



## MONEY MARKET FUND: CAD 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 CAD 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

Third quarter GDP showed a substantial slowing from the previous quarter. Despite a downward revision to 1.7% for Q2, it far surpassed Q3's meagre 0.6%. Some slowing was anticipated, but both economists and the Central Bank had underestimated the extent of the drop. The Bank of Canada (BoC) noted that the decline was the result of temporary factors such as planned temporary plant closures and they fully anticipate GDP to bounce back in the next quarter. Consumer spending of 3.8% remains a strong component of growth and inventories also contributed to GDP. However, Canada's struggle with poor net exports is ongoing and business investment dropped markedly.

Regardless, the BoC are sticking with their tightening bias. A rate hike is not predicted before the second half of 2013, but given the overall favourable position of the Canadian economy, the next move is likely an increase in the official rate from the current 1%. The Central Bank is concerned by debt amassed by consumers as well as a possible housing bubble in certain parts of the country but are deterred from making a move sooner due to the potential negative impacts stemming from a global downturn and sluggish US growth. These external factors are limiting the Canadian economy's potential to flourish and keeping the Central Bank on hold.

At the end of November, average life was still well above neutral, and rose further from 46 to 49 days. The Class retains a high level of credit quality and exposure to A-1+ rated securities was consistent at 74%. Bonds with short maturities remain a challenge to find and hence the Class does not have exposure to fixed or floating bonds at this time. Meanwhile, holdings of domestic securities, which include Sovereign and Provincial Treasury bills, were up slightly, reaching 78%. Canadian banks have not yet lost their status as some of the safest banks across the globe making them suitable investments for inclusion in the portfolio.

### Contact Information

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### GENERAL INFORMATION

Currency: CAD	Fiscal Year End: 30 June
Valuation: Daily	Min. Investment: CAD 10,000
Dealings: Daily	Total Expense Ratio: 0.51% Class A 0.32% Class B
Front End Fee: None	
Units Available: Accumulation	Size of Fund (millions): CAD 88
Identifier: BUTMMCI BH	NAV per share Class A (30.11.2012): CAD 16.6162

### AVERAGE ANNUAL COMPOUND RETURNS

Class	1 Year	3 Years	5 Years	7 Years	10 Years
A	0.50%	0.43%	0.94%	1.71%	1.81%
B	0.69%	0.57%	1.07%	1.83%	1.93%

### AVERAGE DURATION AND CREDIT RATING

Duration	49.0 days
Credit Rating	S&P AAAM
7 Day Yield (30.11.2012)	0.516% Class A 0.706% Class B

### FUND ALLOCATION

