

Butterfield Multi-Asset Fund: Balanced GBP

as at 30 November 2020

Objective

The Fund was launched in April 2010 as the Diversified Opportunities Fund, with the aim of providing investors with solid risk-adjusted returns over the medium to long term. The Fund invests in collective investment schemes and exchange traded funds to achieve a broad spread of asset classes on a global basis, targeting an overall level of volatility less than that of equity markets.

Performance summary

- Global equities rallied during November as positive news relating to the efficacy rates of three COVID-19 vaccines were announced, triggering a rotation from "stay-at-home" growth stocks into more cyclical, value areas of the market. As it became clear that Joe Biden had succeeded in winning the US election, an expectation of a further stimulus package helped drive markets higher.
- The Fund "B" Class increased by 5.72% in November, with the NAV ending the month at £1.5593.
- Within the Fund, only two of the holdings were negative over the month, with the iShares Gold ETC down 8.1% and iShares 0-5yr Gilts ETF down 0.09%. The UK equity funds delivered the strongest performance over the month. Our two European equity funds, BGF and Carmignac, also delivered double-digit returns, up 14.5% and 10.8%, respectively. Finally, our US "Value" fund, Robeco, rose by 11.6% during November.
- Sterling appreciated against the US Dollar, ending November at 1.3323.

Performance chart



Fund review

On 9 November, news that the Pfizer BioNTech vaccine had an efficacy rate of 95% jump-started equities. This news was followed up by similar results from Moderna and later on AstraZeneca/Oxford on their own vaccines. As a result of this positive news, and the anticipation of a return to normalcy, global equity markets staged an impressive rally.

During the month, it became apparent that Joe Biden had succeeded in securing the US presidency, albeit by a smaller margin than the polls predicted. This news was well received by the market as expectations of a further fiscal stimulus package, more predictable and less confrontational policies drove equities higher. The S&P 500 rose by 10.95% during November (in USD terms). We saw a rotation from COVID-19 "winners" into COVID-19 "losers" over the month with beat-up companies, such as cruise lines, banks, and energy producers delivering the strongest returns. Large cap technology companies, which have led returns this year, lagged the rally as investors rotated out of growth and into more cyclical value stocks. Our holding in the Robeco US Premium Equity fund was a beneficiary of this trend, up almost 12% over the month. Whilst markets were soaring, the US experienced a surge in hospitalisations and jobless claims rising as the infection rates continued to climb. During the month, it was announced that Elon Musk's company Tesla, the clean energy and electric vehicle producer, would join the S&P 500 index in December, with a market capitalisation of over \$500 billion.

European equities registered some of the biggest monthly gains on record during November, with Spain, France and Italy leading the rally. As in the US, companies in the travel and leisure, autos, energy and banks led the way as investors looked through the current wave of infections

Total return to 30 November 2020	Since launch	5 years	3 years	1 year	YTD	3 months	1 month	3 years annualised	5 years annualised
Butterfield Multi-Asset Fund: Balanced GBP "B"	55.93%	27.23%	8.98%	2.67%	1.10%	3.88%	5.72%	2.91%	4.93%
1 month GBP LIBOR	5.52%	2.35%	1.62%	0.32%	0.20%	0.01%	0.00%	0.54%	0.47%

Discrete calendar year returns	2011	2012	2013	2014	2015	2016	2017	2018	2019
Butterfield Multi-Asset Fund: Balanced GBP "B"	-7.74%	7.00%	8.53%	3.48%	3.14%	11.16%	6.21%	-6.85%	14.52%

Past performance is not necessarily a guide to the future performance and may not be repeated. Performance prior to 15/07/19 was in respect of the Diversified Opportunities Fund.

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Key facts as at 30 November 2020

Investment manager and Custodian	Butterfield Bank (Guernsey) Limited
Administrator	Praxis Fund Services Limited
Domicile	Guernsey
Fund size	£13.41 million
Valuation	Weekly
Dealings	Friday
Available for sale	Channel Islands
Share class	Class A
Minimum investment	£10,000
Minimum additional	£1,000
NAV per share	£1.5020
Ongoing charges	2.19%
Bloomberg code	MCDIOPA GU
SEDOL	B4XSK75
ISIN	GG00B4XSK755
UK reporting status	Yes
Distributions	No
Share class	Class B
Minimum investment	£25,000
Minimum additional	£5,000
NAV per share	£1.5593
Ongoing charges	1.69%
Bloomberg code	MCDIOPB GU
SEDOL	B4Y9806
ISIN	GG00B4Y98063
UK reporting status	Yes
Distributions	No

and out the other side to a time when populations have been vaccinated against the virus. The Eurozone Composite PMI (Purchasing Managers Index) fell from 50.0 to 45.1 in November, below the important 50.0 level separating economic expansion from contraction. During the month the European Recovery fund had a setback as Hungary and Poland vetoed the budget due to concerns over the vagueness of the rule of law and the impact on their sovereign rights.

The FTSE 100 increased by 12.7% during November, the biggest monthly gain in 30 years. Energy was the strongest sector over the month with Brent Crude up 27% in November. Defensive stocks and technology companies lagged the rally. The news that the UK economy grew 15.5% during the third quarter of the year was well received by the market, despite remaining significantly below where it started the year. After a very difficult year, where the UK has lagged the recovery and Brexit has continued to drag on sentiment, our UK equity funds delivered the strongest performance over the month with GVQ up 22.8%, JO Hambro up 20.3%, Threadneedle up 15.5% and the iShares FTSE 100 ETF up 12.4%.

Asian equity markets delivered positive performance during November, with tourism hot-spots such as Thailand performing strongly on the back of positive vaccine-related news. The anticipation that US international policies will be less confrontational under a Biden administration also helped returns. China was positive but under-performed the region, as the US government prohibited US investors from investing in 31 Chinese companies, deemed a national security threat due to military ties. Chinese ADRs may also be forced to delist from US exchanges if the expected change to audit inspection rules gets voted in in December.

Global emerging markets recorded strong returns over the month, once again led by companies that have suffered during the pandemic. The best performing region was commodity-sensitive Latin America, with Brazil delivering the strongest return on the back of rising commodity prices; particularly oil. Russia also registered strong gains for the same reason. Emerging markets further benefited from the weaker US Dollar as they tend to borrow in USD.

The prospect of additional monetary stimulus weighed on the US Dollar, which weakened against most major and emerging market currencies during the month. The European Central Bank committed to providing further stimulus in December. European bond issuance was over €100 billion in November with increasing demand for green bonds (instruments that are specifically earmarked to raise money for climate and environmental projects).

Asset allocation



Equities	55.27%
Bonds	27.90%
Alternatives	8.51%
Cash	8.32%



Butterfield

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Top 10 holdings

iShares Core FTSE 100	5.64%
iShares UK Gilts 0-5 years	5.51%
JO Hambro UK Growth	5.03%
iShares Physical Gold ETC	5.00%
AXA WF Framlington UK	4.53%
Nomura Global Dynamic Bond	4.52%
Liontrust GF Special Situations	4.46%
Jupiter Dynamic Bond	4.35%
Pimco Global Real Return	4.25%
iShares Core S&P 500	4.07%
Total Top 10	47.36%
14 other holdings	44.32%
Cash	8.32%
TOTAL	100.00%

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