

**Butterfield Global Blue  
Chip Fund**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2015

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Butterfield Global Blue Chip Fund

We have audited the accompanying financial statements of Butterfield Global Blue Chip Fund (the "Fund"), which comprise the statement of financial position, including the schedule of investments, as at June 30, 2015 and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

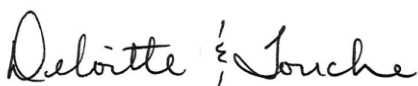
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of Butterfield Global Blue Chip Fund as of June 30, 2015, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2, which discloses that effective July 1, 2014, the Fund adopted International Financial Reporting Standards ("IFRS"). The adoption of IFRS had no impact on the net asset values, financial performance or cash flows of the Fund.



September 11, 2015

# Butterfield Global Blue Chip Fund

---

## **Administrator, Registrar and Transfer Agent**

MUFG Fund Services (Cayman) Limited  
Strathvale House, 2<sup>nd</sup> Floor, 90 North Church Street  
George Town  
P.O. Box 609, Grand Cayman KY1-1107, Cayman Islands  
Tel: (345) 745-7600 Fax: (345) 745-7690

## **Sub-Administrator**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM 08  
Bermuda  
Tel: (441) 299-3882 Fax: (441) 295-6759

## **Investment Advisor**

Butterfield Bank (Cayman) Limited  
Butterfield House, 68 Fort Street  
P.O. Box 705, Grand Cayman KY1-1107, Cayman Islands  
Tel: (345) 949-7055 Fax: (345) 949-7004

## **Custodian and Banker**

Butterfield Bank (Cayman) Limited  
Butterfield House, 68 Fort Street  
P.O. Box 705, Grand Cayman KY1-1107, Cayman Islands  
Tel: (345) 949-7055 Fax: (345) 949-7004

## **Sales Agent**

Butterfield Bank (Cayman) Limited  
Butterfield House, 68 Fort Street  
P.O. Box 705, Grand Cayman KY1-1107, Cayman Islands  
Tel: (345) 949-7055 Fax: (345) 949-7004

## **Auditors**

Deloitte & Touche  
2nd Floor, One Capital Place  
P.O. Box 1787, Grand Cayman KY1-1109, Cayman Islands  
Tel: (345) 949-7500 Fax: (345) 949-8238

## **Legal Advisors and Listing Agent**

Appleby  
Clifton House, 75 Fort Street  
P.O. Box 190, Grand Cayman KY1-1104, Cayman Islands  
Tel: (345) 949-4900 Fax: (345) 949-4901

# Butterfield Global Blue Chip Fund

## STATEMENT OF FINANCIAL POSITION As at June 30, 2015 (Expressed in U.S. Dollars)

	Notes	June 30, 2015	June 30, 2014 (Note 2)	July 1, 2013 (Note 2)
<b>ASSETS</b>				
Financial assets at fair value through profit or loss (Cost; 2015-\$6,768,277; 2014-\$7,291,151; 2013-\$7,360,422)	2, 3, 4	\$ 8,144,689	\$ 9,339,337	\$ 8,335,992
Cash and cash equivalents	2 (i)	173,286	106,918	160,773
Dividend income receivable		5,578	30,637	19,873
Prepaid expenses		4,684	2,711	3,797
		<b>8,328,237</b>	<b>9,479,603</b>	<b>8,520,435</b>
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS)</b>				
Accrued expenses	6, 7	55,192	64,435	52,926
Redemptions payable		-	15,308	10,990
Subscription in advance		2,000	-	40,000
		<b>57,192</b>	<b>79,743</b>	<b>103,916</b>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>\$ 8,271,045</b>	<b>\$ 9,399,860</b>	<b>\$ 8,416,519</b>
Number of redeemable shares in issue	5	628,110	698,500	755,188
<b>NET ASSET VALUE PER REDEEMABLE SHARE</b>				
<b>SHARE</b>		<b>\$ 13.17</b>	<b>\$ 13.46</b>	<b>\$ 11.14</b>

On behalf of the Board of Directors:



Michael McWatt  
DIRECTOR



Erwin Dikau  
DIRECTOR

The accompanying notes form an integral part of these financial statements.

# Butterfield Global Blue Chip Fund

---

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

	Notes	June 30, 2015	June 30, 2014 (Note 2)
<b>Income</b>			
Dividend income	2	\$ 208,576	\$ 211,522
Bank interest	2	39	38
Net realised gains on financial assets at fair value through profit or loss		523,393	637,403
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss		(671,774)	1,072,616
Net foreign currency losses	2	(5,777)	(2,316)
<b>Total income</b>		<b>54,457</b>	<b>1,919,263</b>
<b>Expenses</b>			
Management fees	6	88,371	90,649
Custodian fees	6	22,095	22,662
Administration fees	7	13,002	18,545
Audit and legal fees		20,910	20,266
Sundry expenses		23,057	17,001
<b>Total expenses</b>		<b>167,435</b>	<b>169,123</b>
<b>Net investment (loss)/income</b>		<b>(112,978)</b>	<b>1,750,140</b>
Withholding tax on dividend income		52,766	55,311
<b>(Decrease)/increase in net assets attributable to shareholders from operations</b>		<b>\$ (165,744)</b>	<b>\$ 1,694,829</b>

The accompanying notes form an integral part of these financial statements.

# Butterfield Global Blue Chip Fund

---

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

	June 30, 2015	June 30, 2014
		(Note 2)
<b>(Decrease)/Increase in net assets attributable to shareholders from operations</b>	<b>\$ (165,744)</b>	<b>\$ 1,694,829</b>
<hr/>		
<b>Capital transactions</b>		
Issuance of shares	1,080,106	678,075
Redemption of shares	(2,043,177)	(1,389,563)
<hr/>		
Decrease in net assets attributable to shareholders from capital transactions	(963,071)	(711,488)
<hr/>		
<b>Net (decrease)/ increase in net assets attributable to shareholders</b>	<b>(1,128,815)</b>	<b>983,341</b>
<hr/>		
<b>Net assets attributable to shareholders – beginning of year</b>	<b>9,399,860</b>	<b>8,416,519</b>
<hr/>		
<b>Net assets attributable to shareholders – end of year</b>	<b>\$ 8,271,045</b>	<b>\$ 9,399,860</b>

The accompanying notes form an integral part of these financial statements.

# Butterfield Global Blue Chip Fund

## STATEMENT OF CASH FLOWS For the year ended June 30, 2015 (Expressed in U.S. Dollars)

	June 30, 2015	June 30, 2014 (Note 2)
<b>Cash flows from operating activities</b>		
(Decrease)/increase in net assets attributable to shareholders from operations	\$ (165,744)	\$ 1,694,829
<i>Adjustments for:</i>		
Purchase of financial assets	(1,611,545)	(4,855,591)
Net proceeds from sale of financial assets	2,657,812	5,562,265
Net realised gain on financial assets at fair value through profit or loss	(523,393)	(637,403)
Net change in unrealised loss/(gain) on financial assets at fair value through profit or loss	671,774	(1,072,616)
Changes in:		
Dividend income receivable	25,059	(10,764)
Prepaid expenses	(1,973)	1,086
Accrued expenses	(9,243)	11,509
<b>Net cash provided by operating activities</b>	<b>1,042,747</b>	<b>693,315</b>
<b>Cash flows from financing activities</b>		
Redemptions payable	(15,308)	4,318
Subscriptions in advance	2,000	(40,000)
Proceeds from issuance of shares	1,080,106	678,075
Paid on redemption of shares	(2,043,177)	(1,389,563)
<b>Net cash used in financing activities</b>	<b>(976,379)</b>	<b>(747,170)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>66,368</b>	<b>(53,855)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>106,918</b>	<b>160,773</b>
<b>Cash and cash equivalents – end of year</b>	<b>\$ 173,286</b>	<b>\$ 106,918</b>
<b>Supplemental cash flow information:</b>		
Interest received	\$ 39	\$ 38
Dividends received, net of withholding taxes	180,869	145,447

The accompanying notes form an integral part of these financial statements.

# Butterfield Global Blue Chip Fund

## SCHEDULE OF INVESTMENTS

As at June 30, 2015

(Expressed in U.S. Dollars)

Financial assets	Shares	Cost	Fair Value	% of Portfolio
<b>Equity - Europe</b>				
Bayerische Motoren Werke AG	1,030	\$ 113,662	\$ 113,106	1.39%
Fresenius SE & Company	4,690	190,882	302,384	3.71%
Nestle SA	2,840	133,578	204,917	2.52%
Novartis AG	2,865	174,658	282,212	3.47%
Total SA	4,200	240,425	203,983	2.50%
<b>Total Equities – Europe</b>		<b>\$ 853,205</b>	<b>\$ 1,106,602</b>	<b>13.59%</b>
<b>Equity/ADRs – United States</b>				
BHP Billiton Ltd – Sponsored ADR	1,110	\$ 67,242	\$ 45,188	0.55%
Caterpillar Inc.	1,530	144,849	129,775	1.59%
Chevron Corp.	2,480	227,578	239,246	2.94%
Cisco Systems Inc.	9,100	188,545	249,886	3.07%
Fedex Corp.	1,080	94,128	184,032	2.26%
Intel Corp.	5,870	161,266	178,536	2.19%
Kellogg Corp	2,260	142,391	141,702	1.74%
Microsoft Corp.	5,560	150,333	245,474	3.01%
PepsiCo Inc.	2,260	151,913	210,949	2.59%
Procter & Gamble Company	2,440	139,633	190,906	2.34%
Royal Dutch Shell Plc ADR	4,200	301,530	239,442	2.94%
SOUTH32-ADR-W/I	444	4,782	2,979	0.04%
Walt Disney Company	1,430	94,153	163,220	2.00%
Zimmer Holdings Inc.	2,670	182,732	291,644	3.58%
<b>Total Equities/ADRs – United States</b>		<b>\$ 2,051,075</b>	<b>\$ 2,512,979</b>	<b>30.85%</b>
<b>Total Equities/ADRs</b>		<b>\$ 2,904,280</b>	<b>\$ 3,619,581</b>	<b>44.44%</b>
<b>Exchange Traded Funds – United States</b>				
Financial Select Sector SPDR Fund	19,640	\$ 401,392	\$ 478,823	5.88%
Health Care Select Sector	3,010	152,447	223,914	2.75%
iShares Global Financials Sector Index Fund	9,910	449,771	567,645	6.97%
iShares S&P Global Industrials Sector Index Fund	1,400	77,100	98,364	1.21%
iShares S&P Global Telecommunications Sector Index Fund	1,680	113,827	104,395	1.28%
iShares S&P Global Utilities Sector Index Fund	1,420	60,208	62,964	0.77%
iShares NASDAQ Biotechnology	935	142,346	344,987	4.24%
Market Vectors Oil Service ETF	8,150	371,001	284,435	3.49%
Technology Select Sector SPDR	22,310	914,344	923,634	11.34%
Vanguard Consumer Discretionary Fund	2,630	264,976	326,699	4.01%
Vanguard Consumer Staple ETF	2,370	267,438	295,989	3.63%
Vanguard FTSE Emerging Market ETF	4,830	192,741	197,450	2.42%
Vanguard Industrials ETF	1,690	88,365	176,960	2.17%
Vanguard Materials ETF	2,100	199,134	226,065	2.78%
Wisdomtree Japan Hedged EQ	3,720	168,907	212,784	2.61%
<b>Total Exchange Traded Funds – United States</b>		<b>\$ 3,863,997</b>	<b>\$ 4,525,108</b>	<b>55.56%</b>
<b>Total Exchange Traded Funds</b>		<b>\$ 3,863,997</b>	<b>\$ 4,525,108</b>	<b>55.56%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>\$ 6,768,277</b>	<b>\$ 8,144,689</b>	<b>100.00%</b>

The accompanying notes form an integral part of these financial statements.



# Butterfield Global Blue Chip Fund

## SCHEDULE OF INVESTMENTS (CONTINUED)

As at June 30, 2014

(Expressed in U.S. Dollars)

Financial assets	Shares	Cost	Fair Value	% of Portfolio
<b>Equity - Europe</b>				
Adidas AG	1,280	\$ 80,557	\$ 129,796	1.39%
Fresenius SE & Company	2,110	257,629	314,064	3.36%
Nestle SA	2,950	138,752	228,535	2.45%
Novartis AG	3,970	242,022	359,485	3.85%
Swatch Group AG	250	98,961	150,964	1.62%
Total SA	4,200	240,424	303,519	3.25%
<b>Total Equities – Europe</b>		<b>\$ 1,058,345</b>	<b>\$ 1,486,363</b>	<b>15.92%</b>
<b>Equity/ADRs – United States</b>				
Accenture Plc – Class A	2,230	\$ 91,387	\$ 180,273	1.93%
BHP Billiton Ltd – Sponsored ADR	1,980	128,474	135,531	1.45%
Caterpillar Inc.	1,840	174,198	199,953	2.14%
Chevron Corp.	2,570	235,837	335,513	3.59%
Cisco Systems Inc.	8,920	179,181	221,662	2.37%
EMC Corp.	8,100	180,257	213,354	2.28%
Fedex Corp.	1,420	123,761	214,960	2.30%
Intel Corp.	5,360	142,840	165,624	1.77%
International Business Machines Corp.	1,030	206,522	186,708	2.00%
Microsoft Corp.	6,670	171,518	278,139	2.98%
PepsiCo Inc.	2,400	158,382	214,452	2.30%
Procter & Gamble Company	2,700	154,511	212,193	2.27%
Royal Dutch Shell Plc ADR	4,630	332,402	381,373	4.08%
Wal-Mart Stores Inc.	1,860	121,124	139,630	1.50%
Walt Disney Company	1,930	127,073	165,478	1.77%
Zimmer Holdings Inc.	3,750	231,607	389,475	4.18%
<b>Total Equities/ADRs – United States</b>		<b>\$ 2,759,074</b>	<b>\$ 3,634,318</b>	<b>38.91%</b>
<b>Total Equities/ADRs</b>		<b>\$ 3,817,419</b>	<b>\$ 5,120,681</b>	<b>54.83%</b>
<b>Exchange Traded Funds – United States</b>				
Financial Select Sector SPDR Fund	21,560	\$ 430,875	\$ 490,274	5.25%
Health Care Select Sector	3,290	166,628	200,131	2.14%
iShares NASDAQ Biotechnology	1,290	196,392	331,569	3.55%
iShares S&P Global Financials Sector Index Fund	11,420	516,977	653,452	7.00%
iShares S&P Global Industrials Sector Index Fund	1,010	49,065	73,589	0.79%
iShares S&P Global Telecommunications Sector Index Fund	1,941	131,481	122,372	1.31%
iShares S&P Global Utilities Sector Index Fund	1,420	60,208	71,440	0.76%
Market Vectors Gold Miners ETF	2,110	86,760	55,810	0.60%
Market Vectors Oil Service ETF	9,210	419,254	531,970	5.70%
Vanguard Consumer Discretionary Fund	2,400	233,980	262,032	2.81%
Vanguard Consumer Staple ETF	4,130	440,879	478,419	5.12%
Vanguard FTSE Emerging Market ETF	5,450	217,482	235,059	2.52%
Vanguard Industrials ETF	2,620	136,992	273,112	2.92%
Vanguard Materials ETF	1,940	181,982	216,814	2.32%
Wisdomtree Japan Hedged EQ	4,510	204,777	222,613	2.38%
<b>Total Exchange Traded Funds – United States</b>		<b>\$ 3,473,732</b>	<b>\$ 4,218,656</b>	<b>45.17%</b>
<b>Total Exchange Traded Funds</b>		<b>\$ 3,473,732</b>	<b>\$ 4,218,656</b>	<b>45.17%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>\$ 7,291,151</b>	<b>\$ 9,339,337</b>	<b>100.00%</b>

The accompanying notes form an integral part of these financial statements.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 1. CORPORATE INFORMATION

Butterfield Global Blue Chip Fund (the "Fund") was incorporated as an open-ended multi-class exempted Mutual Fund Company under the laws of the Cayman Islands on November 5, 1998 and was registered under the Mutual Funds Law of the Cayman Islands on November 12, 1998.

The Fund has received an undertaking from the Cayman Islands government exempting it from all local income, profits, and capital gains taxes until November 24, 2018. No such taxes are levied in the Cayman Islands at the present time.

The Fund commenced operations on December 3, 1998 and is administered by MUFG Fund Services (Cayman) Limited, a Cayman Islands licensed Mutual Fund Administrator.

On December 3, 1998, the Fund listed on the Cayman Islands Stock Exchange. On January 18, 2000, the Fund was listed on the Bermuda Stock Exchange.

The Fund's investment objective is to achieve long-term capital growth by investing in a global portfolio of international "blue chip" equities.

### 2. BASIS OF PREPARATION

#### **First time adoption of International Financial Reporting Standards ("IFRS")**

These financial statements, for the year ended June 30, 2015, are the first the Fund has in accordance with IFRS. For years up to and including the year ended June 30, 2014, the Fund prepared its financial statements in accordance with accounting principles generally accepted in Canada ("GAAP"). Accordingly, the Fund has prepared financial statements which comply with IFRS applicable for years ending after June 30, 2015, together with the comparative year data as at and for the year ended June 30, 2014, as described in the summary of significant accounting policies. In preparing these financial statements, the Fund's opening Statement of Financial Position was prepared as at July 1, 2013, the Fund's date of transition to IFRS. As there was no change in the recognition and measurement on IFRS adoption, the notes to the financial statements are not presented as at July 1, 2013.

In accordance with the requirements of IFRS 1, "First-time adoption of International Financial Reporting Standards", the Board of Directors have considered how the transition from GAAP to IFRS has affected the Fund's reported financial position, financial performance and cash flows. There has been no impact on the valuation or classification of these amounts as a result of the transition to IFRS. Further, there have been no changes to its Statement of Comprehensive Income under IFRS. The Fund was not required to present a Statement of Cash Flows under GAAP, but is required to present a Statement of Cash Flows under IFRS.

#### **Accounting convention**

The financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit or loss.

The financial statements are represented in United States dollars, which is the functional currency of the Fund and all values are rounded to the nearest dollar, except when otherwise stated.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies

##### a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the Fund's management to make judgements, estimates and assumptions that affect the amounts reported and disclosures made in the financial statements, and accompanying notes. Management believes that the estimates and assumptions utilised in preparing the Fund's financial statements are reasonable and prudent. Actual results could differ from these estimates.

##### b) Investment entities

IFRS 10 defines and requires a reporting entity that meets the definition of an investment entity not to consolidate but instead to measure its investments at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with investment management services;
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measure and evaluate performance of substantially all of its investments

Management has determined that the Fund meets the definition of an investment entity and recognizes all investments at fair value through profit and loss.

##### c) Financial instruments

###### i. Classification

The Fund classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

###### Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through profit or loss is subdivided into:

Financial assets and liabilities held for trading: Financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equities. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial instruments designated at fair value through profit or loss upon initial recognition: these include equity securities and debt instruments not held for trading. The Fund did not hold any financial instruments designated at fair value through profit or loss upon initial recognition during the years ended June 30, 2015 and 2014.

###### Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

###### Other financial liabilities

This category includes all financial liabilities, other than those classified as held for trading. The Fund includes in this category amounts for other short-term payables.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### c) Financial instruments (continued)

###### ii. Recognition

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

###### iii. Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Receivables and other financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the Statement of Comprehensive Income, unless specified otherwise.

###### iv. Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss. Interest and dividend earned or paid on these instruments are recorded separately in interest income or expense and dividend income or expense.

###### v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either: the Fund has transferred substantially all the risks and rewards of the asset, or the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### d) Fair value measurement

The Fund measures its investments in financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market. It is the policy of the Fund to value equities quoted on a stock exchange at the closing daily price or, if there has been no sale on the relevant day, the equity will be valued at the last available average sale price.

##### e) Impairment of financial assets

The Fund assesses at each reporting date whether a financial asset or group of financial assets classified as receivables is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include a decline in the fair value of an equity investment, if the decline is considered to be significant or prolonged. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate.

##### f) Functional and presentation currency

The Fund's functional currency is the United States Dollar, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in United States Dollars. Therefore, the United States Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the United States Dollar.

##### g) Offsetting and financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

As at June 30, 2015 and 2014 there were no assets and liabilities offset in the Statement of Financial Position, nor were there any assets or liabilities available for offset. The Fund does not have a legally enforceable right to offset, nor does it have master netting agreements or similar arrangements that would allow for related amounts to be set off.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### h) Foreign currency translations

Assets and liabilities that are denominated in foreign currencies are translated into United States dollars at rates of exchange on the period end date. Transactions during the period are translated at the rate in effect at the date of the transaction. Foreign currency translation gains and losses are included in the Statement of Comprehensive Income.

##### i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

##### j) Interest income and expense

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest method.

##### k) Dividend income

Dividend income is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income.

##### l) Realised and change in unrealised gains and losses

Realised and change in unrealised gains/(losses) on financial assets at fair value through profit or losses are recognised in the Statement of Comprehensive Income. The cost of investments sold is accounted for using the average cost basis.

##### m) Expenses

All expenses (including management fees) are recognized in the Statement of Comprehensive Income.

##### n) Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

##### o) Share capital

The Fund's Ordinary Shares are classified as equity in accordance with the Fund's articles of association. These shares do not participate in the profits of the Fund.

##### p) Redeemable shares

Shares are redeemable at the shareholder's option and are classified as financial liabilities. Transactions in these shares take place with the investment advisor, registrar and transfer agent rather than the exchange. The redeemable shares can be put back to the Fund on any dealing day (normally the next business day following the Valuation Day, which is on Wednesday in each week) for cash equal to a proportionate share of the Fund's net asset value ("NAV"). The Fund's net asset value per share is calculated by dividing the net assets attributable to holders of redeemable shares with the total number of outstanding redeemable shares.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### q) Impact of accounting pronouncements issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after July 1, 2014, and have not been applied in preparing these financial statements. The only new standard relevant to the Fund is IFRS 9 'Financial Instruments'.

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating the impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Fund plans to adopt IFRS 9 when it becomes effective and is currently evaluating its impact.

### 3. FINANCIAL RISK MANAGEMENT

The Fund maintains positions in a variety of non-derivative financial instruments as dictated by its investment management strategy. The Fund's investment portfolio is comprised of quoted equity instruments.

Asset allocation is determined by the Investment Advisor with reference to the target asset allocation set out in the Fund's prospectus. The Investment Advisor manages the distribution of the assets to achieve its investment objective. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Advisor. In instances where the portfolio has diverged from target asset allocations, the Investment Advisor will rebalance the portfolio to fall in line with the target asset allocations.

The nature and extent of the financial instruments outstanding at the year-end date and the risk management policies employed by the Fund are discussed below:

#### a) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Market risk is the risk that changes in interest rates, foreign exchange rates or equity and commodity prices will affect the positions held by the Fund, making them less valuable. The Fund is exposed to market risk on financial instruments that are valued at market prices.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund's market risk is managed on a daily basis by the Investment Advisor in accordance with the policies and procedures in place. The Fund's Directors review the performance of the Investment Advisor on a continuous basis.

#### *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of the portion of the Fund's assets or liabilities denominated in currencies other than US Dollars.

# Butterfield Global Blue Chip Fund

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### a) Market risk (continued)

##### *Currency Risk (continued)*

The Fund's policy is not to enter into any currency hedging transactions. The Investment Advisor manages currency risk by monitoring exposure to different geographical regions.

At June 30, 2015, if the exchange rates of the relevant foreign currencies against the US Dollars had been 10% higher or lower with all overall variables held constant, the net assets would have increased/decreased by \$110,860 (2014: \$148,636). 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in exchange rates.

As at June 30, 2015 and 2014, the Fund had the following currency exposure in US Dollar equivalents:

	<b>2015</b>	<b>2015</b>	2014	2014
	<b>USD</b>	<b>% of Net Assets</b>	USD	% of Net Assets
CHF	487,129	5.89%	738,984	7.86%
EUR	621,472	7.51%	747,379	7.95%
<b>Total</b>	<b>1,108,601</b>	<b>13.40%</b>	1,486,363	15.81%

##### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Fund's investments are highly liquid securities which are actively traded on various stock exchanges. As a result, the Fund is not subject to fair value interest rate risk due to reasonably possible fluctuations in the prevailing levels of market interest rates.

The Fund's exposure to cash flow interest rate risk is limited to its cash and cash equivalents of \$173,286 (2014: \$106,918). Cash and cash equivalents represent 2.10% of the Fund's net assets at June 30, 2015 (2014: 1.14%). The Fund does not have any other significant interest-bearing assets and liabilities and therefore believes its sensitivity to changes in market interest rates is insignificant.

##### *Price Risk*

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to a particular instrument, its issuer or all factors affecting all instruments traded in the market. The Fund is exposed to price risk on its investments. As all of the Fund's financial instruments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect the profit attributable to shareholders.

Price risk is managed by the Investment Advisor by constructing a diversified portfolio of investments traded on various markets. All of the Fund's investments at June 30, 2015 and 2014 are listed on stock exchanges.

As at June 30, 2015, the fair value of the Fund's investments in securities that are exposed to movement in equity prices amounted to \$8,144,689 (2014: \$9,339,337).



# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### a) Market risk (continued)

##### *Price Risk (continued)*

The Fund estimates that a reasonably possible movement in its equity portfolio is calculated using the average performance of the Fund's benchmark, which is also the Fund's effective rate, over the past eight years of 8% (2014: 8%) adjusted to correlate to the actual investment portfolio held. As at June 30, 2015, if the benchmark equity market prices had been 8% (2014: 8%) higher or lower with all other variables held constant, the Fund's net assets would have been \$588,383 (2014: \$639,147) higher or lower. The adjusted rate is the rate used when reporting price risk internally to key management personnel.

#### b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Financial instruments that potentially expose the Fund to credit risk consist primarily of cash and cash equivalents and investment balances held at brokers.

Credit risk arising on transactions with brokers includes transactions awaiting settlement. Risk related to unsettled transactions, including dividends and interest accrued, is considered to be low due to the short settlement period involved and the high credit quality of the brokers used. The Fund's maximum exposure to credit risk is limited to the value of its financial assets as reported in the Statement of Financial Position. The Fund monitors the credit rating of its brokers to mitigate this risk.

#### c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund's financial liabilities at June 30, 2015 represent 0.69% of net assets (2014: 0.85%) that fall due not later than one month. The Fund's Prospectus provides for weekly subscription and redemption of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions. The Fund does not anticipate any significant liquidity concerns in funding redemption requests and other liabilities. However, all of the Fund's investments at June 30, 2015 and 2014 are listed securities actively traded on major stock exchanges. As such, they are considered to be highly realisable, mitigating the liquidity risk of the Fund as at June 30, 2015 and 2014.

The Fund's liquidity risk is managed on a daily basis by the Investment Advisor in accordance with the policies and procedures in place.

#### Capital Risk Management

The Fund's capital consists of the issued share capital.

The Investment Advisor manages the capital of the Fund in accordance with the Fund's investment objectives, policies and restrictions, as outlined in the Prospectus, while maintaining sufficient liquidity to meet shareholder redemptions. The Fund's overall strategy for managing capital remains unchanged from 2014. The Fund does not have any externally imposed capital requirements.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 4. FAIR VALUE OF FINANCIAL ASSETS

The following information provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – inputs for the asset or liability that are not based on observable market data, including the Company's own assumptions in determining the fair value of investments

All of the Fund's investments are classified within Level 1 of the fair value hierarchy as the value of these investments are based on unadjusted quoted prices in active markets for identical assets as at June 30, 2015 and 2014.

#### Reconciliation of financial asset and liability movement — Level 3

The Fund did not hold any Level 3 investments at the beginning, during, or at the end of the years ended June 30, 2015 and 2014.

### 5. SHARE CAPITAL

The Fund may issue up to 5,000,000 Non-Voting Redeemable Shares, which are redeemable at the option of the shareholders. The authorised share capital of the Fund shall consist of \$50,100 divided into 100 Ordinary Shares having a nominal value of \$1.00 each and 5,000,000 Non-Voting Redeemable Shares having a nominal value of \$0.01.

The Investment Advisor is the holder of the Ordinary Shares and shall be entitled to receive notice of and attend and vote at any general meeting of the Fund.

Details of Redeemable Shares issued, redeemed and outstanding during the year are as follows:

	2015	2014
	No. of Shares	No. of Shares
Balance - beginning of year	698,500	755,188
Issue of redeemable shares	81,808	55,730
Redemption of redeemable shares	(152,198)	(112,418)
Balance - end of year	628,110	698,500

Currently only the US Dollar class of shares, and no others, have been designated and issued.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 6. RELATED PARTY TRANSACTIONS

Butterfield Bank (Cayman) Limited (the "Custodian") acts as custodian for the Fund and is entitled to receive a fee, calculated at a rate of 0.25% per annum of the net asset value of the Fund, calculated and accrued weekly.

Custodian fees charged for the year ended June 30, 2015 were \$22,095 (2014: \$22,662) for the Fund, of which \$5,360 (2014: \$5,749) remained payable at year end and is included in accrued expenses.

Butterfield Bank (Cayman) Limited (the "Investment Advisor") is entitled to receive a management fee for providing investment advice to the Fund, calculated at a rate of 1.00% per annum of the net asset value of each Class of shares, calculated and accrued weekly.

Management fees for the year ended June 30, 2015 were \$88,371 (2014: \$90,649) for the Fund, of which \$21,434 (2014: \$22,988) remained payable at year end and is included in accrued expenses.

Employees of the Investment Advisor, its parent company and other affiliated companies, and their immediate family members may hold shares in the Fund. These shareholdings are not significant to the Fund.

### 7. ADMINISTRATION FEE

In accordance with the administration agreement, the Administrator receives a fee based upon the nature and extent of the services provided. Administration fee for the year was \$13,002 (2014: \$18,545) of which \$2,209 (2014: \$2,630) was payable at year end and is included in accrued expenses.

### 8. DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Fund during the year were:

Conor O'Dea  
Erwin Dikau  
Michael McWatt  
Peter Walker (Resigned May 5, 2014)

The Directors are not entitled to any remuneration for their services as directors. At June 30, 2015, the Directors held between 0 and 5,000 shares each in the Fund. Each Director is affiliated with the Custodian and Investment Advisor.

# Butterfield Global Blue Chip Fund

---

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2015

(Expressed in U.S. Dollars)

### 9. FINANCIAL HIGHLIGHTS

Per share operating performance  
(for a share outstanding throughout the year)

<b>Per Share Information</b>	<b>2015</b>	<b>2014</b>
<b>Net asset value – beginning of year</b>	<b>\$ 13.46</b>	<b>\$ 11.14</b>
<hr/>		
<b>Income from operations</b>		
Net loss	<b>(0.02)</b>	(0.01)
Net realised and unrealised (loss)/gain on financial assets and foreign currency	<b>(0.27)</b>	2.33
<hr/>		
<b>Total from operations</b>	<b>(0.29)</b>	2.32
<hr/>		
<b>Net asset value – end of year</b>	<b>\$ 13.17</b>	<b>\$ 13.46</b>
<hr/>		
<b>Total Return</b>	<b>(2.16)%</b>	20.83%
<hr/>		
<b>Ratios / supplemental data</b>		
Total net assets - end of year	<b>\$ 8,271,045</b>	<b>\$ 9,339,860</b>
Ratio of expenses to weighted average net assets	<b>1.74%</b>	1.86%
Ratio of net loss to weighted average net assets	<b>(0.13)</b>	(0.17%)
Portfolio turnover rate*	<b>18.46%</b>	54.47%

\* Portfolio turnover rate is calculated using the lesser of purchases or sales of investments for the year divided by the weighted average value of investments, calculated using the last valuation date of each month.

An individual investor's return and ratios may vary from the above returns and ratios based on the timing of capital transactions.

### 10. SUBSEQUENT EVENTS

The Fund has evaluated all the events or transactions that occurred after June 30, 2015 through September 11, 2015, the date the financial statements were available to be issued. During this period, the Fund did not have any material recognisable subsequent events.

### 11. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Directors on September 11, 2015.