



Butterfield

Money Market Funds FAQ

Are money market funds as safe as bank deposits?

Triple-A rated money market funds from an established provider remain a very safe investment indeed. They remain an attractive alternative to the bank deposit market since they offer diversification and benefit from stringent credit analysis.

Do we have any exposure to any "risky investments"?

No, for example, the Fund had no Lehman, Merrill Lynch, AIG, Washington Mutual, or Icelandic Banks exposure. Over 50% of the holdings are in European Union government or agency credits (Denmark, France, Germany, and Sweden).

The Fund has exposure to one distressed issuer Stanfield Victoria Finance, but it has credit protection from the Bank.

Are the Money Market Funds separate from Butterfield Bank?

Yes, they are separate legal entities.

Who holds securities?

JP Morgan Chase through Butterfield Trust.

Who owns the Fund?

The shareholders of Butterfield Money Market Fund.

Who manages it?

Butterfield Asset Management

Can the assets in the Money Market Fund be mixed with Butterfield Bank's assets?

No. Butterfield Trust segregates Money Market Fund assets from Butterfield Bank's assets. The Fund does not invest in the Bank and can only deposit 0.25% of the portfolio with Butterfield Bank.

Has Butterfield Bank supported the Fund?

Yes. Butterfield Bank has purchased securities and provided credit protection to the Fund for various assets.

What investments does the Fund currently own and invest in?

Euro-commercial paper and U.S. commercial paper. Specifically, sovereigns, government agencies, high quality banks and corporate issuers.

How diverse are the investments?

We have reduced exposure limits, particularly with the USD class and are well within S&P and internal guidelines.

What are your plans to keep the fund safe in these turbulent times?

Invest in only the highest quality names (including sovereign, supra-national and agency names) & maintain at least 20% of the portfolio maturing every day.