

Money Market Fund: GBP 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 British pound-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	GBP
Valuation	Daily
Dealings	Daily
Front end fee	None
Units available	Accumulation
Identifier	BUTMMSI BH
Fiscal year end	30 June
Minimum investment	Class A - GBP 10,000 Class B - GBP 5,000,000
Total expense ratio	Class A - 0.559% Class B - 0.459%
Size of fund (millions)	GBP 32.960
NAV per share - Class A	GBP 23.0794
NAV per share - Class B	GBP 23.6332
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	3.95%	3.97%	2.42%	1.83%	1.29%
Class B	4.05%	4.07%	2.49%	1.90%	1.36%

7-day yield (30 September 2025)

Class A	3.47%
Class B	3.57%

Fund review

The Bank of England continued to balance a complex policy landscape in the third quarter of 2025, as inflationary pressures and uneven growth continued to challenge its monetary stance. In September, the Monetary Policy Committee voted to maintain the bank rate at 4.0%.

12 month inflation rose slightly to 3.8% at quarter-end up from 3.6% at the end of the second quarter. The increase was driven by elevated food, alcohol and tobacco, housing and energy, as well as education costs. This rate of inflation is well above the BoE's 2% target, adding to the complexity of policy making as the unemployment rate continues a multi-year gradual increase. Wage growth notched up to 5% but is in a downward trend on a year to date basis with the Bank of England expecting significant easing through the end of the year.

After modest growth in Q1, GDP growth was subdued in Q2 and is projected to have remained lacklustre in Q3, with services continuing to be the primary driver of output. The labour market showed signs of deterioration, with the unemployment rate increasing slightly to 4.8% in August, reflecting a steady upward trend that began in late 2023.

The path for further rate cuts remains unclear, the bank will take a flexible approach with respect to reductions in the restrictiveness of policy subject to underlying disinflationary pressures easing. Put all together, downside domestic and geopolitical risks characterize the current picture of the in the U.K. economy; GDP remains low, there is a gradual consistent loosening in the labor market, and observable slack in economic activity. The Bank of England is not on a preset monetary policy path and the committee is responsive to the data and will set policy accordingly.

With respect to the GBP Calss of the Bermuda Money Market Fund, the GBP Class of the portfolio maintained strong credit quality holding just under 94% securities rated A-1+ by S&P contributed to by the significant position in UK Treasury bills. In the third quarter, we bought two zero-coupon certificates of deposit that mature in October, contributing to a reduction in average portfolio maturity which is now approximately 42 days. The GBP Class A 7-day yield is 3.472% at quarter-end as rates continue to reflect the latest policy easing and reinvestments were made at lower prevailing rates. The Class size remained stable ending the period at £33 million.

Standard & Poor's
Principal Stability rating

AAAm

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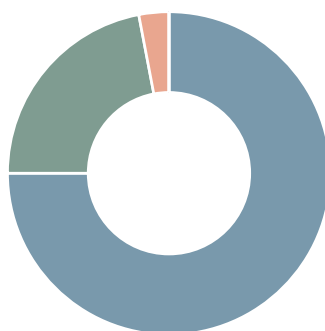
Contact us

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Average duration and credit rating

Duration	43 days
Credit rating	S&P AAAm

Fund allocation

UK treasury bills	75%
Deposits	22%
Fixed rate notes	3%
