

## Money Market Fund: CAD Class

Quarter 4 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 31 December 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 103.351
NAV per share - Class A	CAD 19.3920
NAV per share - Class B	CAD 19.9832
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	2.14%	3.43%	2.34%	1.89%	1.43%
Class B	2.25%	3.53%	2.41%	1.97%	1.52%

### 7-day yield (31 December 2025)

Class A	1.67%
Class B	1.77%

### Fund review

The Canadian economy finished 2025 with resilience, defying earlier forecasts of a severe slowdown. Real GDP grew by 0.6% in the fourth quarter of 2025. This was fueled by a late-year surge in consumer spending, aided by real wage gains, and a stabilization of the labor market. While imposed US tariffs created anxiety throughout the year, the result was a 2.6% annualized growth rate in the final quarter. However, the economic landscape remained fragmented, with manufacturing and trade-exposed sectors facing pressure from rising protectionism. Household spending remained the primary driver of growth, supported by easing inflation, although high interest rates continued to strain many households. Core inflation moderated to 2.2% in Q4 2025. Businesses remained cautious due to trade uncertainty, with only modest growth of 0.7% in Q4. Looking ahead, the economy entered 2026 with a projected 1.6% GDP growth rate, though this remains vulnerable to trade tensions with the United States. While a soft landing appeared achievable, analysts noted that sustained growth depended on the ability of Canadian exports to navigate a shift toward more restrictive US trade policies.

The Class size was unchanged at C\$103 million over the period and credit quality was solid with more than 75% 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 which represented 8% of the portfolio. The rate-cutting cycle led to lower reinvestment rates and caused the 7-day yield on Class A to decline to 1.67%. Average life fell to 43 days as a larger portion of the holdings matured within 1 month. This shortening allows for smoother operation and ensures liquidity needs are met.

Standard & Poor's  
Principal Stability rating

**AAAm**

[www.butterfieldgroup.com](http://www.butterfieldgroup.com)

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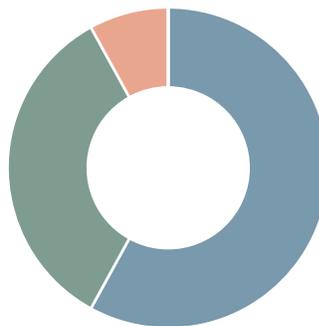
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**Average duration and credit rating**

Duration	43 days
Credit rating	S&P AAAM

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**Fund allocation**

■ Sovereign	58%
■ Provincial Issues	34%
■ Deposits	8%

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