	£	£	£
At 1 July 2022			13,997,69	21,041,56
	3,245,201	3,798,678	0	9
Issued shares	198,733	25,000	6,254,875	6,478,608
Redeemed shares	(397,873)	(3,467,002)	(2,991,995)	(6,856,870)
At 30 June 2023	3,046,061	356,676	17,260,570	20,663,307

The rights attaching to the PRP Shares are as follows:

(i) Voting Rights:

On a show of hands, every holder who (being an individual) is present in person shall have one vote and, on a poll, every holder present in person or by a proxy or by a duly authorised representative shall have one vote for every PRP Share held.

(ii) Dividends:

The shareholders of a Cell may from time to time by simple majority resolution declare dividends payable to Shareholders of the relevant Cell up to an amount recommended by the Directors. The Directors may from time to time if they think fit pay interim dividends on PRP Shares of a particular Cell if justified by the profits of that Cell.

(iii) Winding Up:

The PRP Shares carry a right to a return of the surplus assets remaining on the winding up of a Cell and such assets of that Cell are distributed to the holders of the PRP Shares pro rata.

(iv) Redemption:

The PRP Shares may be redeemed by shareholders at the net asset value of the relevant Class at the valuation point on each dealing day. Redemption values at the period end are shown in Note 9. The PRP Shares have no par value.

5. Material Agreements & Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Related Party Transactions

The Investment Manager and Custodian are related parties of the Company.

The Company is responsible for the continuing fees of the Investment Manager, Administrator and the Custodian in accordance with the Investment Management, Administration and Custodian Agreements all dated 23 March 2010 and any amendments thereof.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

5. Material Agreements & Related Party Transactions, continued

Material Agreements

Investment Management Fees

Pursuant to the provisions of the Investment Management Agreement (as amended June 2016) the Investment Manager receives investment management fees in return for managing each class of Participating Redeemable Preference Shares in issue in the Company as follows:

The Investment Manager is entitled to receive a monthly investment management fee in respect of each of the Participating Shares in issue as follows:

- For the Class A Shares a fee equal to 1.5% of the Net Asset Value of that Class
- For the Class B Shares a fee equal to 1.0% of the Net Asset Value of that Class
- For the Class C Shares a fee equal to 0.5% of the Net Asset Value of that Class

The Investment Management fees are calculated daily and are payable monthly in arrears.

The Investment Manager agreed to bear the ongoing expenses of the Company and the Cells including the Administration fee, the Custodian fee and the fees payable in connection with the ongoing listing of the Participating Shares to the Official List of The International Stock Exchange.

During the period, expenses of £89,043 (31 December 2022: £84,557) were borne by the Investment Manager in connection with the above agreement

During the period, the Investment Manager was due a fee of £17,824 (31 December 2022: £28,548) of which £2,096 was payable at the period end (30 June 2023: £8,386). No performance fee is payable to the Investment Manager (30 June 2023: £nil).

Administration Fees

Under the terms of the Administration Agreement, the Administrator is entitled to receive a fixed fee from the Cell of £80,000 per annum based on the Cell having three share classes. Such fees are calculated daily and payable monthly in arrears.

The Administrator also receives a shareholder transaction fee of up to £100 per individual/joint applicant or £200 per corporate/entity applicant and a fixed fee of £1,000 per annum for each additional share class of the Fund. These fees are payable monthly in arrears.

The Administrator is engaged to provide an agent to assist with compliance with FATCA for the Company. For this service the Administrator received a fee based on time spent of £375 (31 December 2022: £375).

For the collation of client due diligence for any new investor a fee of up to £100 per investor will be charged. Any other duties of the Administrator shall be subject to additional fees which shall be agreed in advance between the Company, Investment Manager and Administrator.

During the period, the Administrator was due a fee of £40,302 (31 December 2022: £36,698) of which £6,356 (30 June 2023: £13,808) was outstanding at the period end.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

5. Material Agreements & Related Party Transactions, continued

Material Agreements, continued

Custodian Fees

Pursuant to the provisions of the Custodian Agreement, the Custodian is entitled to be paid annual fees by the Fund of 0.075% of the Net Asset Value of the Fund, calculated weekly and payable monthly in arrears, subject to an annual minimum of £24,000, with effect from 1 October 2018 Butterfield Bank (Guernsey) Limited ("the Bank") agreed to reduce the annual minimum fee to £14,000 and to waive its charge of £75 per investment transaction.

During the period, the Custodian was due a fee of £10,017 (31 December 2022: £12,147) of which £1,633 (30 June 2023: £3,572) was outstanding at the period end.

Directors' Fees & Interests

All Directors are entitled to a Director's fee of £15,000 per annum.

Alan Bain is a Director of the Company and Managing Director of Butterfield Bank (Guernsey) Limited, the Investment Manager, and has agreed to waive his entitlement to a Director's fee.

Janine Lewis is a Director of the Company and of Sanne Fund Services (Guernsey) Limited, the administrator.

As at 31 December 2023, no Directors' fees were outstanding (30 June 2023: £nil).

The Directors who held office during the year and up to the date of this report and their interests in the shares of the Company were as follows:

As at 31 December 2023, Michel Davy holds 25,866.528 Class C Participating Redeemable Preference Shares in the Company.

Alan Bain and Janine Lewis have no direct interest in the share capital of the Company.

6. Financial Instruments

In pursuing the Company's investment objectives a number of financial instruments are held which may include investments, cash balances, debtors and creditors that arise directly from operations.

The following table details the carrying amounts of financial instruments by category:

	31 December 2023 (unaudited) £	30 June 2023 (audited) £
Financial assets		
Investments at fair value through profit or loss	26,025,956	25,476,387
Financial assets at amortised cost:		
Receivables (excluding prepayments)	11,950	12,360
Cash and cash equivalents	1,816,106	950,748
Total financial assets	27,854,012	26,439,495
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	107,911	39,803
PRP Shares	27,752,250	26,401,444
Total financial liabilities	27,860,161	26,441,247

The Directors consider the carrying amount of cash and cash equivalents and receivables approximates to their fair value

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

6. Financial Instruments, continued

Political and economic events in the major economies of the world will influence stock and securities markets worldwide.

The table below analyses the net financial assets and liabilities attributable to holders of PRP Shares into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

31 December 2023 (unaudited)		
Butterfield Multi Asset Fund – GBP		
	Balanced	
	Less than 7 days	Total
	£	£
Assets		
Financial assets at fair value through profit or loss	26,025,956	26,025,956
Other receivables (excluding prepayments)	11,950	11,950
Cash and cash equivalents	1,816,106	1,816,106
Total financial assets	27,854,012	27,854,012
Liabilities		
Other payables	107,911	107,911
Net assets attributable to holders of PRP Shares	27,752,250	27,752,250
Total financial liabilities	27,860,161	27,860,161

30 June 2023 (audited)		
Butterfield Multi Asset Fund – GBP		
	Balanced	
	Less than 7 days	Total
	£	£
Assets		
Financial assets at fair value through profit or loss	25,476,387	25,476,387
Other receivables	950,748	950,748
Cash and cash equivalents	12,360	12,360
Total financial assets	26,439,495	26,439,495
Liabilities		
Other payables	39,803	39,803
Net assets attributable to holders of PRP Shares	26,401,444	26,401,444
Total financial liabilities	26,441,247	26,441,247

Classification of Fair Value Measurements

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

6. Financial Instruments, continued

Classification of Fair Value Measurements, continued

The determination of what constitutes “observable” requires significant judgement by the Directors.

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 December 2023:

Fair Value as at 31 December 2023 (unaudited)			
	Level 1	Level 2	Total
	£	£	£
<i>Designated at fair value through profit or loss:</i>			
Alternative Funds	-	-	-
Bond and Bond Funds	6,461,149	3,261,966	9,723,115
Commodity Funds	945,900	-	945,900
Equity or Equity Funds	3,854,753	11,502,188	15,356,941
	11,261,802	14,764,154	26,025,956

Fair Value as at 30 June 2023 (audited)			
	Level 1	Level 2	Total
	£	£	£
<i>Designated at fair value through profit or loss:</i>			
Alternative Funds	-	670,005	670,005
Bond and Bond Funds	4,545,850	4,507,169	9,053,019
Commodity Funds	880,800	-	880,800
Equity or Equity Funds	3,600,798	11,271,765	14,872,563
	9,027,448	16,448,939	25,476,387

The valuation and classification of the investments are reviewed on a regular basis. The Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All the Company's investments are categorised as level 1 or level 2 financial assets. There were no transfers within the fair value hierarchy during the period.

The PRP Shares are classified as a liability and therefore fall within the scope of IFRS 7. The PRP Shares are held at fair value and quoted on an active market, therefore classified within level 1.

Financial instruments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include actively traded listed equity funds and commodity funds. The Company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

7. Net assets attributable to Participating Redeemable Preference Shareholders

	Share premium £	Reserves £	Total £
At 1 July 2023	20,663,307	5,738,137	26,401,444
PRP Shares issued during the period	719,756	-	719,756
PRP Shares redeemed for the period	(789,685)	-	(789,685)
Profit for the financial period	-	1,420,735	1,420,735
At 31 December 2023	20,593,378	7,158,872	27,752,250

	Share premium £	Reserves £	Total £
At 1 July 2022	21,041,569	4,492,839	25,534,408
PRP shares issued during the year	6,478,608	-	6,478,608
PRP shares redeemed for the year	(6,856,870)	-	(6,856,870)
Profit for the financial year	-	1,245,298	1,245,298
At 30 June 2023	20,663,307	5,738,137	26,401,444

Share Premium refers to the equity which has arisen due to share dealing transactions. Reserves relates to the net income the Fund has earned to date, less any dividend or distributions paid to investors. Guernsey law does not require a share premium account and as such it can be treated like any other reserve. The Company continues to reflect a share premium account as it has historically done so. All share transactions, at the holder's pro rata share of both the share premium account and other reserves, are recognised through this account until it is depleted.

8. Taxation

The Guernsey Revenue Service has granted the Company exemption from Guernsey income tax and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above-mentioned Ordinance entails payment by the Company of an annual fee of £1,200. It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin.

The Company has suffered no irrecoverable withholding tax in the period (31 December 2022: £nil) under review.

9. Net Assets Value per Participating Redeemable Preference Share

The net asset value ("NAV") per PRP Share Class is calculated based on the net assets attributable to holders of each PRP Share Class at the unaudited Statement of Financial Position date divided by the period end numbers of shares in issue in that PRP Share Class at the unaudited Statement of Financial Position date. The Dealing NAV per share is the value at which the PRP Shares could be redeemed for as at the reporting date.

	31 December 2023 (unaudited) Butterfield Multi-Asset Fund – GBP Balanced		
	£ Class A	£ Class B	£ Class C
NAV	4,203,918	5,315,873	18,232,459
No. of PRP Shares in issue	2,612,184	3,133,232	18,244,886
NAV per Share	1.6093	1.6966	0.9993

Butterfield Bank PCC Limited

Notes to the Unaudited Condensed Interim Financial Statements, continued
For the period from 1 July 2023 to 31 December 2023

9. Net Assets Value per Participating Redeemable Preference Share

	30 June 2023 (audited)		
	Butterfield Multi-Asset Fund – GBP Balanced		
	£	£	£
	Class A	Class B	Class C
NAV	4,058,385	5,301,989	17,041,070
No. of PRP Shares in issue	2,646,848	3,288,255	17,988,057
NAV per Share	1.5333	1.6124	0.9474

10. Income attributable per Class A, Class B and Class C PRP Share

Earnings per Class A PRP Share are based on the return for the period of £140,664 (31 December 2022: £30,135) and on a weighted average number of Class A PRP Shares in issue during the period of 2,661,813 (31 December 2022: 2,719,377).

Earnings per Class B PRP Share is based on the return for the period of £179,450 (31 December 2022: £73,090) and on a weighted average number of Class B PRP Shares in issue during the period of 3,173,618 (31 December 2022: 4,975,381).

Earnings per Class C PRP Share is based on the return for the period of £1,100,621 (31 December 2022: £313,109) and on a weighted average number of Class C PRP Shares in issue during the period of 18,279,007 (31 December 2022: 17,026,657).

11. Commitments

At the end of the reporting period no commitments existed.

12. Ultimate Controlling Party

The issued PRP shares of the Cell are owned by a number of parties and therefore, in the opinion of the Directors, there is no ultimate controlling party of the Cell or Company, as defined by IAS 24 - Related Party Disclosures.

13. Events after the end of the reporting period

Following the conclusion of a tender process, on 25 March 2024 the Board resolved to reappoint BDO Limited as the Company's Independent Auditor.

There were no other significant post period end events that require disclosure in these unaudited Financial Statements.

Butterfield Bank PCC Limited

Portfolio Statement (unaudited)

As at 31 December 2023

Description	Nominal	Fair Value £	% of Net Asset Value %
Alternative Funds (30 June 2023: 2.54%)	-	-	-
Commodity Funds (30 June 2023: 3.34%)			
iShares Physical Gold ETC*	30,000	945,900	3.41%
Bond and Bond Funds (30 June 2023: 34.30%)			
Invesco - Sterling BD-Z**	103,600	1,036,259	3.73%
iShares GBP Corp Bond 0-5yr UCITS ETF*	10,000	1,008,500	3.63%
iShares UK GILTS 0-5yr*	18,500	2,385,390	8.60%
Jupiter Dynamic Bond Fund**	53,000	500,320	1.80%
LYXOR Core FTSE UK GILT 0-5Y**	120,000	2,031,000	7.32%
M&G Offshore Corporate Bond Fund**	980,000	999,216	3.60%
Nomura Global Dynamic Bond Fund**	9,000	882,730	3.18%
PIMCO GIS Global Real Return Fund**	95,000	879,700	3.17%
Total Bond and Bond Funds		9,723,115	35.03%
Equity Funds (30 June 2023: 56.32%)			
Artemis Lux-Us Select**	680,000	1,149,880	4.14%
BGF Continental European Flexible**	17,500	620,725	2.24%
Fidelity Funds Emerging Markets Fund**	255,000	298,860	1.08%
Findlay Park American Fund**	8,000	1,252,560	4.51%
First St-Asian Equity Plus Fund**	29,000	536,517	1.93%
iShares Core FTSE 100 UCITS ETF*	280,000	2,108,400	7.60%
iShares S&P 500 UCITS ETF*	36,000	1,346,040	4.85%
JP Morgan F - JPM US Value**	6,500	1,250,210	4.50%
Liontrust GF Special Situations**	60,000	1,100,400	3.97%
Loomis Sayl US Growth Equity Fund**	9,200	1,243,078	4.48%
Nomura Funds Ireland - Japan Strategic Value Fund**	3,200	403,916	1.46%
JOHCM Continental European Fund**	315,000	714,735	2.58%
JOHCM UK Growth Fund**	280,000	1,059,520	3.82%
Polar Capital - Healthcare Opportunities Fund**	12,000	671,400	2.42%
Ruffer Total Return International Fund**	546,000	941,140	3.39%
Schroder Emerging Markets Fund**	25,000	259,247	0.93%
Vanguard FTSE Japan UCITS ETF*	15,000	400,313	1.44%
Total Equity Funds		15,356,941	55.34%
Total financial assets held at fair value through profit or loss		26,025,956	93.78%
Other assets/(liabilities):			
Cash and cash equivalents		1,816,106	6.54%
Other receivables and prepayments		18,099	0.07%
Other payables		(107,911)	(0.39%)
Net Assets attributable to holders of PRP Shares		27,752,251	100%

*Listed

**Unlisted

Butterfield Bank PCC Limited

Summary of Material Portfolio Changes (unaudited) – Butterfield Multi-Asset Fund – GBP Balanced
For the period ended 31 December 2023

Description	Opening position at 1 July 2023 Fair Value	Purchases Cost	Sales Proceeds	Net gains/(losses) FVTPL	Closing position at 31 December 2023 Fair Value
	£	£	£	£	£
Artemis Lux US Select Fund	1,325,690	-	(289,878)	114,068	1,149,880
BGF Continental European Flexible Fund	719,402	-	(111,215)	12,538	620,725
Fidelity Funds Emerging Markets Fund	362,349	-	(63,345)	(144)	298,860
Findlay Park American Fund	1,307,857	-	(186,338)	131,041	1,252,560
FSSA Asian Equity Plus Fund	690,312	-	(114,057)	(39,738)	536,517
Invesco AM IRL Sterling Bond Z Inc	953,493	-	-	82,766	1,036,259
iShares Core FTSE 100 UCITS ERF	2,055,760	-	-	(1,047,260)	1,008,500
iShares Physical Gold ETC	880,800	-	-	65,100	945,900
iShares S&P 500 UCITS ETF	1,251,270	-	-	857,130	2,108,400
iShares UK Gilts 0-5yr UCITS ETF	2,098,650	189,670	-	(942,280)	1,346,040
iShares GBP Corporate Bond 0-5yr UCITS ETF	952,200	-	-	1,433,190	2,385,390
JOHCM Continental European Fund	1,144,200	-	-	106,010	1,250,210
JOHCM UK Growth Fund	670,005	-	(71,820)	(97,865)	500,320
JP Morgan F-JPM US Value-CGBP	1,193,075	-	-	(92,675)	1,100,400
Jupiter Dynamic Bond I GBP Hsc Q Inc	934,210	-	(448,500)	757,368	1,243,078
Liontrust Global Fund Special Situations Fund	1,028,400	-	-	1,002,600	2,031,000
Loomis Sayles US Growth Equity Fund	1,276,254	-	(154,096)	(122,942)	999,216
Lxyor Core FTSE UK Gilt 0-5 yr UCITS ETF	1,495,000	471,167	-	(1,562,251)	403,916
M&G Offshore Corporate Bond Fund – I	920,220	-	-	(37,490)	882,730
Nomura Global Dynamic Bond Fund	843,295	-	-	(128,560)	714,735
Nomura Funds Ireland Plc Japan Strategy Value	270,915	99,234	-	689,371	1,059,520
PIMCO Global Real Return Fund	855,950	-	-	23,750	879,700
Polar Capital – Healthcare Opportunities Fund	661,680	-	-	9,720	671,400
Ruffer Total Return International	926,344	-	-	14,796	941,140
Schroder Emerging Markets Fund	365,288	-	(95,842)	(10,199)	259,247
Vanguard FTSE Japan UCITS ETF	293,768	89,049	-	17,496	400,313
Total	25,476,387	849,120	(1,535,091)	1,235,540	26,025,956