Money Market Fund: USD 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 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 30 June 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 - 0.550% Class B - 0.449%
Size of fund (millions)	USD 1,809
NAV per share - Class A	USD 29.0482
NAV per share - Class B	USD 29.7052
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	4.26%	4.16%	2.51%	2.24%	1.74%
Class B	4.36%	4.26%	2.57%	2.31%	1.80%

7-day yield (30 June 2025)

Class A	3.82%
Class B	3.92%

Fund review

The Federal Reserve (Fed) has their work cut out for them this year. Not only do they have all the same concerns as other central banks, but the Chair has to worry about potentially being fired before his term finishes next year and the group is under pressure from the President to cut the Fed Funds Rate. President Trump wants the reduction to help stimulate the economy while also reducing the debt burden of government. However, the Fed is supposed to operate as an independent body from the ruling government. Yes, the central bank does examine shifts in fiscal policy as one input into the decision on whether or not to adjust monetary policy. With each decision to stay on hold and not bend to outside influences, the voting members of the central bank are verbally attacked and blamed as the reason for the economy’s demise. The economy contracted by -0.5% in Q1. Some underlying factors were the slowdown in consumer spending as well as drastic cuts in fiscal spending. Lower exports contrasted with a rise in imports as businesses attempted to stockpile inventory ahead of tariff implementation. Inflation is still within the target range at 2.7% for June, but inflation rising is a likely by-product of trade tariffs and will deter the Fed even more from cutting rates so as not to fuel its ascent faster. The Fed have stated that a cut or two were possible later this year but with the high degree of uncertainty, the Fed just may stay on hold for the rest of the year. Either way, monetary policy will not be as aggressive as President Trump is calling for.

Short-term rates move in tandem with the Federal Funds Rate which was unchanged for the quarter. Therefore, the 7-day Class A yield levelled off and finished the quarter only a smidge higher at 3.8%. This yield was favorable to investors and additional subscriptions resulted in the Class size jumping from $1.6 billion to end the period at $1.8 billion. Credit quality remained strong with 78% of securities rated A-1+, the highest S&P rating. Two bonds matured during the quarter, causing bond exposure to drop from 6% to 3% of holdings. Treasury bills and commercial paper still share a fairly even split and account for 48% and 46% of the portfolio respectively. Average life rose further above neutral to reach 45 days in June. Some securities were extended to take advantage that short-term rates have not fully priced in rate cuts at this time.

Standard & Poor’s
Principal Stability rating

AAAm

Contact us

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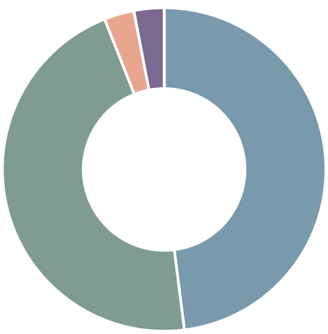
Average duration and credit rating

Duration	45 days
Credit rating	S&P AAAm

Fund allocation



U.S. Treasury Bill	48%
Commercial paper	46%
Fixed rate notes	3%
CD	3%