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To: ECM Clients & Partners
Date: 08 March 2023
Re: Cash Yields: Where We Stand Today

Dear Families & Partners,

At the beginning of September 2022, we shared a memo titled “Cash is Worth Managing, Again!” Indeed, it is, and even more so today.

The Federal Reserve commenced its latest rate hiking campaign in March 2022, with the Federal Funds Rate reaching a target range of 4.50% - 4.75% today (03/08/2023). The Fed will convene three times between now and the end of the 2nd Quarter, with the market currently expecting THREE MORE 0.25% interest rate hikes to a range of 5.25% - 5.50% following the June meeting. It should be noted the market has severely underestimated the Federal Reserve’s rate hiking campaign over the last year, an epic display of the unpredictability of interest rates.

So where do Money Market Funds and US Treasury Yields sit today? At levels not seen *since 2006*².

Money Market Fund	Ticker	7-Day Effective Yield ¹ (%)	Investment Minimum
Prime Money Funds - Taxable Accounts			
Schwab Value Advantage MF® - Investor Shares	SWVXX	4.58	None
Schwab Value Advantage MF® - Ultra Shares™	SNAXX	4.74	\$1,000,000
Government Money Funds - Taxable Entity Accounts			
Schwab Government MF® - Investor Shares	SNVXX	4.29	None
Schwab Treasury Obligations MF® - Ultra Shares	SCOXX	4.53	\$1,000,000

1. As of 03/06/2023. Rates are subject to change with changes in the Federal Funds Rate. Effective yield is a measure of a fund's yield that assumes that all dividends were reinvested in additional fund shares instead of being paid in cash. The yield presented reflects the effect of all applicable waivers. Absent such waivers, the fund's yield would have been lower. Please see the prospectus for more details. The effective yield shown above is net of waiver.

Treasury Bills	Maturity Date	Yield to Maturity (%) ^{1,2}
3 Mo. US Treasury Bill	06/20/2023	4.90
6 Mo. US Treasury Bill	09/07/2023	5.05
9 Mo. US Treasury Bill	12/15/2023	5.12
12 Mo. US Treasury Bill	03/15/2024	5.20

FDIC Insured CDs	Maturity Date	Yield to Maturity (%) ^{1,2}
6 Mo. Fixed Rate New Issue	9/15/2023	5.10
12 Mo. Fixed Rate New Issue	3/15/2024	5.25

1 All yields as of 03/06/2023.

2 Yield to Maturity is the average annual return of a bond, assuming it is held to maturity and all interest payments are reinvested at the same rate.

¹ Source: CME Group, FedWatch Probability Tool

² Source: St. Louis Fed - The 1-Year Treasury Bill yield last reached 5.20% in July 2006

Conclusion

Changes in interest rates are dynamic and unpredictable. They respond to a host of economic factors, and we do not attempt to time interest rate cycles. Instead, we seek to take advantage of current market conditions. Three primary strategies are at play for families' cash assets: (1) Money market funds, (2) U.S. Treasury Bill cash management, and (3) Schwab's national FDIC insured CD program.

The current interest rate environment continues to be an opportune time to deploy stagnant cash assets into higher yielding strategies. Please reach out with questions.

¹ Source: CME Group, FedWatch Probability Tool

² Source: St. Louis Fed - The 1-Year Treasury Bill yield last reached 5.20% in July 2006