Money Market Fund: USD Class

Quarter 1 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 US 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 March 2025

Currency	USD
Valuation	Daily
Dealings	Daily
Front end fee	None
Units available	Accumulation
Identifier	BUTMMKI BH
Fiscal year end	30 June
Minimum investment	Class A - USD 10,000 Class B - USD 5,000,000
Total expense ratio	Class A - 0.553% Class B - 0.453%
Size of fund (millions)	USD 1,674
NAV per share - Class A	USD 28.7747
NAV per share - Class B	USD 29.4182

Average annual compound returns (Class A & B)

	1 year	3 years	5 years	7 years	10 years
Class A	4.47%	3.86%	2.33%	2.16%	1.64%
Class B	4.58%	3.96%	2.40%	2.23%	1.71%

7-day yield (31 March 2025)

Class A	3.79%
Class B	3.90%

Fund review

The first quarter of 2025 was an eventful quarter. Donald Trump officially became President of the United States and began making changes promptly. While some of his policies have long-term implications, the immediate impact is increased economic uncertainty and shifted views on the economic outlook. The economy was in great shape at the end of 2024 and many voted for Trump with the belief that he would create a thriving economy which would ultimately improve their financial position. However, just a few months later consumers are worried about the future and markets have predicted a recession following severe losses in the equity market. Likewise, businesses are reducing investment in anticipation of a recession and a weakened consumer. Furthermore, businesses have to weather the evolving trade landscape with the terms of trade becoming more unfavorable by the day. While the near-term outlook appears bleak, the latest economic data was solid. Growth for the fourth quarter was 2.4%. Inflation slowed to 2.4% by March and unemployment ended the quarter slightly up at 4.2%. The Fed held the Federal Funds Rate at 4.5% at both meetings because the central bank has chosen to observe the constantly changing landscape without intervening. The central bank is monitoring inflation while also admitting that rate reductions are on the table for later this year. Indeed, the ambiguity of the current forecasts makes it harder to foreshadow the path of monetary policy.

The pause by the Fed regarding the Federal Funds rate has slowed the descent of the 7-day yield. The Class A yield finished the quarter at 3.79%, a reasonable yield for an investment product with minimal risk. Credit quality improved with over 88% of securities within the portfolio garnering the highest S&P rating of A-1+. Bonds accounted for 6% of holdings by quarter end, meanwhile Treasury bills and commercial paper shared an even portion of the portfolio; both representing 45% of holdings. Average life settled just above neutral at 34 days in March. Some securities were extended earlier in the period to take advantage of only a slight dip in rates beyond a month. However, yields are currently reflecting further cuts as we progress closer to the second half of this year and perceived recession territory. The Class size ended the period at $1.6 billion.

Standard & Poor's
Principal Stability rating

AAAm

Contact us

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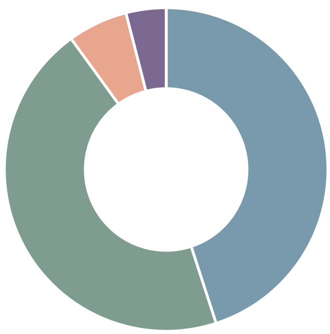
Average duration and credit rating

Duration	34 days
Credit rating	S&P AAAm

Fund allocation



U.S. Treasury Bill	45%
Commercial paper	45%
Fixed rate notes	6%
CD	4%