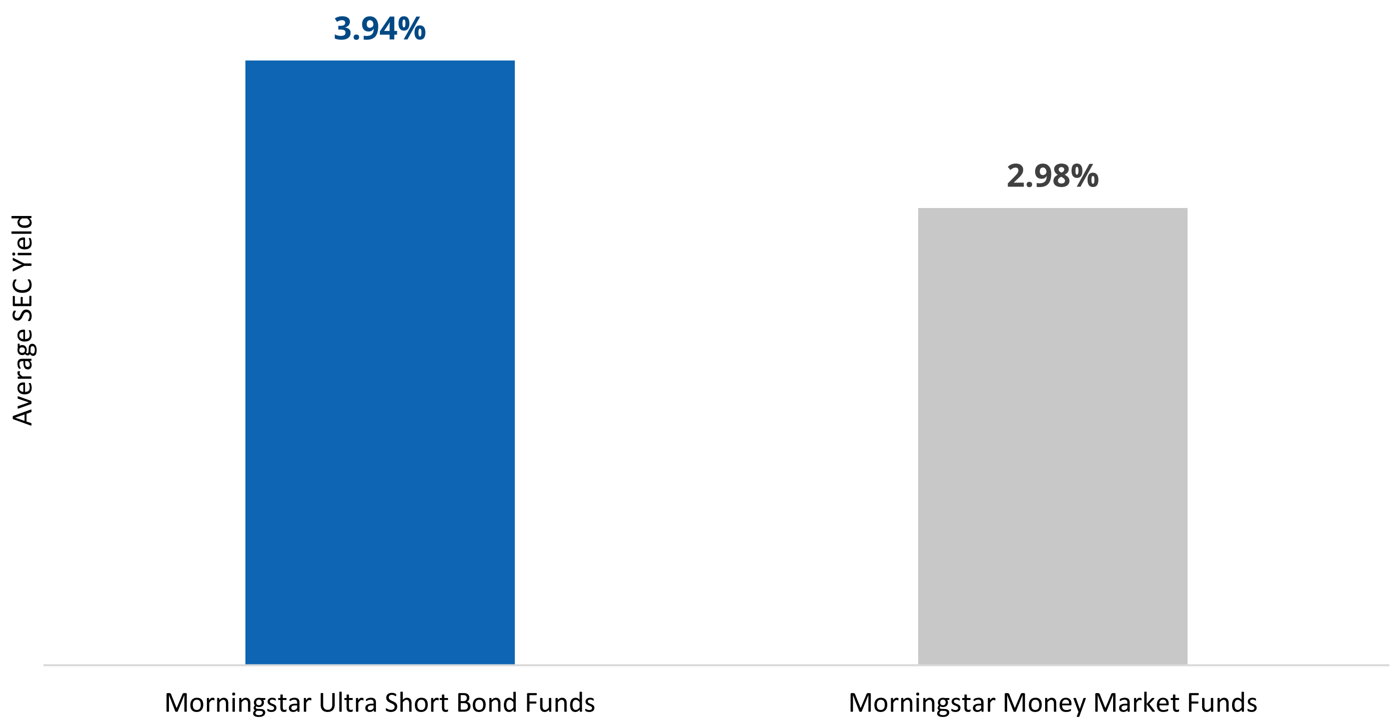
ULTRA-SHORT BONDS: SEEKING TO DO MORE WITH CASH

Fund flow data suggests investors are becoming less enthusiastic about holding cash. Flows into money market funds in 2026 are projected to decline 91% versus the average of the past three years.

Where is the money going? Ultra-short bond funds are projected to attract nearly three times the flows this year versus the average of the past three years.

Ultra-short bond funds offer a compelling yield advantage. Morningstar-tracked ultra-short bond funds yield nearly 4% on average versus closer to 3% for money market funds. With low duration risk, ultra-short bond funds can offer investors more income on a highly liquid portfolio allocation – potentially doing more with their cash.

Yield with Ultra-Short Bond Funds



Past performance does not guarantee future results. Investing involves risk, including loss of principal

Source: Morningstar as of 8/31/26.

A **bond** is a fixed-income instrument and investment product where individuals lend money to a government or company at a certain interest rate for an amount of time. The entity repays individuals with interest in addition to the original face value of the bond. Duration is often used to measure a bond's or fund's sensitivity to interest rates. The longer a fund's duration, the more sensitive it is to interest-rate risk. The shorter a fund's duration, the less sensitive it is to interest-rate risk.

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