

Money Market Fund: CAD Class

Quarter 3 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 September 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 - 0.558% Class B - 0.458%
Size of fund (millions)	CAD 103.552
NAV per share - Class A	CAD 19.3023
NAV per share - Class B	CAD 19.8857
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	2.53%	3.53%	2.24%	1.87%	1.39%
Class B	2.63%	3.64%	2.31%	1.94%	1.47%

7-day yield (30 September 2025)

Class A	1.995%
Class B	2.095%

Fund review

The Bank of Canada reduced its policy interest rate by 25 basis points in September 2025, bringing the overnight target rate to 2.5%, its lowest level since July 2022. This move reflects ongoing concerns about trade-related headwinds and a cautious outlook for domestic growth. The cut brings the overnight target rate closer to the neutral level, where monetary policy is neither favorable nor restrictive with respect to firms' deciding whether to borrow capital and thereby has a largely muted effect on economic activity. Earlier rate cuts in 2025 were framed as measures to counteract the economic drag from escalating U.S. tariffs and unpredictable trade policy. With some new tariff agreements now in place, the Bank views its current stance as broadly appropriate, though it remains vigilant. Canadian GDP growth slowed considerably in Q3, with some estimates as low as 0.2%; slowing growth has been a consistent trend so far this year. Much of the earlier momentum was driven by inventory accumulation in anticipation of trade disruptions—a temporary effect expected to fade in the coming quarters. Inflation increased from 2.4% in September from 1.7% in July driven by core CPI price pressures, with core inflation rising to approximately 2.8%. This divergence has prompted the Bank to monitor inflation dynamics more closely, especially as wage growth and shelter costs continue to climb. The unemployment rate printed at 7.1% in September, above the previous high of 7.0% posted in May. This persistent upward trend, which began in 2023, signals ongoing slack in the labor market and may limit consumer spending growth. Canadian class A shares of the Butterfield Money Market fund rose to C\$84 million AUM. Approximately 83% of holdings are rated A-1+ by S&P with the portfolio still anchored by Canadian Treasury bills for liquidity and safety. The portfolio maintained the allocation to provincial securities and some commercial paper. The 7-day yield on Class A is marginally lower at 1.995%. The average maturity is approximately 48 days, reflecting a cautious stance amid uncertain rate path expectations. Ongoing volatility in U.S.–Canada trade relations keeps the prospect of further adjustments on the table in the fourth quarter. Investors expect an additional 25 basis point cut in October, with a second 25 basis point cut 80% priced into security yields.

Standard & Poor's
Principal Stability rating

AAAmwww.butterfieldgroup.com

Contact us

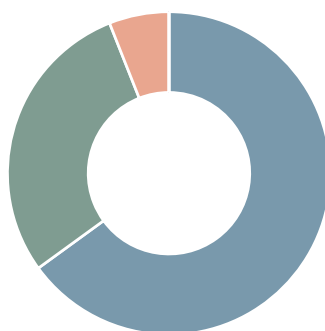
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Average duration and credit rating

Duration	48 days
Credit rating	S&P AAAm

Fund allocation



Sovereign	65%
Provincial Issues	29%
Deposits	6%