



## Select Fund: Alternative Investment Class

### Objective

To offer a convenient vehicle for investing in a diversified portfolio of alternative strategy investment managers, which are anticipated to provide the best opportunities for capital growth.

### Investment Policy

To invest in a diverse range of top performing offshore alternative investment managers that target consistent and stable returns while controlling risk.

### Investment Process

A quantitative analysis of fund performance is undertaken relative to peer groups to ensure the consistency of performance. This is followed with a qualitative analysis to understand the manager's philosophy, process and style. IAM, a professional hedge fund manager, act as the sub-advisor to this class of the Fund.

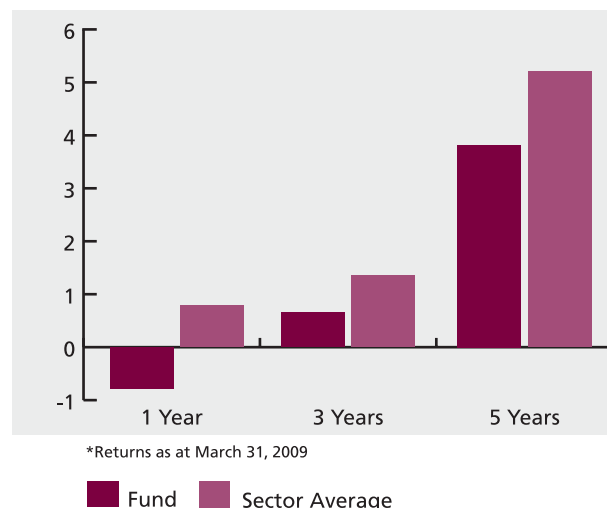
### Fund Review

The net asset value (NAV) per share of the Fund increased from \$13.62 to \$13.97 over the quarter, an increase of 2.19%.

Hedge fund returns were predominantly positive across the universe for Q3 and more importantly the sixth consecutive month. Further to the trends observed in the second quarter Industry conditions have increasingly returned to normal as AUM levels have steadied and redemptions have given way to subscriptions. Performance has thus significantly improved one year on from the Lehman collapse. Further indications that conditions are reverting to the norm is that liquidity provided by Hedge funds is returning; redemptions are giving way to subscriptions for the fourth month in a row and the opportunity set is very strong. IAM continues to be most positive on the return outlook for Long/Short equity, Credit, Macro and FI relative Value. The performance achieved by Trend followers/CTA managers further improved by quarter end, however managers with medium to long term models tended to produce higher returns than those with shorter term models.

The Fund has added positions to the Global Macro, L/S equity, Event Driven and Capital Structure Arbitrage this quarter.

### Comparative Performance\*



### Average Annual Compound Returns

1 Year	3 Years	5 Years	7 Years
-0.78%	0.65%	3.82%	4.68%

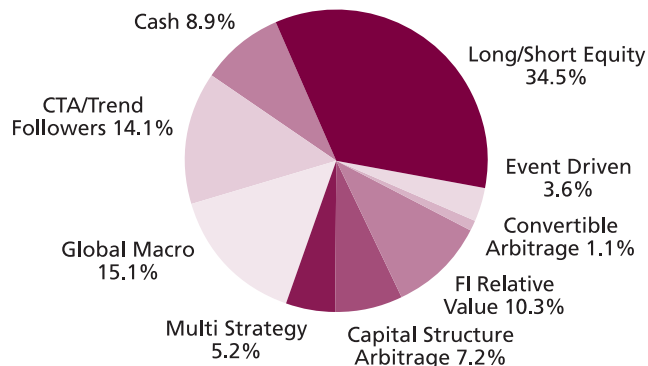
### Asset Breakdown

- Long/Short Equity**
  - Alphagen Capella Fund
  - Alydar Capital
  - Egerton European Fund
  - Karsch Capital Ltd
  - Lansdowne UK Equity Fund
  - SCP Ocean
  - SEG Partners
  - Exane Templiers
  - DB Equilibria
- Event Driven**
  - Amber Fund
  - York European
- Convertible Arbitrage**
  - Plexus Fund
- FI Relative Value**
  - JCAM Global Fund
  - Capula Relative Value
- Capital Structure Arbitrage**
  - Prologue Feeder Fund
  - Claren Road Credit Fund
- Multi Strategy**
  - OZ Overseas Fund
  - MKM Multi-Strategy
- Global Macro**
  - Brevan Howard Fund
  - Drake Global Opportunities Fund
  - WCG Master
  - COMAC Global
  - Clive Capital
  - Woodbine
- CTA / Trend followers**
  - IAM Trading Fund
- Liquid Assets**
  - Butterfield Money Market Fund

### Benchmark Composition

100% HFRI Fund of Funds Diversified Index

### Strategy Allocation



### General Information

Currency: USD  
 Units Available: Accumulation  
 Size of Fund (millions): USD 86.0

Fiscal Year End: June 30<sup>th</sup>  
 Min. Investment: USD 10,000  
 Valuation: Thursday

Dealings: Friday  
 Total Expense Ratio: 2.47%  
 NAV per share (30.09.2009): USD 13.97

Front End Fee: None  
 Identifier: BUTSLAI BH

Past performance is not indicative of future performance.  
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