



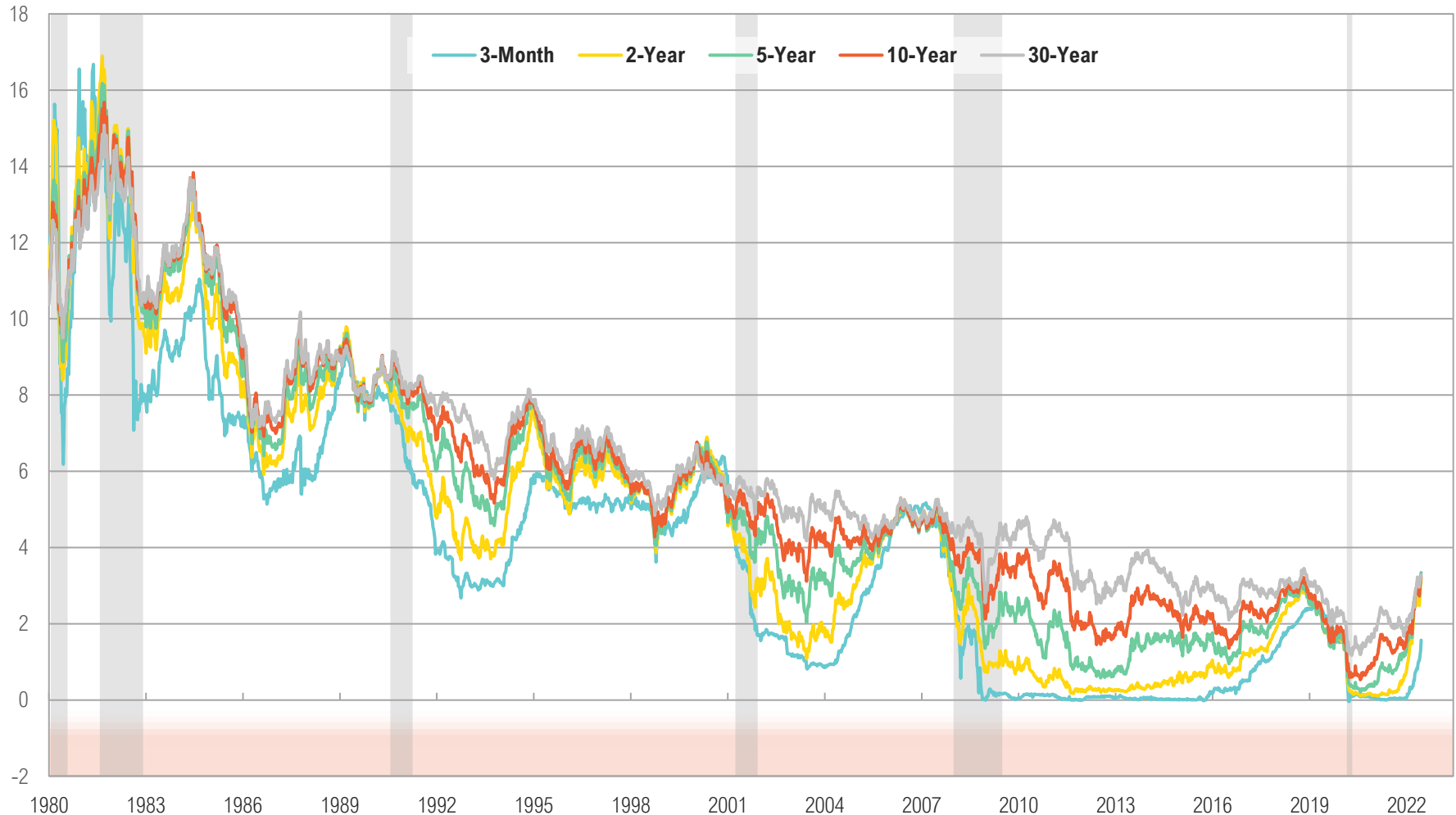
Topical Research:

## **Cash Trends**

*As of 6/23/22*

➤ Treasury yields of all maturities had been declining since the early 1980s, but the emergence of inflation has triggered a potential regime change

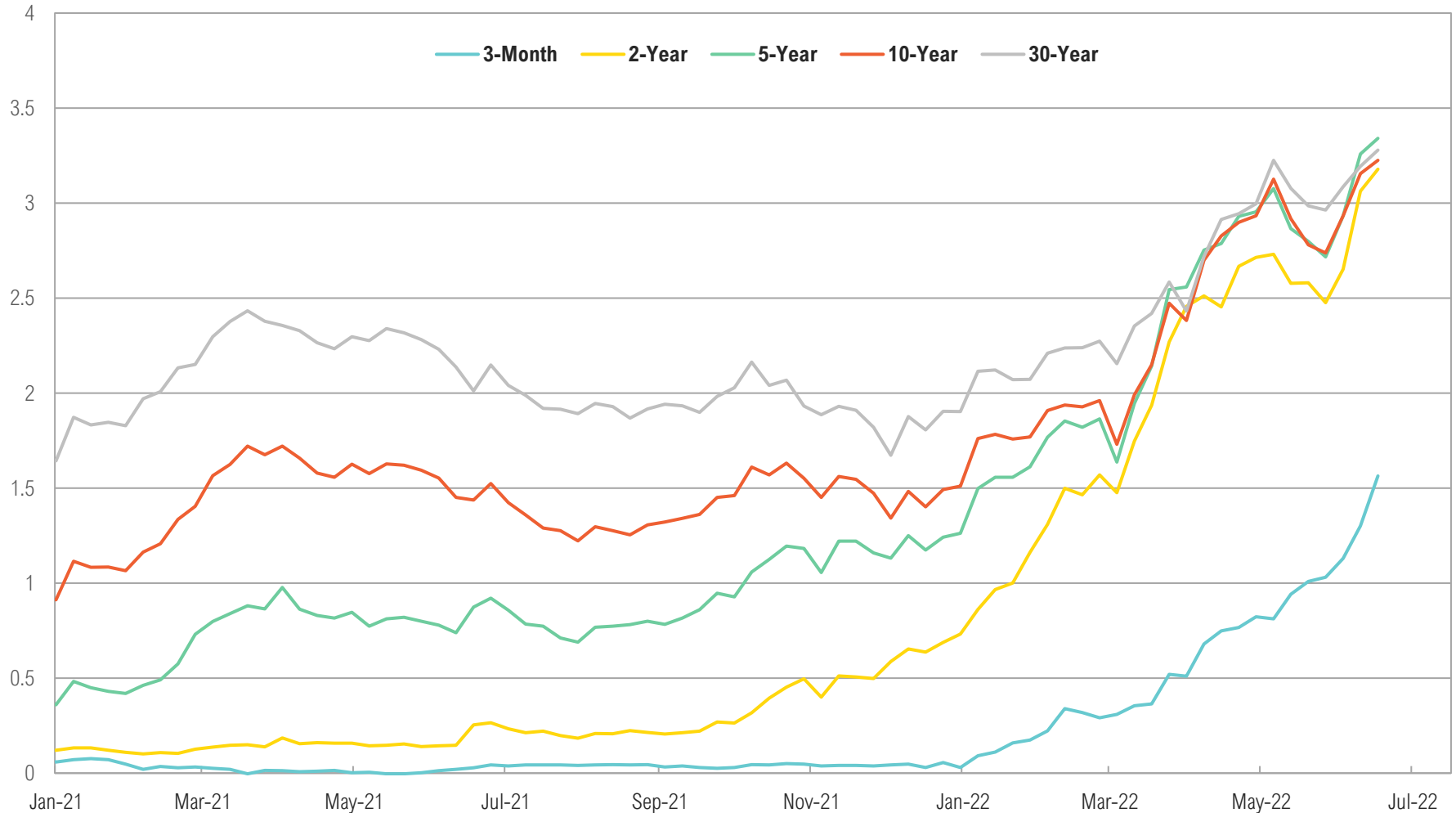
TREASURY YIELDS BY TENOR



Source: Bloomberg

## ➤ The 2-year part of the Treasury curve may offer relative value for investors looking to pick up some modest yield

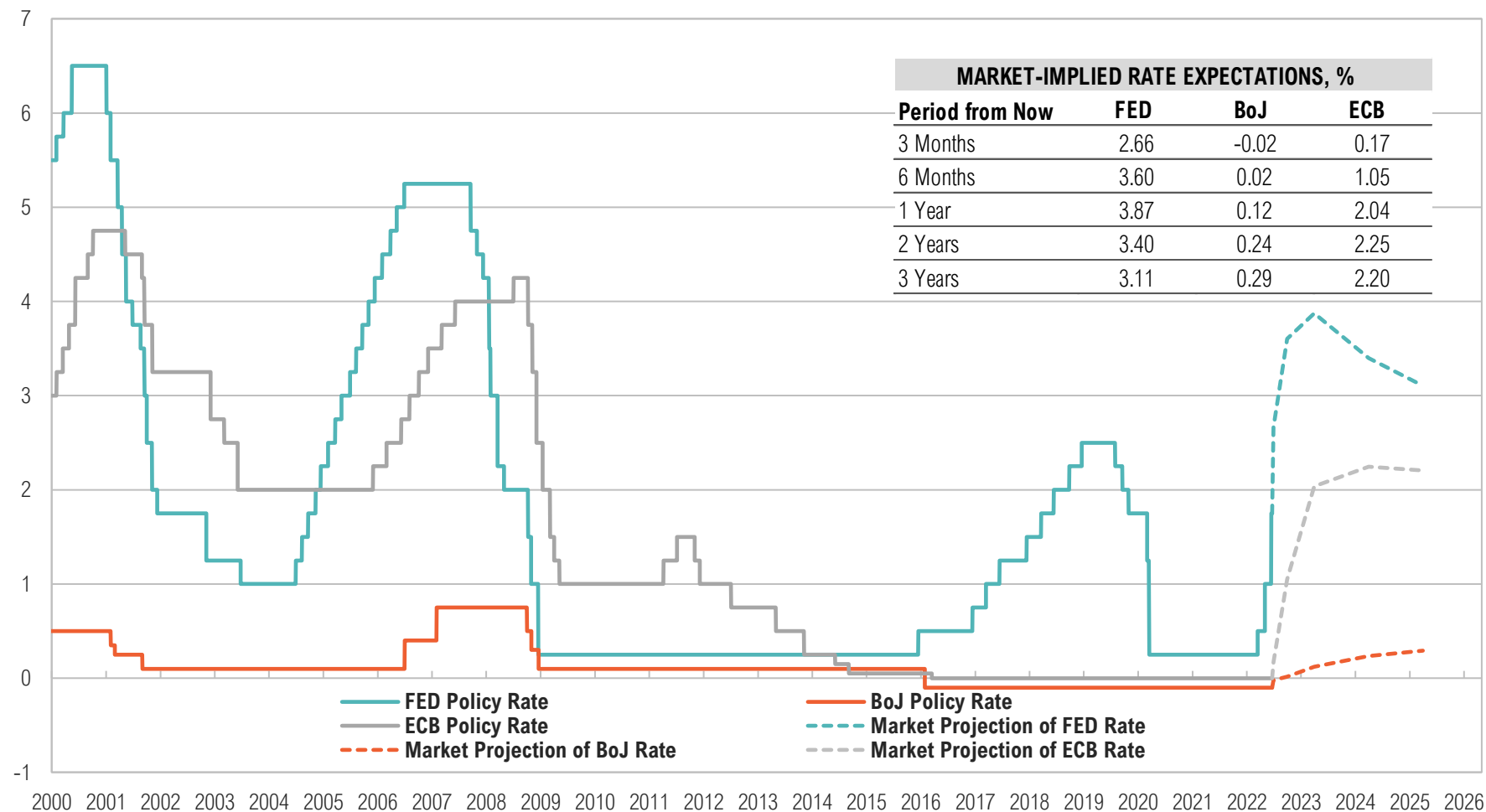
TREASURY YIELDS BY TENOR



Source: Bloomberg

## ➤ After one of the most rapid hiking cycles in history, the market expects the Fed to be forced to cut interest rates less than two years from now

FED, BOJ &amp; ECB POLICY RATES &amp; IMPLIED POLICY RATE EXPECTATIONS



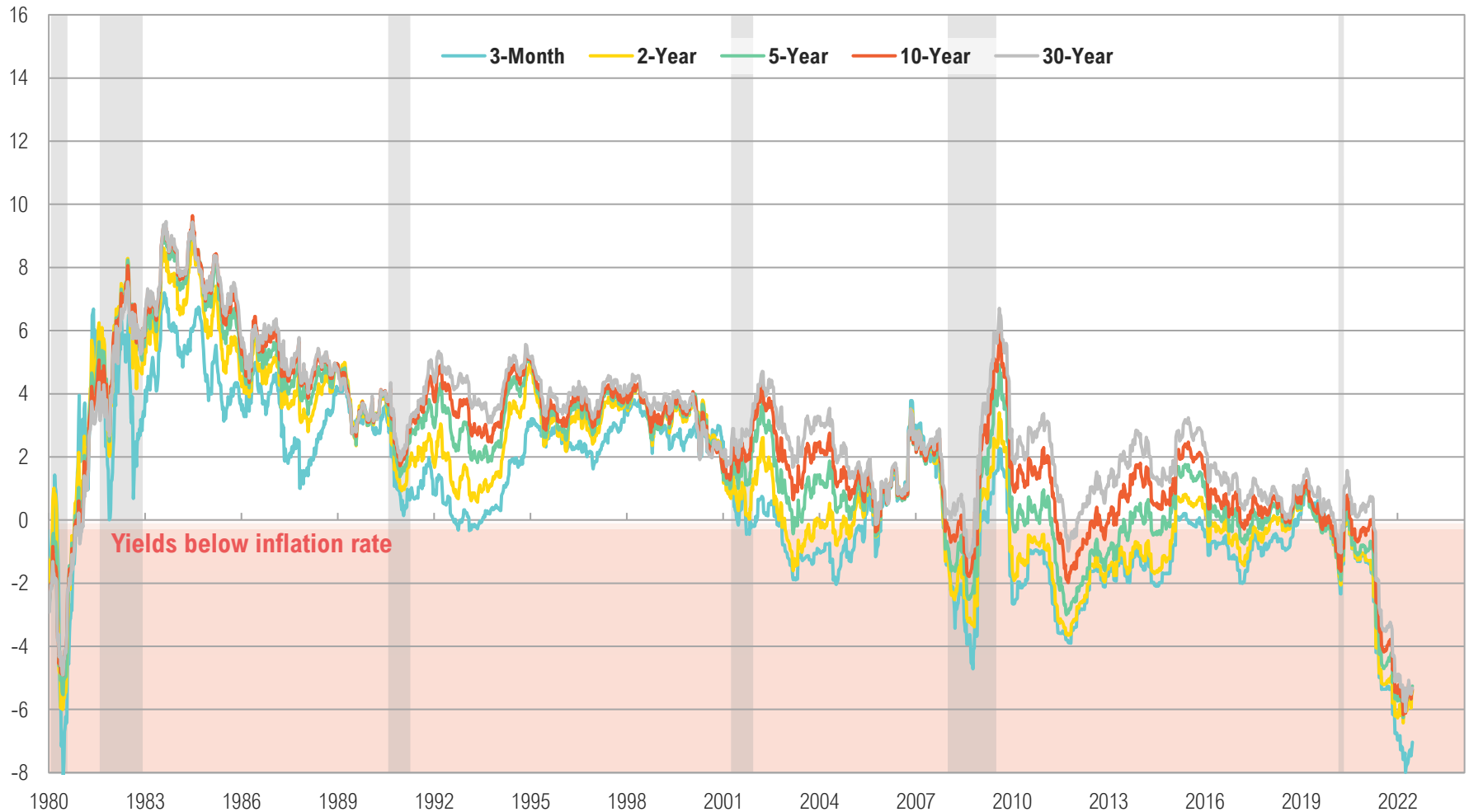
Source: Bloomberg  
As of 6/17/2022

### Cash Trends

SEE IMPORTANT DISCLOSURES AT THE END OF THIS PRESENTATION

## Treasury yields have not come close to protecting investors from the loss of purchasing power from recent inflation

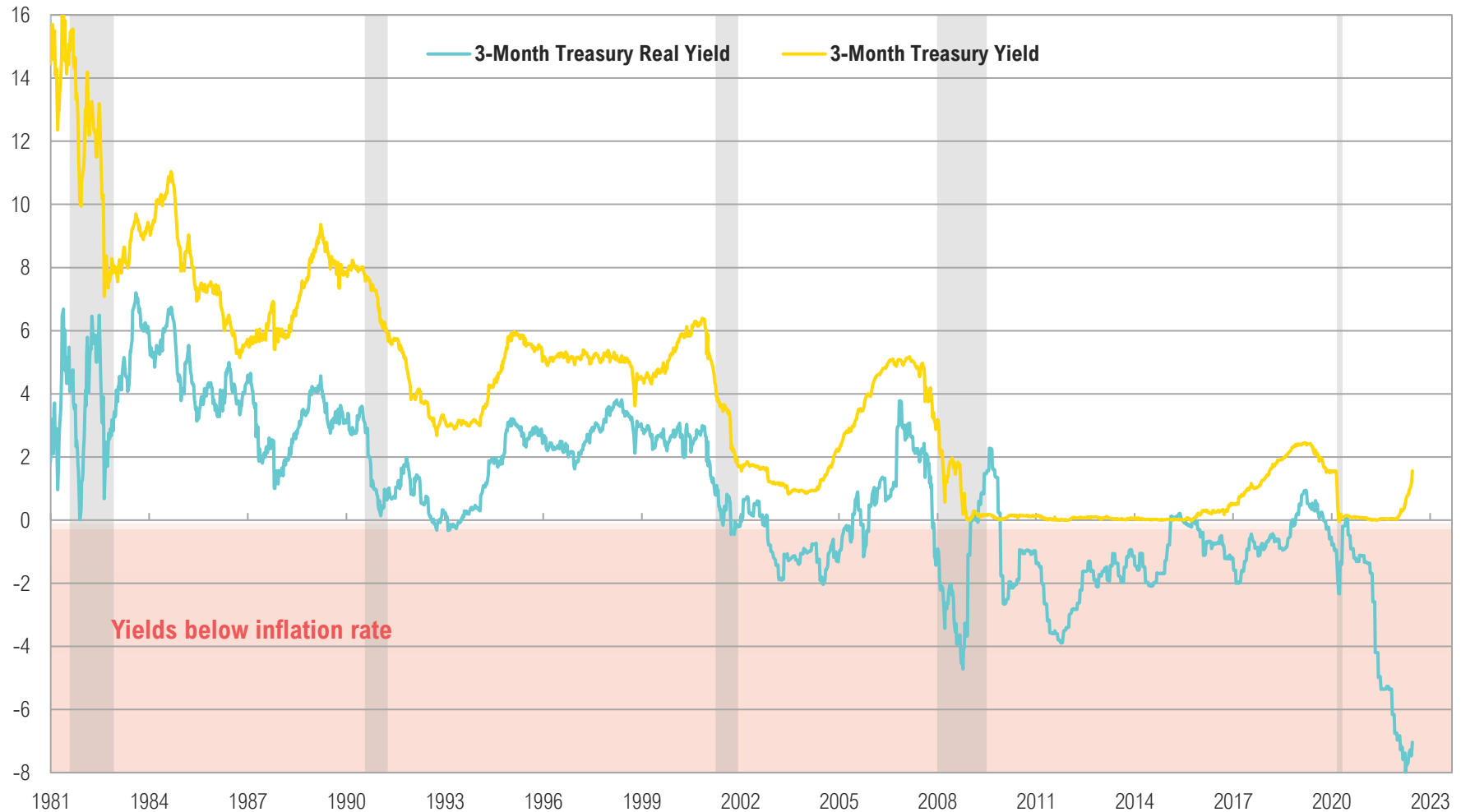
CPI INFLATION-ADJUSTED TREASURY YIELDS BY TENOR



Source: Bloomberg

# ➤ Nowhere to hide: yields on risk-free short-term government bonds have increased in nominal terms but have trailed inflation for most of the last two decades

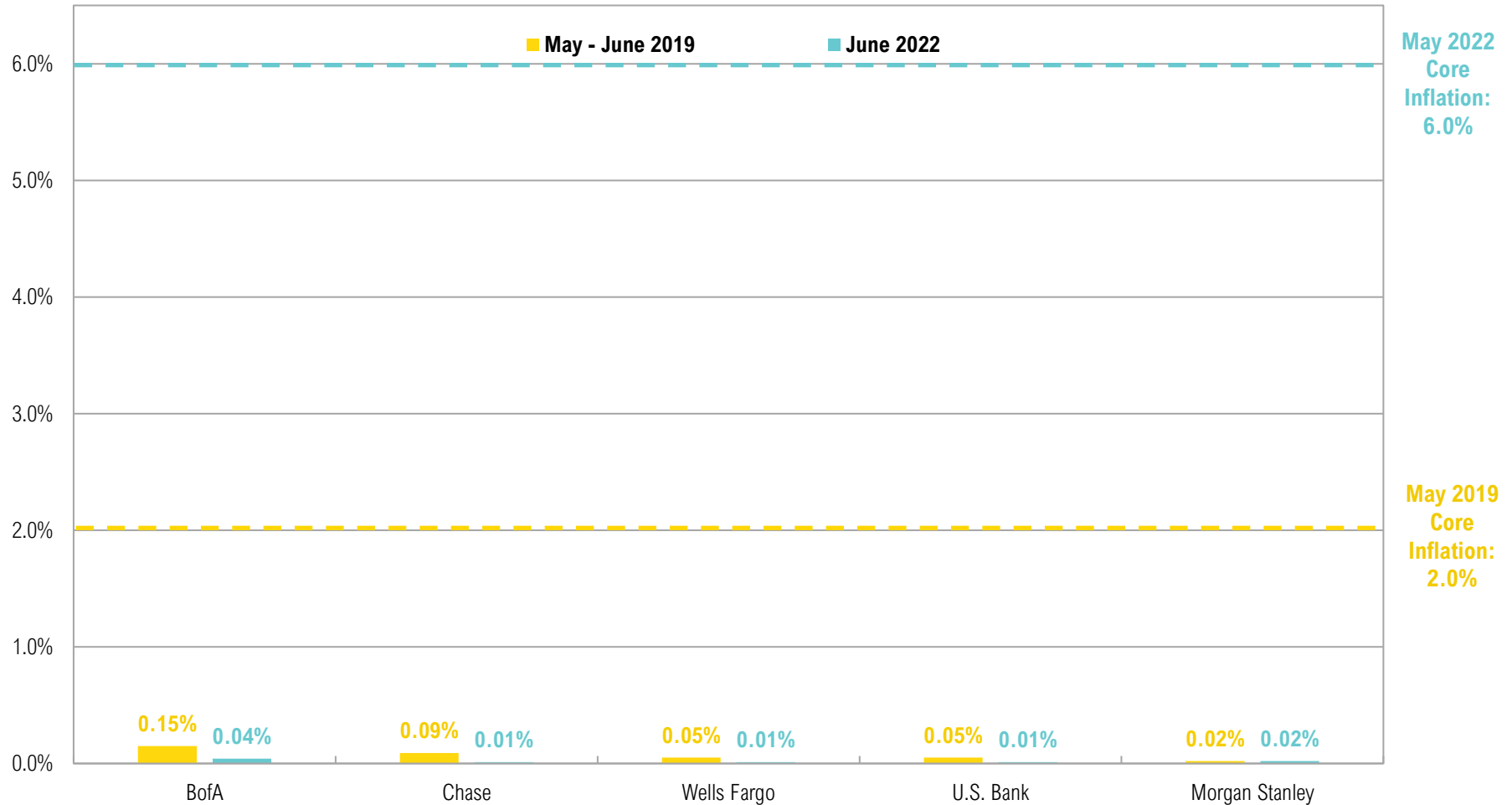
SHORT-TERM TREASURY YIELDS: NOMINAL & INFLATION-ADJUSTED



Source: Bloomberg

# Yields on many standard savings accounts are still near zero

SAVINGS ACCOUNT ANNUAL PERCENTAGE YIELD (APY) BY BANK

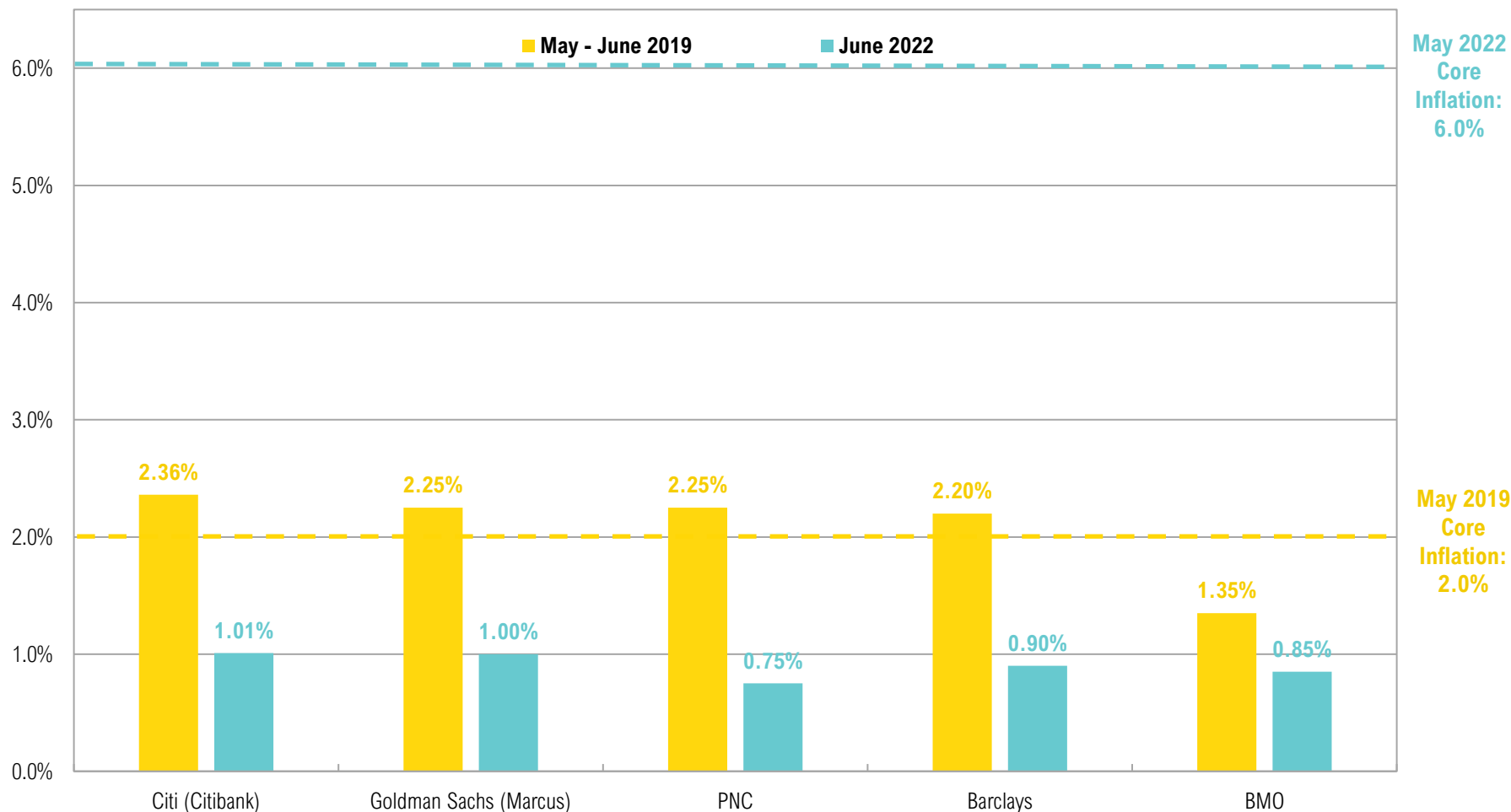


Source: Bankrate, NerdWallet, CNBC, Morgan Stanley, BMO, Wells Fargo.

Core Inflation is represented by the year-over-year change of the Consumer Price Index excluding food and energy (not seasonally adjusted).

## ➤ Yields on many high yield savings accounts have increased modestly, but are still low relative to inflation

SAVINGS ACCOUNT ANNUAL PERCENTAGE YIELD (APY) BY BANK



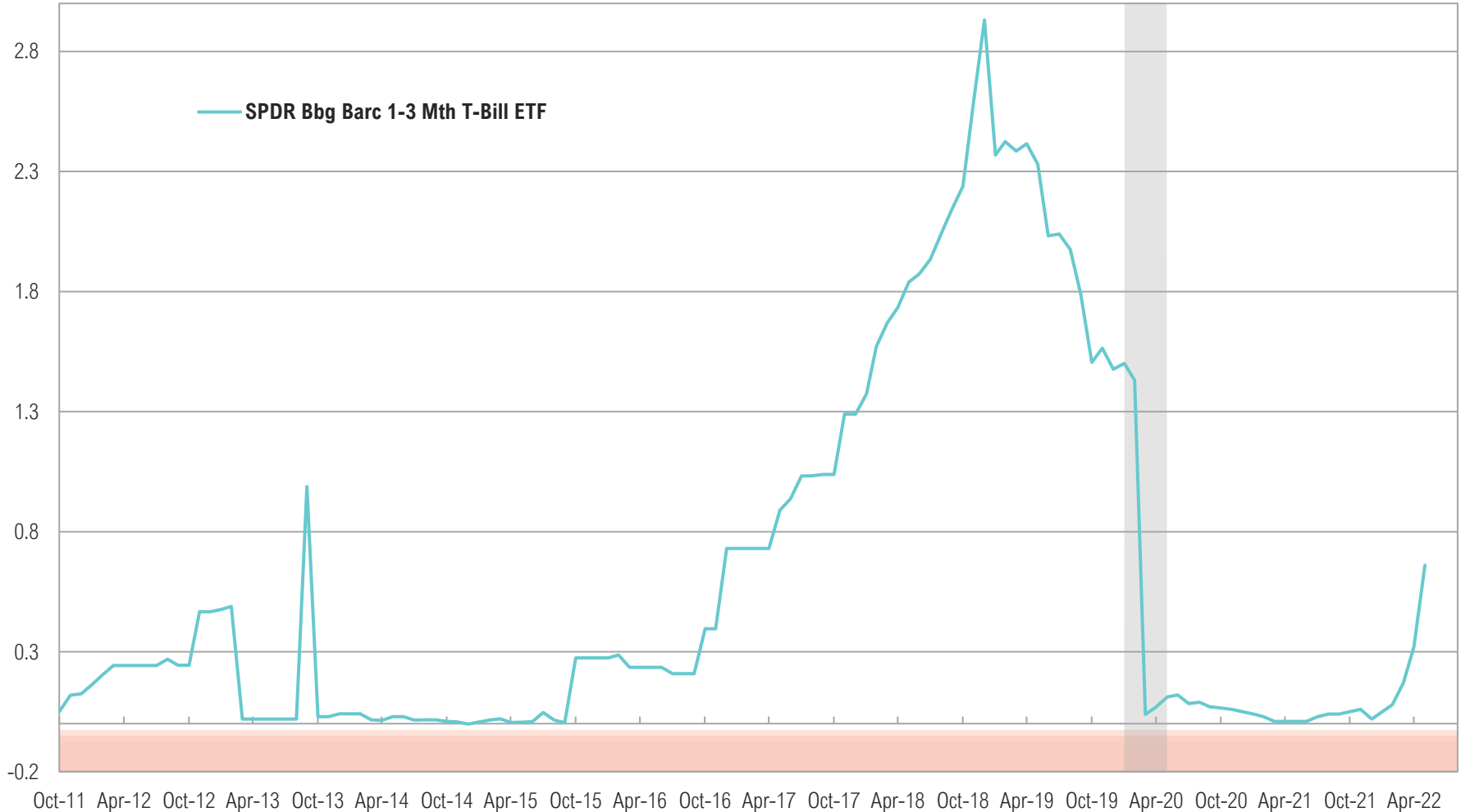
Source: Bankrate, NerdWallet, CNBC, Morgan Stanley, BMO, Wells Fargo.

Core Inflation is represented by the year-over-year change of the Consumer Price Index excluding food and energy (not seasonally adjusted).



# ➤ Nowhere to hide: yields on risk-free short-term government bonds have increased in nominal terms but have trailed inflation for most of the last two decades

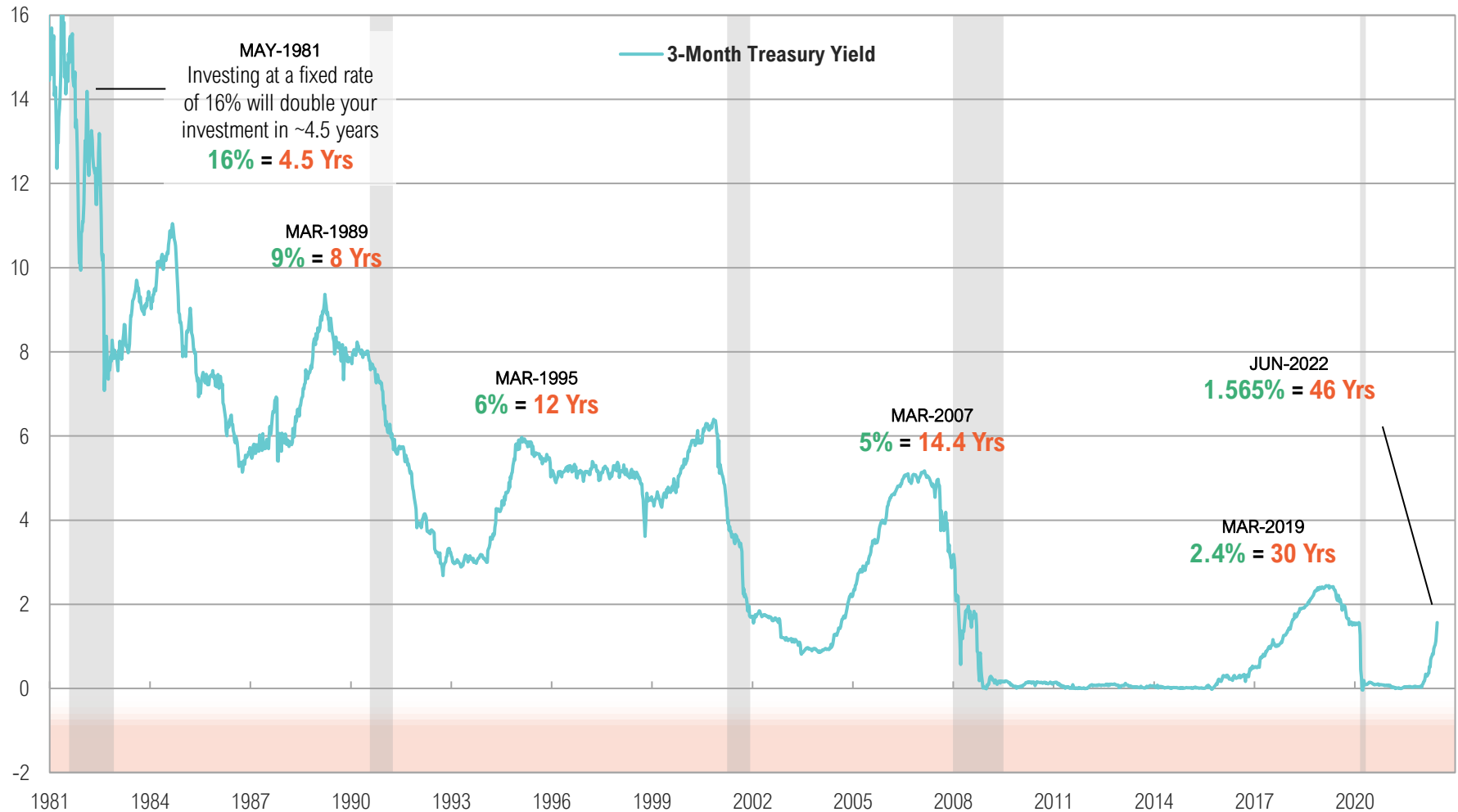
YIELD-TO-MATURITY



Source: Morningstar, FRED

## The long-term implications of zero rates: no compound interest

3-MONTH TREASURY YIELD + “RULE OF 72” ESTIMATES FOR CASH OVER TIME



Source: Bloomberg, SpringTide calculations

## Cash & Liquidity Reserve Implementation Cheat Sheet

					ACCOUNT ELIGIBILITY				
Custodian/ Sector	Fund	Ticker	Yield* (%)	Minimum (\$)	Individual/ Joint	IRA	Trust	Charitable	Corporate
Schwab									
Cash/Ultrashort Bonds	Schwab U.S. Treasury Money Fd - Investor	SNSXX	0.53%	\$1	Yes	Yes	Yes	No	No
Cash/Ultrashort Bonds	Schwab U.S. Treasury Money Fd - Ultra	SUTXX	0.66%	\$1,000,000	Yes	Yes	Yes	No	No
Schwab Government Mny Fd Inv	Schwab Government Mny Fd - Investor	SNVXX	0.90%	\$1	Yes	Yes	Yes	Yes	Yes
Municipal	Schwab Muni Money Fd - Investor	SWTXX	0.95%	\$1	Yes	Yes	Yes	No	No
Municipal	Schwab Muni Money Fd - Ultra	SWOXX	1.26%	\$1,000,000	Yes	Yes	Yes	No	No
TD Ameritrade									
Cash/Ultrashort Bonds	JPMorgan Federal Money Market Fd	VFPXX	0.53%	\$1	Yes	Yes	Yes	Yes	No
Cash/Ultrashort Muni Bonds	Federated Hermes Tax-Free Obligations	TBSXX	0.46%	\$1	Yes	Yes	Yes	Yes	No
Marcus									
Cash/Ultrashort Bonds	Marcus High Yield Savings Account	n/a	1.00%	\$1	Yes	No	No	No	No
Cash/Ultrashort Bonds	Marcus High Yield CD (12-Month)	n/a	1.60%	\$500	Yes	No	No	No	No
Betterment									
Money Market	Betterment Cash Reserve	n/a	0.75%	\$1	Yes	Yes	No	No	No
Ally Financial									
Cash/Ultrashort Bonds	High Yield CD	n/a	1.75%	\$1	Yes	Yes	Yes	No	No

Source: SpringTide, as at 6/23/2022

\*Municipal yield is reported on a taxable equivalent basis assuming a 35% marginal tax rate.

### Cash Trends

SEE IMPORTANT DISCLOSURES AT THE END OF THIS PRESENTATION

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