BUTTERFIELD

Fund Review

Butterfield Asset Management Limited

Money Market Fund: CAD Class

Quarter 2 2025

Objective

To seek as high an overall rate of return as is consistent with maintaining liquidity and security of principal.

Investment policy

To invest in a range of Canadian dollar-denominated money market instruments, the issuers of which will have first-class credit ratings. Instruments will consist of cash equivalents and a range of debt securities.

Investment process

Seek out short-term, high quality money market instruments that offer attractive spreads on the respective overnight rate according to currency.

Key facts as at 30 June 2025

Currency	CAD
Valuation	Daily
Dealings	Daily
Front end fee	None
Units available	Accumulation
Identifier	BUTMMCI BH
Fiscal year end	30 June
Minimum investment	Class A - CAD 10,000 Class B - CAD 5,000,000
Total expense ratio	Class A - 0.567% Class B - 0.467%
Size of fund (millions)	CAD 84.571
NAV per share - Class A	CAD 19.2034
NAV per share - Class B	CAD 19.7789
Risk rating	Low risk/Low return

Average annual compound returns (Class A & B)

	1 year	3 years	5 years	7 years	10 years
Class A	3.01%	3.51%	2.14%	1.82%	1.34%
Class B	3.11%	3.61%	2.21%	1.90%	1.42%

7-day yield (30 June 2025)

Class A	2.06%
Class B	2.16%

Fund review

The Bank of Canada (BoC) stayed on hold at 2.75% for the duration of the quarter. The current level is believed to be near to the neutral rate. This is the level at which the rate is neither stimulating nor slowing down the economy. Rate cuts in the prior quarters were considered pre-emptive moves that would help to negate the damaging effects of proposed Trump policies, and at this point, the adjustments to monetary policy should be enough. So far, the economy appears in good shape with growth unchanged from the 0.5% of Q4. The central bank will be watching intently for Q2 GDP as the Q1 print included a boost from businesses stockpiling in anticipation of tariffs. This effect will fade as the year progresses which may result in slower growth ahead. Inflation declined during the quarter ending June at 1.9%. With a target of 2%, inflation is right where the central bank wants it to be. The unemployment rate is the only key component that is not trending as desired. June's print of 6.9% is just off May's high of 7%, and extends the track of steady increases that started in 2023.

The Class size continued to rise to C$84 million over the period and credit quality was solid with more than 85% of holdings rated A-1+ by S&P. The portfolio is composed of Canadian Treasury bills that hold the top rating and are very liquid; followed by Provincial securities which diversify the portfolio without adding significant risk. The yields on these securities provide greater returns than the deposit with the latter representing a mere 3% of the portfolio due to this. Despite an unchanged official rate for the quarter, lower reinvestment rates caused the 7-day yield on Class A to fall further to 2.06%. Average life remained around 44 days as additional rate cuts are not currently priced in. However, there is a great deal of uncertainty in the relations between the US and Canada that could prompt rate cuts down the road.

Standard & Poor's
Principal Stability rating

AAAm

Contact us

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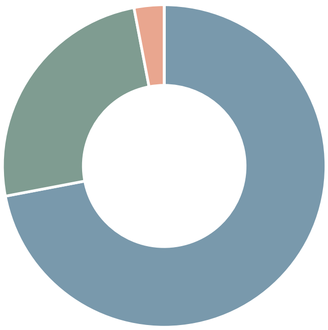
Average duration and credit rating

Duration	44 days
Credit rating	S&P AAAm

Fund allocation



Sovereign	72%
Provincial Issues	25%
Deposits	3%