

31 December 2015

# Fund Review



Butterfield

## 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

The Canadian economy shrugged off a first half technical recession with a 2.3% print for GDP in Q3. This provided a brief reprieve from the negative slide last year amidst the ongoing plummet in commodity prices. The fact of the matter is the collapse of oil prices has not been as temporary as initially suggested. There are no signs yet that signal this area of the economy will improve. More disheartening was a contraction in monthly GDP for September, largely attributed to disruptions in production due to fire and maintenance shutdowns. That was followed by a paltry 0% in October. In light of the bleak picture, business investment has suffered, especially in commodity-related businesses. On the bright side, economists noted that the depreciation of the Loonie in tandem with a better US economy would provide a boost to exports. This theory is gaining traction and may prove to be the key driver of growth in 2016. The Bank of Canada (BoC) supports this notion since there are few alternate sources of growth to offset the weakness from commodities. The Central Bank refrained from cutting rates from the 0.5% level set in July; however, a failure by the economy to turn around could trigger further reductions during 2016.

Throughout Q4, we continued to extend maturities into 2016 and the average life held above neutral, ending the period at 42 days. For the most part, yields were flat in the very short-end, but holding some longer maturities protects against a rate cut. We believe the BoC will exercise caution and allow for some weakness in the near term. Bond exposure rose to 18% in the form of fixed rates notes as floating rate notes matured during the quarter and were not replaced. A-1+ exposure decreased to 68% but remains well above the S&P stated minimum of 50%. The largest banks in Canada are adjusting to the changes in their operating environment and are solid investments, despite a less rosy outlook for 2016.

## GENERAL INFORMATION

Currency: CAD	Fiscal Year End: 30 June
Valuation: Daily	Min. Investment: CAD 10,000
Dealings: Daily	Total Expense Ratio: 0.54% Class A 0.44% Class B
Front End Fee: None	
Units Available: Accumulation	Size of Fund (millions): CAD 37
Identifier: BUTMMCI BH	NAV per share Class A (31.12.2015): CAD 16.8170

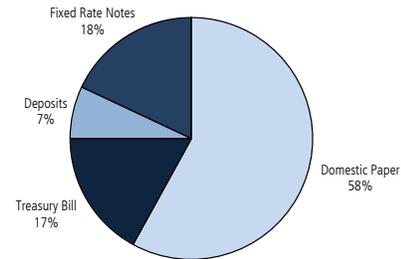
## AVERAGE ANNUAL COMPOUND RETURNS

Class	1 Year	3 Years	5 Years	7 Years	10 Years
A	0.17%	0.39%	0.45%	0.38%	1.29%
B	0.31%	0.56%	0.62%	0.53%	1.43%

## AVERAGE DURATION AND CREDIT RATING

Duration	42.3 days
Credit Rating	S&P AAAM
7 Day Yield (31.12.2015)	0.070% Class A 0.170% Class B

## FUND ALLOCATION



### Contact Information

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