



## Money Market Fund: GBP Class

Quarter 3 2020

### 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 British pound-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.

### Key facts as at 30 September 2020

Currency	GBP
Valuation	Daily
Dealings	Daily
Front end fee	None
Units available	Accumulation
Identifier	BUTMMSI BH
Fiscal year end	30 June
Minimum investment	Class A - GBP 10,000 Class B - GBP 5,000,000
Total expense ratio	Class A - 0.21% Class B - 0.21%
Size of fund (millions)	GBP 22.172
NAV per share - Class A	GBP 20.4764
NAV per share - Class B	GBP 20.8987

### Average annual compound returns (Class A & B)

	1 year	3 years	5 years	7 years	10 years
Class A	0.25%	0.28%	0.17%	0.13%	0.12%
Class B	0.31%	0.36%	0.24%	0.18%	0.19%

### 7-day yield (30 September 2020)

Class A	0.00%
Class B	0.00%

### Fund review

During the third quarter, the UK partially returned to a locked down state. Majority of employees are working from home and not making the commute into London. For a time, the government instituted the "Eat Out to Help Out" scheme whereby they agreed to pay for half of customer bills at restaurants. This initiative received a warm reception as many lined up to partake. The government also offered assistance to those who suddenly found themselves furloughed or unemployed. As even more regulations are imposed during the fourth quarter, government benefits are set to lessen. This may place renewed pressure on businesses and consumers alike. GDP in the UK plummeted a whopping 22% in the first half of the year and while a rebound is forthcoming, the dual headwinds of Covid-19 and Brexit uncertainty suggest the government will need to provide even more support to sustain a return to growth. During the next quarter, there will be a greater push towards resolving the outstanding details for the way forward after Brexit. The EU is still holding fast to their assertion that they will not be forced into an agreement. However, Prime Minister Boris Johnson is determined to try to coerce the EU into hammering out a resolution.

The Sterling class has now settled at a yield of 0% because the official bank rate is only 0.1%. Unfortunately, supply constraints on UK T-bills have caused yields to dip into negative territory. Fees on the Fund have been reduced where possible including the management fee waived. The duration has fallen to 41 days as the inverted yield curve removes the benefit of extending. Credit quality remains high with 95% of securities having an A-1+ rating. We were able to add a couple more bonds, but Treasury bills are the main component in the portfolio.

Standard & Poor's  
Principal Stability rating

## AAAm

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### Contact us

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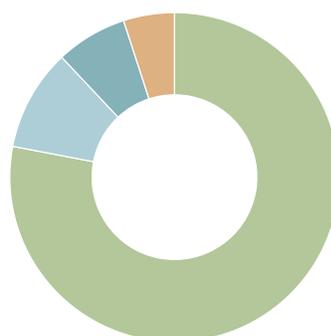
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### Average duration and credit rating

Duration	41 days
Credit rating	S&P AAAM

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### Fund allocation



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UK treasury bills	78%
Fixed rate notes	10%
Deposits	7%
Floating rate notes	5%

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