

31 March 2013

# Fund Review



Butterfield

## MONEY MARKET FUND: USD CLASS

### 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 a LIBOR basis.

### FUND REVIEW

The Fed's current monetary policy is to leave the Fed Funds Rate at the 0-0.25% range at least until the unemployment rate reaches 6.5% and the inflation outlook holds below 2.5%. Therefore, it is generally accepted that a hike will remain off the table throughout this year and next. The unemployment rate is on a downward trend, reaching 7.7% in February, but is not truly reflective of a better employment environment. Some of the decline is attributable to the drop in labor force participation and improvement may be elusive once people choose to reenter the workforce.

Prior to a change in the Fed Funds Rate, an adjustment to the monthly \$85 billion increase in the balance sheet is expected. A reduction will equate to a tightening bias, so the Fed will not make this move in the near-term. Growth is considered moderate, but encompasses a great deal of volatility. The 4th Quarter of 2012 posted growth of a mere 0.4%, whereas expectations for Q1 of 2013 are nearer 3% and the second quarter is expected to land somewhere in the middle. What is encouraging is that consumer spending has been quite consistent and that has led to greater business investment.

Given the conservative nature of the Fund, many of the securities within the portfolio yielded the same whether investing for 1 month or 3 months. This encouraged purchases beyond 90 days and duration rose from 38 days to 50 days. Bond exposure was slightly down ending the month at 20%. Exposure to S&P's top rating of A-1+ securities was a decent 69%, comfortably above the 50% minimum set by the rating agency.

### Contact Information

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## GENERAL INFORMATION

Currency: USD	Fiscal Year End: 30 June
Valuation: Daily	Min. Investment: USD 10,000
Dealings: Daily	Total Expense Ratio: 0.26% Class A 0.22% Class B
Front End Fee: None	
Units Available: Accumulation	Size of Fund (millions): USD 1,913
Identifier: BUTMMKI BH	NAV per share Class A (31.03.2013): USD 24.4540

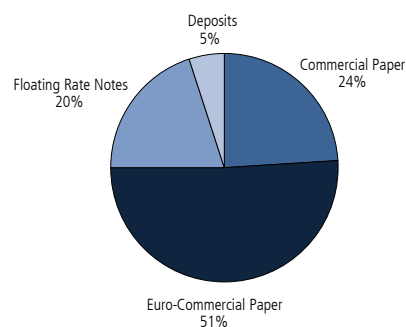
## AVERAGE ANNUAL COMPOUND RETURNS

Class	1 Year	3 Years	5 Years	7 Years	10 Years
A	0.02%	0.02%	0.36%	1.60%	1.67%
B	0.08%	0.10%	0.45%	1.69%	1.77%

## AVERAGE DURATION AND CREDIT RATING

Duration	51 days
Credit Rating	S&P AAAM
7 Day Yield (31.03.2013)	0.008% Class A 0.048% Class B

## FUND ALLOCATION



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