

**Butterfield Money Market Fund  
Limited**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2020

# Butterfield Money Market Fund Limited

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## JUNE 2020 ANNUAL REPORT

### USD CLASS

This past financial year was a complete 180 degree turn from the previous one. Sentiment in 2019 had changed from optimism to prudence. The Fed Funds rate began this financial year at 2.25 – 2.5%, however the FOMC decided an insurance rate cut was necessary in July of 2019 to stay ahead of unforeseen trouble. 2020 brought with it a series of unpredictable events that left us all guessing what would happen next. Emanating out of China, the Coronavirus quickly spread around the world, infecting millions of people during the year. Governments, in an attempt to slow this infectious disease, decided to implement a lockdown. While a justifiable move in disease prevention, it had knock on effects to the economy. The resultant reduction in activity led to a severe plummet in GDP and a sharp rise in unemployment. Therefore, the government took further action to support businesses that were struggling to survive without the consumer activity to generate income. The high level of uncertainty regarding what might happen day to day created a great deal of volatility in the market place with Wall Street even having to halt trading temporarily to cope with panicked markets.

Part of the response to mitigate the swift decline of economic activity was for the Fed to cut rates effectively to 0% within the span of a few weeks. Given the strong link between the Fed Funds rate and short-term rates, the Class yields have also declined steadily throughout the first half of 2020. Average life hovered around neutral of 30 days whilst A-1+ rated securities, S&P's top rating, improved to 83%. In uncertain times, there is a flight to quality to ensure invested funds are as safe as possible. Hence, US Treasury bills were introduced into the portfolio. Previously, these were the lowest yielding option due to their perception as the risk-free asset. However, all investments now have depressed yield levels, making Treasury bills a comparable return asset with less risk involved. Liquidity was boosted to approximately 15% of the portfolio maturing daily to ensure adequate coverage of redemptions should a series of outflows by nervous investors occur. Fortunately, this issue did not present itself during the financial year.

Since the end of June, the Class yield has continued to fall. A review of the fees was conducted and it was decided to incrementally trim the management fees and also decrease the custody fees. The country-wide lockdown has lifted and the individual States began re-opening. The future is just as uncertain as some states have fully embraced re-opening whereas others have chosen to be more prudent. Cases of newly infected people are surging again which has halted or even reversed some of the loosened restrictions. Furthermore, the US has an election in November to decide whether Donald Trump remains president or Joe Biden brings a win for the Democrats. Despite the hazy outlook, forecasters agree that the Fed is unlikely to hike the Fed Funds rate until at least 2022.

### Canadian Dollar Class

When the financial year began, global issues were set to outweigh the domestic issues that Canada faced. Proven correct, Canada found itself tackling obstacles time and again throughout the financial year. During the third quarter of 2019, the Canadian economy was actually faring pretty well. The main domestic concern continued to be the high level of debt-to-income and consumers ability to manage these debt loads. However, this risk was lessened by regulations enacted to ensure responsible lending and borrowing. By the fourth quarter; the trade war between the US and China was taking its toll on Canadian trade, but Trump and Xi had called a ceasefire by the end of 2019. CUSMA, the replacement for NAFTA, was near completion adding another positive for future trading potential. 2020 brought more challenges when OPEC and Russia failed to agree a supply deal on oil and commodity prices tumbled. Even after a deal was reached, demand for oil was extremely low as Canada was dealt another blow. A global pandemic would lead to a countrywide lockdown and therefore one of oil's strongest demand drivers, travel whether daily commuting or for vacation purposes, was abruptly halted. Add to that, the sharp drop in consumer activity when everyone was forced to stay home in an already flailing economy and Canada is now in a struggle to prove they can withstand the hard times.

# Butterfield Money Market Fund Limited

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Part of the response to the pandemic was for central banks to cut their rates and the Bank of Canada was no exception. The base rate was slashed in a matter of weeks to 0.25% from the 1.75% at the start of 2020. While the speed at which this happened was surprising, the US response all but cemented the nosedive in rates for Canada. Consequently, the yield on the Class has fallen in line with the rate cuts. Duration remained close to neutral because the yield curve is flat and removed the benefits of extending. The credit quality of the portfolio is intact with investments mostly in Canadian Banks, Provinces or Treasury bills. The latter also ensure adequate liquidity along with a deposit to supplement should the need arise.

The pandemic has caused a lot of volatility and uncertainty on a global scale. No longer deemed as a passing threat, governments have had to set a strategy for dealing with the highly infectious virus. Some provinces have decided to resume lockdown precautions while another countrywide lockdown is probable. So far, the bounce back in the economy has been encouraging but a second lockdown could unravel the progress made since the country re-opened. Despite the ambiguous outlook, the Canadian government has shown a determination to weather this storm and come out a thriving economy. At this time, it appears the Bank of Canada will remain on hold for the foreseeable future. With negative rates not a topic of discussion, there is nowhere for the rate to move since hikes are not a viable option until there is a long-term resolution to the pandemic.

## Sterling Class

Brexit was the hot topic in the UK at the start of the financial year. Prime Minister Theresa May struggled to cement a deal and was replaced by Boris Johnson. Even with his zeal for completing the negotiations in a timely manner, the Halloween deadline proved too short for him and the deadline was extended yet again. Undaunted, a general election was called in the 4th quarter of 2019 which led to a landslide victory for the Conservatives. Having garnered more support, Prime Minister Johnson was finally able to secure Parliamentary approval for the Withdrawal Agreement. The official leave date for Britain was the end of January 2020 with the remainder of this year designated to the transition and sorting out particulars like trading with the EU. The EU has stated upfront their skepticism at completing such a monumental task in such a short time frame especially when both sides are strong-willed and determined to see their own agenda triumph. Little did they know that a larger obstacle was on the horizon? WHO would declare a global pandemic in 2020 and the country would be locked down by the end of the first quarter. Even Prime Minister Boris Johnson contracted the virus and was hospitalized briefly.

The Bank of England was in a tough spot for 2020. While other countries were slashing their central bank rates, their official rate was a mere 0.75%. Still, the central bank did cut the rate right down to 0.1% in a coordinated effort with fiscal policy to mitigate the economic damage of the mandated lockdown. Consequently, the Class yields gradually slid downward as maturities were reinvested at lower rates. This Class is mostly comprised of UK Treasury Bills. The advantage of T-bills is their strong credit quality and good liquidity which make them an ideal choice for a daily Fund. Furthermore, there is primary access to issuance through weekly auctions which alleviates some of the dependence on the secondary market. The dominance of T-bill holdings led to a 92% A-1+ rating at the end of June. A-1+ is the highest rating assigned by S&P.

The UK is once again tightening restrictions on people's movements. The COVID-19 virus is taken seriously by those in charge and they are determined to find the best method of handling this threat. Speculation has increased on whether the BoE will delve into negative rates as their counterpart, the ECB has. Whereas this notion was once thought implausible; in fact, the BoE sold their first bond at a negative yield in May. That move alters the perception of what tools will be utilized in the future if deemed appropriate. Against this backdrop, short-term yields are mostly negative. We have therefore suspended subscriptions until further notice to protect the fund and current fund holders. Fees have been waived on this Class, and the yield is constant at zero supported by the investment advisor subsidizing the Class.

Dwayne Outerbridge  
President  
Butterfield Money Market Fund Limited  
November 4, 2020



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## Independent Auditor's Report

The Board of Directors  
Butterfield Money Market Fund Limited, comprising US\$ Class, CDN\$ Class  
and GBP£ Class

### Opinion

We have audited the financial statements of Butterfield Money Market Fund Limited, comprising US\$ Class, CDN\$ Class and GBP£ Class (collectively referred to as the Fund), which comprise the statement of financial position as at June 30, 2020, and the statements of comprehensive income, changes in net assets attributable to shareholders and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Fund's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

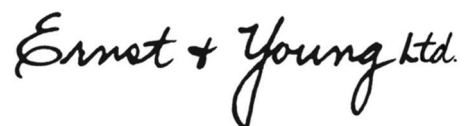
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this auditor's report is Cordelia Davis.



November 9, 2020

# Butterfield Money Market Fund Limited

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## **DIRECTORS**

David Ware  
Dawn Griffiths (alternative: Elizabeth Denman)  
Jeffrey Abbott  
Nigel Garrard  
Dwayne Outerbridge (alternative: Michael Neff)

## **INVESTMENT ADVISER**

Butterfield Asset Management Limited  
65 Front Street  
Hamilton HM 12  
Bermuda

## **CUSTODIAN**

The Bank of N.T. Butterfield & Son Limited  
65 Front Street  
Hamilton HM12  
Bermuda

## **REGISTRAR, TRANSFER AGENT AND ADMINISTRATOR**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM 08  
Bermuda

## **AUDITORS**

Ernst & Young Ltd.  
3 Bermudiana  
Hamilton HM 08  
Bermuda

# Butterfield Money Market Fund Limited

## STATEMENT OF FINANCIAL POSITION As at June 30, 2020

		<b>US\$ CLASS</b>	
		<b>June 30, 2020</b>	June 30, 2019
		<b>US\$</b>	US\$
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	<b>233,098</b>	103,776
Financial assets at fair value through profit or loss	3, 4	<b>1,634,711,331</b>	1,553,225,198
Interest receivable		<b>197,938</b>	408,846
Prepaid expenses		<b>112,749</b>	73,273
<b>Total assets</b>		<b>1,635,255,116</b>	1,553,811,093
<b>Liabilities</b>			
Accrued expenses	6, 7	<b>827,032</b>	858,699
Due to Broker	2 i)	<b>39,992,667</b>	-
<b>Total liabilities</b>		<b>40,819,699</b>	858,699
Organisational shares	5	<b>12,000</b>	12,000
<b>Total liabilities and equity (including net assets attributable to shareholders)</b>		<b>1,635,255,116</b>	1,553,811,093
<b>Net assets attributable to shareholders</b>		<b>1,594,423,417</b>	1,552,940,394
Net assets available to shareholders - Sub-Class A		<b>645,525,368</b>	671,702,637
Number of redeemable shares in issue - Sub-Class A	5	<b>25,152,210</b>	26,490,240
Net asset value per redeemable share - Sub-Class A		<b>25.6648</b>	25.3566
Net assets available to shareholders - Sub-Class B		<b>948,898,049</b>	881,237,757
Number of redeemable shares in issue - Sub-Class B	5	<b>36,270,501</b>	34,127,997
Net asset value per redeemable share - Sub-Class B		<b>26.1617</b>	25.8215

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## STATEMENT OF FINANCIAL POSITION (Continued) As at June 30, 2020

		CDN\$ CLASS	
		June 30, 2020 CDN\$	June 30, 2019 CDN\$
	Notes		
<b>Assets</b>			
Cash and cash equivalents	2 h)	18,576	41,224
Financial assets at fair value through profit or loss	3, 4	24,805,198	54,565,562
Interest receivable		10,787	35,058
Prepaid expenses		20,911	12,678
<b>Total assets</b>		<b>24,855,472</b>	<b>54,654,522</b>
<b>Liabilities</b>			
Accrued expenses	6, 7	11,465	30,165
Due to broker	2 i)	1,239,473	1,000,538
<b>Total liabilities</b>		<b>1,250,938</b>	<b>1,030,703</b>
<b>Net assets attributable to shareholders</b>		<b>23,604,534</b>	<b>53,623,819</b>
Net assets available to shareholders - Sub-Class A		23,583,814	26,815,261
Number of redeemable shares in issue - Sub-Class A	5	1,365,548	1,567,262
Net asset value per redeemable share - Sub-Class A		17.2706	17.1096
Net assets available to shareholders - Sub-Class B		20,720	26,808,558
Number of redeemable shares in issue - Sub-Class B	5	1,168	1,527,598
Net asset value per redeemable share - Sub-Class B		17.7365	17.5495

*The accompanying notes are an integral part of these financial statements*



# Butterfield Money Market Fund Limited

## STATEMENT OF FINANCIAL POSITION (Continued) As at June 30, 2020

		<b>GBP£ CLASS</b>	
		<b>June 30, 2020</b>	June 30, 2019
		<b>GBP£</b>	GBP£
	<b>Notes</b>		
<b>Assets</b>			
Cash and cash equivalents	2 h)	<b>16,400</b>	26,590
Financial assets at fair value through profit or loss	3, 4	<b>22,811,030</b>	40,480,300
Interest receivable		<b>6,561</b>	45,184
Prepaid expenses and receivables		<b>32,826</b>	25,837
<b>Total assets</b>		<b>22,866,817</b>	40,577,911
<b>Liabilities</b>			
Accrued expenses	6, 7	<b>5,862</b>	11,364
Due to broker	2 i)	-	1,200,245
<b>Total liabilities</b>		<b>5,862</b>	1,211,609
<b>Net assets attributable to shareholders</b>		<b>22,860,955</b>	39,366,302
Net assets available to shareholders - Sub-Class A		<b>22,091,392</b>	28,225,920
Number of redeemable shares in issue - Sub-Class A	5	<b>1,078,872</b>	1,383,595
Net asset value per redeemable share - Sub-Class A		<b>20.4764</b>	20.4004
Net assets available to shareholders - Sub-Class B		<b>769,563</b>	11,140,382
Number of redeemable shares in issue - Sub-Class B	5	<b>36,823</b>	535,514
Net asset value per redeemable share - Sub-Class B		<b>20.8990</b>	20.8031

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS – US\$ CLASS As at June 30, 2020

Nominal US\$	Issuer	S&P Rating	Yield %	Maturity Date	Fair Value US\$	Percent of Net Assets %
<b>INVESTMENTS</b>						
<b>Certificates of Deposit</b>						
102,919,957	Canadian Imperial Bank of Commerce	A-1	0.0800	1-Jul-20	102,919,957	6.45
20,000,000	Nationwide Building Society	A-1	0.2100	9-Sep-20	20,000,394	1.26
					<b>122,920,351</b>	<b>7.71</b>
<b>Euro-Commercial Paper and Euro-Notes</b>						
35,000,000	Austria (Republic of)	A-1+	0.1700	6-Jul-20	34,999,008	2.20
30,000,000	Austria (Republic of)	A-1+	0.2000	1-Sep-20	29,989,504	1.88
35,000,000	DNB Bank ASA	A-1+	0.1600	19-Aug-20	34,992,224	2.19
35,000,000	Eurofima	A-1+	0.9500	16-Jul-20	34,985,228	2.19
35,000,000	Landeskreditbank Baden-Wuerttemberg	A-1+	0.2400	1-Jul-20	34,999,767	2.20
35,000,000	Landeskreditbank Baden-Wuerttemberg	A-1+	0.2500	4-Sep-20	34,983,966	2.19
35,000,000	Landwirtschaft Rentenbank	A-1+	0.2250	15-Jul-20	34,996,719	2.19
20,000,000	Oesterreichische Kontrollbank	A-1+	0.2200	28-Sep-20	19,989,006	1.25
25,000,000	SBAB Bank AB	A-1	0.7700	24-Jul-20	24,987,173	1.57
					<b>284,922,595</b>	<b>17.86</b>
<b>Commercial Paper and Banker's Acceptance</b>						
11,700,000	Alberta (Province Of)	A-1+	0.1200	2-Jul-20	11,699,922	0.73
35,000,000	Alberta (Province Of)	A-1+	0.1500	29-Jul-20	34,995,771	2.19
25,000,000	BNG Bank NV	A-1+	1.0000	1-Sep-20	24,956,250	1.57
23,245,000	British Columbia (Province Of)	A-1+	1.0000	2-Jul-20	23,243,709	1.46
41,500,000	British Columbia (Province Of)	A-1+	0.9000	2-Sep-20	41,433,600	2.60
35,000,000	Caisse Des Depots et Consignations	A-1+	0.2000	27-Jul-20	34,994,750	2.19
35,000,000	DNB BANK ASA	A-1+	0.1900	25-Aug-20	34,989,656	2.19
20,000,000	European Investment Bank	A-1+	0.2000	1-Sep-20	19,993,000	1.25
18,000,000	European Investment Bank	A-1+	0.7000	2-Sep-20	17,977,600	1.13
30,000,000	European Investment Bank	A-1+	0.2100	17-Sep-20	29,986,175	1.88
25,000,000	Finland (Republic of)	A-1+	0.1905	16-Sep-20	24,989,688	1.57
35,000,000	HSBC Bank PLC	A-1+	1.3600	6-Jul-20	34,992,067	2.19
10,000,000	KFW	A-1+	1.1000	22-Jul-20	9,993,278	0.63
40,000,000	KFW	A-1+	1.5000	24-Aug-20	39,908,333	2.50
40,000,000	Kingdom of Denmark	A-1+	0.8900	1-Jul-20	39,999,011	2.51
25,200,000	Kingdom of Denmark	A-1+	0.2000	5-Aug-20	25,194,960	1.58
40,000,000	Kingdom of Denmark	A-1+	0.1500	14-Aug-20	39,992,667	2.51
25,000,000	MUFG Bank	A-1	0.1900	20-Jul-20	24,997,361	1.57
40,000,000	MUFG Bank	A-1	0.1900	3-Aug-20	39,992,822	2.51
30,000,000	National Australia Bank	A-1+	1.7800	1-Jul-20	29,998,517	1.88
24,180,000	National Australia Bank	A-1+	1.0000	7-Jul-20	24,175,298	1.52
20,800,000	National Bank of Canada	A-1	0.1850	22-Jul-20	20,797,648	1.30
30,750,000	Nationwide Building Society	A-1	0.6500	8-Jul-20	30,745,558	1.93
20,700,000	Nationwide Building Society	A-1	0.2000	10-Jul-20	20,698,850	1.30
16,400,000	NRW Bank	A-1+	0.2200	8-Sep-20	16,392,984	1.03
25,000,000	NRW Bank	A-1+	0.2000	21-Sep-20	24,988,472	1.57
10,000,000	NRW Bank	A-1+	0.2200	22-Sep-20	9,994,867	0.63

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS – US\$ CLASS (Continued) As at June 30, 2020

Nominal US\$	Issuer	S&P Rating	Yield %	Maturity Date	Fair Value US\$	Percent of Net Assets %
<b>INVESTMENTS (continued)</b>						
<b>Commercial Paper and Banker's Acceptance</b>						
20,000,000	Oesterreichische Kontrollbank	A-1+	0.1400	13-Jul-20	19,998,989	1.25
29,700,000	Quebec (Province of)	A-1+	0.7000	4-Aug-20	29,679,788	1.86
34,100,000	Quebec (Province of)	A-1+	0.1600	11-Sep-20	34,088,936	2.14
35,000,000	Svenska Handelsbanken	A-1+	1.2600	7-Jul-20	34,991,425	2.19
40,000,000	Toronto Dominion Bank	A-1+	0.1500	7-Jul-20	39,998,834	2.51
30,000,000	Toronto Dominion Bank	A-1+	1.6100	3-Aug-20	29,954,383	1.88
25,300,000	US Treasury	A-1+	0.0900	2-Jul-20	25,299,874	1.59
19,500,000	US Treasury	A-1+	0.0910	2-Jul-20	19,499,901	1.22
41,500,000	US Treasury	A-1+	0.0945	14-Jul-20	41,498,475	2.60
47,600,000	US Treasury	A-1+	0.1050	11-Aug-20	47,594,169	2.99
70,000,000	US Treasury	A-1+	0.1325	18-Aug-20	69,987,376	4.39
25,000,000	US Treasury	A-1+	0.0650	24-Sep-20	24,996,117	1.57
					<b>1,149,711,081</b>	<b>72.11</b>
<b>Bonds - Fixed</b>						
37,000,000	Finland (Republic of)	A-1+	0.1864	21-Sep-20	37,109,511	2.33
					<b>37,109,511</b>	<b>2.33</b>
<b>Floating Rate Notes</b>						
20,800,000	Land Nordrhein-Westfalen	A-1+	0.2966	16-Oct-20	20,830,435	1.31
19,200,000	NRW Bank	A-1+	0.2505	26-Oct-20	19,217,358	1.21
					<b>40,047,793</b>	<b>2.52</b>
<b>TOTAL INVESTMENTS</b>					<b>1,634,711,331</b>	<b>102.53</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS – CDN\$ CLASS As at June 30, 2020

Nominal CDN\$	Issuer	S&P Rating	Yield %	Maturity Date	Fair Value CDN\$	Percent of Net Assets %
<b>INVESTMENTS</b>						
<b>Bonds - Fixed</b>						
1,000,000	Bank of Nova Scotia	A-1	1.2762	9-Sep-20	1,001,531	4.24
900,000	HSBC Bank PLC	A-1+	1.5207	7-Jul-20	900,050	3.82
					<b>1,901,581</b>	<b>8.06</b>
<b>Canadian Treasury Bills and Commercial Paper</b>						
1,000,000	Alberta (Province of)	A-1+	0.3900	28-Jul-20	999,701	4.24
1,000,000	Bank of Montreal	A-1	0.3694	15-Jul-20	999,848	4.24
740,000	British Columbia (Province of)	A-1+	0.2191	25-Sep-20	739,623	3.13
1,700,000	Canada T-Bill	A-1+	0.1802	9-Jul-20	1,699,924	7.20
1,730,000	Canada T-Bill	A-1+	0.2260	23-Jul-20	1,729,754	7.33
650,000	Canada T-Bill	A-1+	0.2247	6-Aug-20	649,852	2.75
1,250,000	Canada T-Bill	A-1+	0.2488	13-Aug-20	1,249,625	5.29
1,070,000	Canada T-Bill	A-1+	0.1886	27-Aug-20	1,069,679	4.53
1,000,000	Canada T-Bill	A-1+	0.1900	3-Sep-20	999,662	4.24
670,000	Canada T-Bill	A-1+	0.3003	15-Oct-20	669,411	2.84
1,000,000	Manitoba (Province of)	A-1	0.2522	2-Sep-20	999,558	4.23
500,000	New Brunswick (Province of)	A-1+	0.2724	2-Jul-20	499,993	2.12
500,000	New Brunswick (Province of)	A-1+	0.3479	9-Jul-20	499,957	2.12
500,000	New Brunswick (Province of)	A-1+	0.2028	25-Aug-20	499,850	2.12
1,000,000	Newfoundland (Province)	A-1	0.2408	10-Sep-20	999,525	4.23
1,000,000	Nova Scotia (Province of)	A-1+	0.2501	1-Sep-20	999,569	4.23
1,000,000	Ontario (Province of)	A-1	0.6010	19-Aug-20	999,177	4.23
1,000,000	Quebec (Province of)	A-1+	0.2609	24-Jul-20	999,829	4.24
1,000,000	Toronto Dominion Bank	A-1+	0.2896	21-Aug-20	999,589	4.23
					<b>18,304,126</b>	<b>77.54</b>
<b>Certificates of Deposit</b>						
1,600,041	Canadian Imperial Bank of Commerce	A-1	0.0000	2-Jul-20	1,600,041	6.78
					<b>1,600,041</b>	<b>6.78</b>
<b>Notes and Provincial Paper</b>						
740,000	British Columbia (Province of)	A-1+	0.2534	2-Jul-20	739,990	3.13
260,000	British Columbia (Province of)	A-1+	0.2608	3-Jul-20	259,994	1.10
250,000	Prince Edward Island	A-1	0.4001	13-Jul-20	249,964	1.06
750,000	Prince Edward Island	A-1	0.3202	28-Jul-20	749,816	3.18
1,000,000	Saskatchewan (Province of)	A-1+	0.8810	13-Jul-20	999,686	4.24
					<b>2,999,450</b>	<b>12.71</b>
<b>TOTAL INVESTMENTS</b>					<b>24,805,198</b>	<b>105.09</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## SCHEDULE OF PORTFOLIO INVESTMENTS – GBP£ CLASS As at June 30, 2020

Nominal GBP£	Issuer	S&P Rating	Yield %	Maturity Date	Fair Value GBP£	Percent of Net Assets %
<b>INVESTMENTS</b>						
<b>Certificates of Deposit</b>						
1,000,000	Bank of Nova Scotia	A-1	0.7600	6-Jul-20	1,000,013	4.37
700,000	Nordea Bank AB	A-1+	0.8650	9-Jul-20	699,851	3.06
1,040,675	Royal Bank of Canada	A-1+	0.0000	1-Jul-20	1,040,675	4.55
					<b>2,740,539</b>	<b>11.98</b>
<b>Floating Rate Note</b>						
800,000	Ontario (Province of)	A-1	0.1358	10-Nov-20	800,774	3.50
					<b>800,774</b>	<b>3.50</b>
<b>UK Treasury Bills</b>						
929,000	UK Treasury Bill	A-1+	0.0800	20-Jul-20	928,960	4.06
250,000	UK Treasury Bill	A-1+	0.0900	17-Aug-20	249,970	1.09
2,100,000	UK Treasury Bill	A-1+	0.0271	21-Sep-20	2,099,870	9.19
700,000	UK Treasury Bill	A-1+	0.0950	6-Jul-20	699,990	3.06
1,950,000	UK Treasury Bill	A-1+	0.1254	13-Jul-20	1,949,913	8.53
1,500,000	UK Treasury Bill	A-1+	0.1100	27-Jul-20	1,499,879	6.56
1,895,000	UK Treasury Bill	A-1+	0.0565	3-Aug-20	1,894,900	8.29
2,254,000	UK Treasury Bill	A-1+	0.0616	10-Aug-20	2,253,844	9.86
1,489,000	UK Treasury Bill	A-1+	0.0828	24-Aug-20	1,488,814	6.51
1,070,000	UK Treasury Bill	A-1+	0.1280	1-Sep-20	1,069,764	4.68
930,000	UK Treasury Bill	A-1+	0.1599	14-Sep-20	929,690	4.07
500,000	UK Treasury Bill	A-1+	0.2800	28-Sep-20	499,655	2.19
1,300,000	UK Treasury Bill	A-1+	0.2200	5-Oct-20	1,299,708	5.69
1,200,000	UK Treasury Bill	A-1+	0.0000	12-Oct-20	1,200,000	5.25
700,000	UK Treasury Bill	A-1+	0.1900	2-Nov-20	699,545	3.05
					<b>18,764,502</b>	<b>82.08</b>
<b>Bonds - Fixed</b>						
500,000	Svenska Handelsbanken	A-1+	0.3115	20-Nov-20	505,215	2.21
					<b>505,215</b>	<b>2.21</b>
<b>TOTAL INVESTMENTS</b>					<b>22,811,030</b>	<b>99.77</b>

The accompanying notes are an integral part of these financial statements

# Butterfield Money Market Fund Limited

## STATEMENT OF COMPREHENSIVE INCOME For the year ended June 30, 2020

		US\$ CLASS	
	Notes	2020 US\$	2019 US\$
<b>Income</b>			
Interest		27,625,362	37,389,861
<b>Expenses</b>			
Management fee	6 a)	4,571,859	4,571,591
Administration fee	7	1,019,369	1,014,442
Audit fee		72,069	71,286
Custodian fee	6 b)	1,000,263	990,394
Miscellaneous		205,504	171,997
<b>Total expenses</b>		<b>6,869,064</b>	<b>6,819,710</b>
<b>Increase in net assets attributable to shareholders</b>		<b>20,756,298</b>	<b>30,570,151</b>

		CDN\$ CLASS	
	Notes	2020 CDN\$	2019 CDN\$
<b>Income</b>			
Interest		472,601	761,374
<b>Expenses</b>			
Management fee	6 a)	99,984	141,383
Administration fee	7	18,459	27,359
Audit fee		5,420	5,362
Custodian fee	6 b)	20,184	29,164
Miscellaneous		8,073	31,562
<b>Total expenses</b>		<b>152,120</b>	<b>234,830</b>
<b>Increase in net assets attributable to shareholders</b>		<b>320,481</b>	<b>526,544</b>

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

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## STATEMENT OF COMPREHENSIVE INCOME (Continued) For the year ended June 30, 2020

		GBP£ CLASS	
	Notes	2020 GBP£	2019 GBP£
<b>Income</b>			
Interest		<b>209,782</b>	245,966
<b>Expenses</b>			
Management fee	6 a)	<b>25,193</b>	25,571
Administration fee	7	<b>19,164</b>	22,013
Audit fee		<b>913</b>	903
Custodian fee	6 b)	<b>19,102</b>	22,584
Miscellaneous		<b>7,765</b>	18,488
<b>Total expenses</b>		<b>72,137</b>	89,559
<b>Increase in net assets attributable to shareholders</b>		<b>137,645</b>	156,407

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended June 30, 2020

	<b>US\$ CLASS</b>	
	<b>2020 US\$</b>	<b>2019 US\$</b>
<b>Increase in net assets attributable to shareholders</b>	<b>20,756,298</b>	<b>30,570,151</b>
<b>Capital stock transactions</b>		
Issue of redeemable shares	1,728,860,445	1,752,903,066
Redemption of redeemable shares	(1,708,133,720)	(1,820,845,756)
Net capital stock transactions	<b>20,726,725</b>	<b>(67,942,690)</b>
<b>Net increase/(decrease) in net assets for the year</b>	<b>41,483,023</b>	<b>(37,372,539)</b>
<b>Net assets attributable to shareholders – beginning of year</b>	<b>1,552,940,394</b>	<b>1,590,312,933</b>
<b>Net assets attributable to shareholders – end of year</b>	<b>1,594,423,417</b>	<b>1,552,940,394</b>
	<b>CDN\$ CLASS</b>	
	<b>2020 CDN\$</b>	<b>2019 CDN\$</b>
<b>Increase in net assets attributable to shareholders</b>	<b>320,481</b>	<b>526,544</b>
<b>Capital stock transactions</b>		
Issue of redeemable shares	8,413,496	63,649,115
Redemption of redeemable shares	(38,753,262)	(53,924,169)
Net capital stock transactions	<b>(30,339,766)</b>	<b>9,724,946</b>
<b>Net (decrease)/increase in net assets for the year</b>	<b>(30,019,285)</b>	<b>10,251,490</b>
<b>Net assets attributable to shareholders – beginning of year</b>	<b>53,623,819</b>	<b>43,372,329</b>
<b>Net assets attributable to shareholders – end of year</b>	<b>23,604,534</b>	<b>53,623,819</b>

*The accompanying notes are an integral part of these financial statements*



# Butterfield Money Market Fund Limited

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (Continued) For the year ended June 30, 2020

	GBP£ CLASS	
	2020 GBP£	2019 GBP£
<b>Increase in net assets attributable to shareholders</b>	<b>137,645</b>	156,407
<b>Capital stock transactions</b>		
Issue of redeemable shares	16,755,009	25,528,514
Redemption of redeemable shares	(33,398,001)	(20,434,729)
Net capital stock transactions	(16,642,992)	5,093,785
<b>Net (decrease)/increase in net assets for the year</b>	<b>(16,505,347)</b>	5,250,192
<b>Net assets attributable to shareholders – beginning of year</b>	<b>39,366,302</b>	34,116,110
<b>Net assets attributable to shareholders – end of year</b>	<b>22,860,955</b>	39,366,302

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## STATEMENT OF CASH FLOWS For the year ended June 30, 2020

	US\$ CLASS	
	2020 US\$	2019 US\$
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations attributable to shareholders	20,756,298	30,570,151
<i>Adjustments for:</i>		
Purchase of financial assets	(69,457,086,188)	(65,128,706,319)
Net proceeds from sale of financial assets	69,375,600,055	65,165,438,643
Changes in:		
Interest receivable	210,908	613,442
Prepaid expenses	(39,476)	(58,828)
Accrued expenses	(31,667)	(7,348)
Due to broker	39,992,667	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(20,597,403)</b>	<b>67,849,741</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of redeemable shares	1,728,860,445	1,752,903,066
Payments from redemption of redeemable shares	(1,708,133,720)	(1,820,845,756)
<b>Net cash provided by/(used in) financing activities</b>	<b>20,726,725</b>	<b>(67,942,690)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>129,322</b>	<b>(92,949)</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>103,776</b>	<b>196,725</b>
<b>Cash and cash equivalents – end of year</b>	<b>233,098</b>	<b>103,776</b>
<b>Supplemental cash flow information:</b>		
Interest received	27,836,270	38,003,303

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## STATEMENT OF CASH FLOWS (Continued) For the year ended June 30, 2020

	CDN\$ CLASS	
	2020 CDN\$	2019 CDN\$
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations attributable to shareholders	320,481	526,544
<i>Adjustments for:</i>		
Purchase of financial assets	(648,799,284)	(1,210,988,500)
Net proceeds from sale of financial assets	678,559,648	1,199,720,432
Changes in:		
Interest receivable	24,271	24,773
Prepaid expenses	(8,233)	2,501
Accrued expenses	(18,700)	4,403
Due to broker	238,935	1,000,538
<b>Net cash provided by/(used in) operating activities</b>	<b>30,317,118</b>	<b>(9,709,309)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of redeemable shares	8,413,496	63,649,115
Payments from redemption of redeemable shares	(38,753,262)	(53,924,169)
<b>Net cash (used in)/provided by financing activities</b>	<b>(30,339,766)</b>	<b>9,724,946</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(22,648)</b>	<b>15,637</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>41,224</b>	<b>25,587</b>
<b>Cash and cash equivalents – end of year</b>	<b>18,576</b>	<b>41,224</b>
<b>Supplemental cash flow information:</b>		
Interest received	496,872	788,287

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

## STATEMENT OF CASH FLOWS (Continued) For the year ended June 30, 2020

	<b>GBP£ CLASS</b>	
	<b>2020</b>	2019
	<b>GBP£</b>	GBP£
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations attributable to shareholders	137,645	156,407
<i>Adjustments for:</i>		
Purchase of financial assets	(532,986,817)	(584,536,733)
Net proceeds from sale of financial assets	550,656,087	582,557,745
Changes in:		
Interest receivable	38,623	14,731
Prepaid expenses	(6,989)	(4,443)
Accrued expenses	(5,502)	(55)
Due to broker	(1,200,245)	(3,254,847)
<b>Net cash provided by/(used in) operating activities</b>	<b>16,632,802</b>	<b>(5,067,195)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of redeemable shares	16,755,009	25,528,514
Payments from redemption of redeemable shares	(33,398,001)	(20,434,729)
<b>Net cash (used in)/provided by financing activities</b>	<b>(16,642,992)</b>	<b>5,093,785</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,190)</b>	<b>26,590</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>26,590</b>	<b>-</b>
<b>Cash and cash equivalents – end of year</b>	<b>16,400</b>	<b>26,590</b>
<b>Supplemental cash flow information:</b>		
Interest received/(paid)	248,405	260,697

*The accompanying notes are an integral part of these financial statements*

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

### 1. CORPORATE INFORMATION

Butterfield Money Market Fund Limited (the "Fund") is an open-ended investment company which was incorporated under the laws of Bermuda on May 24, 1988.

The Fund commenced operations on July 11, 1988. The Bank of N. T. Butterfield & Son Limited acts as custodian (the "Custodian"). Butterfield Asset Management Limited acts as investment adviser (the "Investment Adviser"). MUFG Fund Services (Bermuda) Limited acts as registrar and transfer agent and as accountants/administrator (the "Registrar and Transfer Agent" or "Administrator") for the Fund. The Custodian and Investment Adviser are wholly owned subsidiaries of The Bank of N.T. Butterfield & Son Limited (the "Bank").

The registered address of the Fund is c/o MUFG Fund Services (Bermuda) Limited, Cedar House, 4<sup>th</sup> Floor North, 41 Cedar Avenue, Hamilton HM 12, Bermuda.

The Investment Adviser, Custodian and Bank each maintains separate business units, roles and responsibilities to ensure segregation between different functions.

The investment objective of the Fund is to seek as high an overall rate of return as is consistent with maintaining liquidity and security of principal. To achieve this objective, the Fund mainly invests in a portfolio of money market instruments. Such instruments are those of issuers whose credit is first class or guaranteed by a first class guarantor or which, in the opinion of the Investment Adviser, meet the high standard of credit worthiness and safety required by the Fund.

### 2. BASIS OF PREPARATION

#### Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Statements Board ("IASB"). The financial statements have been prepared on a historical-cost basis, except for financial assets held at fair value through profit or loss.

The financial statements are presented in United States Dollars (US\$ Class), Canadian Dollars (CDN\$ Class) and Great British Pound Sterling (GBP£ Class), which are also the functional currencies of each class and all values are rounded to the nearest currency unit.

#### Summary of significant accounting policies

##### a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the Fund's management to make judgements, estimates and assumptions that affect the amounts reported and disclosures made in the financial statements, and accompanying notes. Management believes that the estimates and judgements utilised in preparing the Fund's financial statements are reasonable and prudent. Actual results could differ from these estimates.

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### b) Financial instruments

###### i. Classification

In accordance with IFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

##### Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

##### ***Financial assets measured at amortised cost***

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other receivables.

##### ***Financial assets measured at fair value through profit or loss (FVPL)***

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

#### b) Financial instruments (continued)

##### i. Classification (continued)

##### ***Financial assets measured at fair value through profit or loss (FVPL) (continued)***

The Fund includes in this category:

*Debt instruments:* These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

*Instruments held for trading:* This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. This category also includes derivative contracts in an asset position.

##### **Financial liabilities**

##### ***Financial liabilities measured at fair value through profit or loss (FVPL)***

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Fund includes in this category, derivative contracts in a liability position and equity and debt instruments sold short since they are classified as held for trading.

##### ***Financial liabilities measured at amortised cost***

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes in this category convertible bonds, debentures, and other short-term payables.

##### **Receivables and loans**

Receivables and loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category collateral on derivatives, securities borrowed and other short-term receivables.

##### **Other financial liabilities**

This category includes all financial liabilities, other than those classified at FVPL. The Fund includes in this category debentures, collateral on derivatives, securities lent and other short-term payables.

##### ii. Recognition

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### b) Financial instruments (continued)

###### iii. Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

###### iv. Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Financial liabilities, other than those classified at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

###### v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

(a) Transferred substantially all of the risks and rewards of the asset, or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset



# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### b) Financial instruments (continued)

###### v. Derecognition (continued)

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

##### c) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or dealer price quotations, without any deduction for transaction costs.

Investments are valued at amortised cost which approximates fair value because of the short term nature of the investments.

The Directors at their absolute discretion may permit some other method of valuation to that described above if they consider such valuation better reflects the fair value of any investment.

##### d) Impairment of financial assets

The Fund holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. As at June 30, 2020, the Fund had no ECLs and had, therefore, not recognised a loss allowance.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### e) Functional and presentation currency

The financial statements are presented in the three different functional currencies of each Class, except where otherwise indicated. US\$ Class is presented in United States Dollars (US\$), CDN\$ Class is presented in Canadian Dollars (CDN\$), and GBP£ Class is presented in Great British Pound Sterling (GBP£). Each Class' performance is evaluated and its liquidity is managed in its functional currency. Therefore, each class' functional currency is considered as the currency that most faithfully represents the economic effects of the Class' underlying transactions, events and conditions.

##### f) Offsetting and financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Management has determined that as at June 30, 2020 and 2019, there were no assets and liabilities offset in the statement of financial position, nor were there any assets or liabilities available for offset. The Fund does not have a legally enforceable right to offset, nor does it have master netting agreements or similar arrangements that would allow for related amounts to be set off.

##### g) Foreign currency translations

Assets and liabilities that are denominated in foreign currencies are translated into the respective currencies of each class at rates of exchange on the period end date. Transactions during the period are translated at the rate in effect at the date of the transaction. Foreign currency translation gains and losses are included in the statement of comprehensive income.

The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations would be included in the net realized and change in unrealized gain/(loss) on investments in the statement of comprehensive income.

##### h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

##### i) Due from and due to broker

Amounts due from and to brokers represents cash held with brokers and receivables for securities sold and payables for securities purchased that have been contracted for but not settled or delivered on the statement of financial position date, respectively. These amounts are recognized at fair value.

##### j) Interest income and expense

Interest income and expense are recognized in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

##### k) Going concern

The Fund's management has assessed the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

##### l) Expenses

All expenses (including management fees) are recognized in the statement of comprehensive income on an accrual basis.

##### m) Share capital

The Fund's Organisational Shares are classified as equity in accordance with the Fund's articles of association and IFRS. These shares do not participate in the profits of the Fund.

##### n) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable participating shares can be put back to the Fund on any dealing day (being any day that banks in Bermuda are open for business, excluding Saturdays) at a value equal to a proportionate share of the Fund's net asset value ("NAV"). The Fund's net asset value per share is calculated by dividing the net assets attributable to shareholders with the total number of outstanding redeemable shares.

##### o) Investment entity

IFRS 10 defines an investment entity and requires a reporting entity that meets the definition of an investment entity not to consolidate but instead to measure its investments at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with investment management services;
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Management has determined that the Fund meets the definition of an investment entity and recognizes all investments at fair value through profit and loss.

##### p) Impact of new accounting pronouncements

#### IFRIC 23 - Uncertainty over income tax treatments

On June 7, 2017, the IFRS Interpretations Committee (IFRS IC) issued IFRIC 23 'Uncertainty over income tax treatments' ("IFRIC 23"). IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019.

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 2. BASIS OF PREPARATION (Continued)

#### Summary of significant accounting policies (continued)

#### p) Impact of new accounting pronouncements (continued)

##### IFRIC 23 - Uncertainty over income tax treatments (continued)

IFRIC 23 addresses:

- (i) whether an entity considers uncertain tax treatments separately;
- (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- (iii) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- (iv) how an entity considers changes in fact and circumstances.

The Fund has analyzed its tax positions and has concluded that no asset/liability for unrecognized tax benefits/obligations should be recorded relating to uncertain tax positions for the year ended June 30, 2020. Currently, the only taxes recorded by the Fund are withholding taxes applicable to certain income. For the year ended June 30, 2020, no other income tax liability or expense has been recorded in the accompanying financial statements.

The general tax position of the Fund is disclosed in note 8 to the financial statements.

#### q) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

#### *Fair value*

For fair value of financial instruments please refer to Note 4.

### 3. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management approach includes formal guidelines to govern the extent of exposure to various types of risk. The Investment Adviser also has various internal controls to oversee the Fund's investment activities, including monitoring compliance with the investment objective and strategies, internal guidelines and securities regulations.

#### **Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The value of such securities on the statement of portfolio investments includes consideration of the creditworthiness of the issuer, and, accordingly represents the maximum credit risk exposure of the Fund.

Credit ratings below represent ratings of short term securities provided by Standard & Poor's and are subject to change, which could be material.

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### Credit Risk (continued)

As at June 30, 2020 and 2019, the Fund invested in a range of debt securities with the following credit ratings:

US\$ CLASS	% of Portfolio	
	2020	2019
Short-term Securities by Credit Rating		
A-1+	83	61
A-1	17	39
	100	100

CDN\$ CLASS	% of Portfolio	
	2020	2019
Short-term Securities by Credit Rating		
A-1+	69	65
A-1	31	35
	100	100

GBP£ CLASS	% of Portfolio	
	2020	2019
Short-term Securities by Credit Rating		
A-1+	92	86
A-1	8	14
	100	100

Substantially all of the assets of the Fund are held by the Fund's Custodian and the Bank. The Fund monitors its risk by monitoring the credit quality of the Custodian and the Bank. As at June 30, 2020, the credit ratings of the Custodian and the Bank, as provided by Standard and Poor's, were both BBB+ (2019 – BBB+).

#### Currency Risk

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. As at June 30, 2020 and 2019, the Fund's US\$ Class, CDN\$ Class, and GBP£ Class, did not have any significant exposure to currency risk. As at June 30, 2020 and 2019, all investments held in each Class were denominated in the currency of that Class.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Prices of fixed income securities generally increase when interest rates decline, and decrease when interest rates rise.

The table below summarizes the Fund's exposure to interest rate risk through its investments in fixed and floating rate notes, by the remaining term to maturity as at June 30, 2020 and 2019:

US\$ CLASS	% of Portfolio	
	2020	2019
Term to maturity		
0 – 1 month	48	50
1 – 3 months	50	41
4 – 6 months	2	7
7 – 12 months	-	2
	100	100

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### Interest Rate Risk (continued)

CDN\$ CLASS	% of Portfolio	
	2020	2019
Term to maturity		
0 – 1 month	52	60
1 – 3 months	45	35
4 – 6 months	3	5
7 – 12 months	-	-
	100	100

GBP£ CLASS	% of Portfolio	
	2020	2019
Term to maturity		
0 – 1 month	34	47
1 – 3 months	46	35
4 – 6 months	20	18
7 – 12 months	-	-
	100	100

As at June 30, 2020, had the interest rates increased or decreased by 25 basis points and assuming a direct impact to the net assets by 25 basis points, net assets would have decreased or increased by approximately US\$3,986,059 (2019: US\$3,882,351) for the US\$ Class, CDN\$59,011 (2019: CDN\$134,060) for the CDN\$ Class and GBP£57,152 (2019: GBP£98,416) for the GBP£ Class. This analysis assumes that all other variables remained unchanged. In practice, actual results may differ from this analysis and the difference could be material.

#### Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions of redeemable shares. The Fund maintains adequate liquidity through investments in the overnight market and cash and cash equivalent positions. The Fund also has a credit facility in place to assist in meeting short term liquidity requirements.

#### Price/Market Risk

Price/market risk is the risk that the value of investments will fluctuate as a result of market conditions. The Investment Adviser attempts to mitigate price/market risk by selecting appropriate portfolio investments based on the Fund's strategy.

### 4. FAIR VALUE OF FINANCIAL ASSETS

The Fund measures its investments in financial instruments at fair value at each reporting date. Refer to Note 2 (c) for details of how the investments are fair valued.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

# Butterfield Money Market Fund Limited

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 4. FAIR VALUE OF FINANCIAL ASSETS (Continued)

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data, including the Fund's own assumptions in determining the fair value of investments.

All financial assets have been classified in Level 2 as all significant inputs used in the valuation technique are observable. Fair values of financial assets based on amortized cost approximate the financial asset's fair value.

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of the securities no longer being traded in an active market. There were no transfers of financial assets and liabilities from Level 1 to Level 2 during the years ended June 30, 2020 and 2019. Financial assets and liabilities transferred from Level 2 to Level 1 are the result of the securities now being traded in an active market.

There were no transfers of financial assets and liabilities from Level 2 to Level 1 during the years ended June 30, 2020 and 2019. The Fund did not hold any Level 3 investments at the beginning, during, or at the end of the years ended June 30, 2020 and 2019.

### 5. SHARES ISSUED AND OUTSTANDING

As at June 30, 2020 and June 30, 2019, the authorized share capital of the Fund is divided into US\$40,012,000, CDN\$20,000,000, and GBP£20,000,000 and further broken down into:

200,000,000 Sub-Class A redeemable, non-voting shares of a par value of US\$0.10 each share,  
200,000,000 Sub-Class B redeemable, non-voting shares of a par value of US\$0.10 each share,

100,000,000 Sub-Class A redeemable, non-voting shares of a par value of CDN\$0.10 each share,  
100,000,000 Sub-Class B redeemable, non-voting shares of a par value of CDN\$0.10 each share,

100,000,000 Sub-Class A redeemable, non-voting shares of a par value of GBP£0.10 each share,  
100,000,000 Sub-Class B redeemable, non-voting shares of a par value of GBP£0.10 each share,

and 120,000 organisational non- redeemable, voting shares of a par value of US\$0.10 each share.

Organisational Shares are allocated to the Investment Adviser and its nominees. Under the Bye-Laws, the Organisational Shares have only nominal rights if and so long as there are any other shares of the Fund in issue.

The Fund plans to make a continuous offering of Shares on each valuation day (being any day that banks in Bermuda are open for business, excluding Saturdays) (each a "Valuation Day") at not less than the then net asset value.

Shares are allotted to subscribers at a value determined by reference to the daily valuation of the net assets of the relevant class of shares. The initial minimum amounts for subscriptions for the Sub-Class A Shares are US\$10,000, CDN\$10,000, and GBP£10,000. The initial minimum subscriptions for the Sub-Class B Shares are US\$5,000,000, CDN\$5,000,000, and GBP£5,000,000, subject to the discretion of the Directors to vary such minimum amounts from time to time. There are differences in the management fees payable to the Investment Adviser in respect of each class as described in Note 6a.

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 5. SHARES ISSUED AND OUTSTANDING (Continued)

Shares may be redeemed for an amount equal to the net asset value on the day corresponding to the date of receipt of the properly completed request for redemption. The US\$ and CDN\$ shares may be redeemed on the same Valuation Day if the redemption request is received by 12:00 noon, or on the next Valuation Day if the redemption request is received after 12:00 noon. GBP£ shares may be redeemed on the next Valuation Day if the redemption request is received by 12:00 noon or on the second Valuation Day hence if the redemption request is received after 12:00 noon.

#### Capital Management

As a result of the ability to issue, repurchase and resell shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Fund's Prospectus.

Details of shares issued and outstanding during 2020 and 2019 were as follows:

#### US\$ CLASS SUB-CLASS A

	2020	2019
<b>Redeemable Shares</b>		
Balance - beginning of year	26,490,241	24,382,132
Issue of redeemable shares	19,336,356	18,896,676
Redemption of redeemable shares	(20,674,387)	(16,788,567)
<b>Balance - end of year</b>	<b>25,152,210</b>	<b>26,490,241</b>
Organisational shares	120,000	120,000

#### US\$ CLASS SUB-CLASS B

	2020	2019
<b>Redeemable Shares</b>		
Balance - beginning of year	34,127,997	38,866,188
Issue of redeemable shares	47,471,681	50,017,625
Redemption of redeemable shares	(45,329,177)	(54,755,816)
<b>Balance - end of year</b>	<b>36,270,501</b>	<b>34,127,997</b>

#### CDN\$ CLASS SUB-CLASS A

	2020	2019
<b>Redeemable Shares</b>		
Balance - beginning of year	1,567,262	1,732,750
Issue of redeemable shares	488,845	2,119,619
Redemption of redeemable shares	(690,559)	(2,285,107)
<b>Balance - end of year</b>	<b>1,365,548</b>	<b>1,567,262</b>



# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 5. SHARES ISSUED AND OUTSTANDING (Continued)

#### Capital Management (continued)

##### CDN\$ CLASS SUB-CLASS B

	2020	2019
<b>Redeemable Shares</b>		
Balance - beginning of year	1,527,598	810,271
Issue of redeemable shares	-	1,588,556
Redemption of redeemable shares	(1,526,430)	(871,229)
<b>Balance - end of year</b>	<b>1,168</b>	<b>1,527,598</b>

##### GBP£ CLASS SUB-CLASS A

	2020	2019
<b>Redeemable Shares</b>		
Balance - beginning of year	1,383,595	1,131,089
Issue of redeemable shares	820,044	1,253,846
Redemption of redeemable shares	(1,124,767)	(1,001,340)
<b>Balance - end of year</b>	<b>1,078,872</b>	<b>1,383,595</b>

##### GBP£ CLASS SUB-CLASS B

	2020	2019
<b>Redeemable Shares</b>		
Balance - beginning of year	535,514	537,752
Issue of redeemable shares	-	-
Redemption of redeemable shares	(498,691)	(2,238)
<b>Balance - end of year</b>	<b>36,823</b>	<b>535,514</b>

### 6. RELATED PARTY TRANSACTIONS

#### a) Management Fee

The Investment Adviser is related to the Fund through common directorship.

Under the terms of the investment advisory agreement, the Investment Adviser is entitled to receive a daily fee calculated in respect of each day at the rate of no more than 1/365th part of 1% of the net asset value of the assets at the end of the day determined by reference to the most recent valuation. The fee attributable to the Sub-Class A shares is currently 1/365th of 0.35% of net asset value of the Sub-Class A shares, and is accrued daily and paid on the last Valuation Day of each month. The fee attributable to the Sub-Class B shares is currently 1/365th part of 0.25% of net asset value of the Sub-Class B shares, and is accrued daily and paid on the last Valuation Day of each month.

During the years ended June 30, 2020 and 2019, the management fee rates were temporarily amended. The rates used to calculate the daily management fee follows:

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 6. RELATED PARTY TRANSACTIONS (Continued)

#### a) Management Fee (continued)

- US\$ Class – Sub-Class A ranged from 0.14% to 0.35% (2019: 0.35%) and Sub-Class B ranged from 0.035% to 0.25% for (2019: 0.25%);
- CDN\$ Class – Sub-Class A ranged from 0.08% to 0.35% (2019: 0.35%) and for Sub-Class B ranged from 0.00% to 0.25% (2019: 0.25%); and
- GBP£ Class - Sub-Class A ranged from 0.00% to 0.10% (2019: 0.10%) and Sub-Class B 0.00% (2019: 0.00%).

Management fees are accrued daily and paid on the last valuation day of each month. Details of management fees charged and payable, as at June 30, 2020 and 2019 for each class are set out in the table below.

Class	Management fees charged during the year			Management fees payable at June 30		
	2020	2019		2020	2019	
US\$	\$ 4,571,859	\$ 4,571,591	\$	\$ 198,041	\$ 351,565	\$
CDN\$	\$ 99,984	\$ 141,383	\$	\$ 3,475	\$ 12,348	\$
GBP£	£ 25,193	£ 25,571	£	-	£ 2,228	£

Management fees payable at June 30, 2020 and 2019 are included in accrued expenses in the statements of financial position.

The Investment Adviser reserves the right to rebate or waive any portion of the management fee at its sole discretion. There was no management fee waiver for the USD\$ and CDN\$ classes in either 2020 or 2019. In GBP£ class the Management fees were waived from May 30, 2020 onwards, no management fees were waived in 2019.

#### b) Custodian Fee

In accordance with the custodian agreement, the Custodian receives a fee based upon the nature and extent of the services provided. Relevant out-of-pocket expenses may also be charged to the Fund by the Custodian. Details of custodian fees charged and payable, as at June 30, 2020 and 2019 for each class are set out in the table below.

Class	Custodian fees charged during the year			Custodian fees payable at June 30		
	2020	2019		2020	2019	
US\$	\$ 1,000,263	\$ 990,394	\$	\$ 68,120	\$ 72,836	\$
CDN\$	\$ 20,184	\$ 29,164	\$	\$ 1,038	\$ 2,691	\$
GBP£	£ 19,102	£ 22,584	£	£ 904	£ 1,607	£

Custodian fees payable at June 30, 2020 and 2019 are included in accrued expenses in the statement of financial position.

#### c) Credit Facility

On August 9, 2019 (2019: September 6, 2018), the Fund renewed the unsecured credit facility with the Bank in the amounts of US\$40 million for the US\$ Class, CDN\$5 million for the CDN\$ Class and GBP£4 million for the GBP£ Class, limited to 10% of the net assets. The renewed credit facility bears an interest rate of 1% per annum above the higher of the LIBOR or the funding cost incurred by the Bank in making the revolving facility available on any date of drawdown.

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 6. RELATED PARTY TRANSACTIONS (Continued)

#### c) Credit Facility (continued)

The full amount of any amount advanced under the revolving facility, together with the accrued interest and other amounts payable by the Fund to the Bank, is payable on the earlier of seven days following the utilization date or the expiry date, unless extended at the Bank's sole discretion. If any payment falls due and payable on a day which is not a business day the payment shall be made on the next following business day. The renewed unsecured credit facility expired on June 30, 2020 (2019: June 30, 2019).

On August 7, 2020, the Fund renewed the unsecured credit facility agreement with the Bank. The terms remain unchanged from the previous agreement, as outlined above. The renewed unsecured facility expires on June 30, 2021.

### 7. ADMINISTRATION FEE

In accordance with the administration agreement, the Administrator receives a fee based upon the nature and extent of the services provided. Details of administration fees charged and payable, as at June 30, 2020 and 2019 for each class are set out in the table below.

Class	Administration fees charged during the year		Administration fees payable at June 30	
	2020	2019	2020	2019
US\$	\$ 1,019,369	\$ 1,014,442	\$ 214,935	\$ 164,451
CDN\$	\$ 18,459	\$ 27,359	\$ 5,598	\$ 6,637
GBP£	£ 19,164	£ 22,013	£ 2,737	£ 4,259

Administration fees payable at June 30, 2020 and 2019 are included in accrued expenses in the statements of financial position.

### 8. TAXATION

Under current Bermuda law, the Fund is not obligated to pay taxes in Bermuda on either income or capital gains.

The Fund received an undertaking from the Minister of Finance in Bermuda, pursuant to the provisions of the exempted undertaking Tax Protection Act, 1966 which exempts the Fund from any such Bermuda taxes until March 28, 2016.

In March 2011, the Bermuda Government enacted the Exempted Undertakings Tax Protection Amendment Act 2011, allowing the Minister of Finance to grant assurance up to March 31, 2035. On January 29, 2015 the Minister of Finance granted assurance to the Fund up to that date.

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 9. FINANCIAL HIGHLIGHTS

2020

#### US\$ CLASS

	Sub-Class A	Sub-Class B
<b>Per Share Information</b>		
Net asset value - beginning of year	\$ 25.3566	\$ 25.8215
Increase in net assets attributable to shareholders	0.3082	0.3402
Net asset value - end of year	25.6648	26.1617

#### Ratios / Supplemental Data

Total net assets - end of year (\$millions)	645.53	948.90
Average net assets (\$millions)*	699.41	936.86
Ratio of expenses to average net assets	0.48%	0.38%
Average net yield**	1.14%	1.24%

#### CDN\$ CLASS

	Sub-Class A	Sub-Class B
<b>Per Share Information</b>		
Net asset value - beginning of year	\$ 17.1096	\$ 17.5495
Increase in net assets attributable to shareholders	0.1610	0.1870
Net asset value - end of year	17.2706	17.7365

#### Ratios / Supplemental Data

Total net assets - end of year (\$millions)	23.58	0.02
Average net assets (\$millions)*	25.27	6.02
Ratio of expenses to average net assets	0.51%	0.39%
Average net yield**	0.98%	0.99%

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 9. FINANCIAL HIGHLIGHTS (Continued)

#### 2020 (continued)

##### GBP£ CLASS

		Sub-Class A		Sub-Class B
<b>Per Share Information</b>				
Net asset value - beginning of year	£	20.4004	£	20.8032
Increase in net assets attributable to shareholders		0.0760		0.0958
Net asset value - end of year		20.4764		20.8990

##### Ratios / Supplemental Data

Total net assets - end of year (£millions)		22.09		0.77
Average net assets (£millions)*		27.49		5.12
Ratio of expenses to average net assets		0.24%		0.13%
Average net yield**		0.41%		0.51%

#### 2019

##### US\$ CLASS

		Sub-Class A		Sub-Class B
<b>Per Share Information</b>				
Net asset value - beginning of year	\$	24.8792	\$	25.3101
Increase in net assets attributable to shareholders		0.4774		0.5114
Net asset value - end of year		25.3566		25.8215

##### Ratios / Supplemental Data

Total net assets - end of year (\$millions)		671.70		881.24
Average net assets (\$millions)*		671.56		892.33
Ratio of expenses to average net assets		0.49%		0.39%
Average net yield**		1.92%		2.02%

# Butterfield Money Market Fund Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended June 30, 2020

### 9. FINANCIAL HIGHLIGHTS (Continued)

#### 2019 (continued)

##### CDN\$ CLASS

	Sub-Class A	Sub-Class B
<b>Per Share Information</b>		
Net asset value - beginning of year	\$ 16.9223	\$ 17.3401
Increase in net assets attributable to shareholders	0.1873	0.2093
Net asset value - end of year	17.1096	17.5495

##### Ratios / Supplemental Data

Total net assets - end of year (\$millions)	26.82	26.81
Average net assets (\$millions)*	27.32	18.22
Ratio of expenses to average net assets	0.57%	0.44%
Average net yield**	1.12%	1.22%

##### GBP£ CLASS

	Sub-Class A	Sub-Class B
<b>Per Share Information</b>		
Net asset value - beginning of year	£ 20.3204	£ 20.7009
Increase in net assets attributable to shareholders	0.0800	0.1023
Net asset value - end of year	20.4004	20.8032

##### Ratios / Supplemental Data

Total net assets - end of year (£millions)	28.23	11.14
Average net assets (£millions)*	25.57	11.15
Ratio of expenses to average net assets	0.27%	0.17%
Average net yield**	0.41%	0.51%

\* Average net assets have been calculated using the net assets on each business day for each class.

\*\* Average net yield is calculated using the annualized net income on the last business day of each month for each class.

# Butterfield Money Market Fund Limited

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## **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **For the year ended June 30, 2020**

### **10. COMMITMENTS AND CONTINGENCIES**

Management has determined that the Fund had no commitments or contingencies as at June 30, 2020 (2019: none).

### **11. SUBSEQUENT EVENTS**

The Fund has evaluated all the events or transactions that occurred after June 30, 2020 through November 9, 2020, the date the financial statements were available to be issued. As of September 18, 2020, the GBP£ Class has suspended all subscriptions.

The Investment Adviser acknowledges the current outbreak of COVID-19 which is causing economic disruption in most countries and is actively monitoring developments closely. Given the nature of the outbreak and the on-going developments, there is a high degree of uncertainty and it is not possible at this time to predict the extent and nature of the overall future impact on the Fund.

### **12. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Directors on November 4, 2020.