

THIRD QUARTER 2023

GOVERNMENT SECURITIES MONEY MARKET FUND | APCXX, APHXX, APSXX, APPXX  
U.S. TREASURY FUND | APGXX, APKXX, APNXX,

# Money Market Fund Commentary

## (Government Securities Money Market Fund & U.S. Treasury Fund)



### Market overview

The overall environment for the money market fund industry was quite benign. In fact, U.S. money market fund assets reached an all-time high of \$6.007 trillion as of August 31, according to Money Fund Intelligence. For the 12 months ended August 31, the industry enjoyed growth of \$965.4 billion, or 19.1%. This growth was driven by the high returns available in the money fund sector.

Year-to-date, Money Fund Intelligence reported money market fund assets rocketed higher, climbing to \$6.1 trillion as of October 3, 2023. Assets this year rose \$922.5 billion, or 18.3%. Yields have now climbed above 5% for the first time since before the 2008 financial crisis, as reported by Bloomberg.

### Positioning the Money Market Funds

*Portfolio composition is subject to change.*

The federal funds futures market indicates the Federal Reserve Open Market Committee (the FOMC) is close to the end of its tightening campaign, and we agree. However, we believe that rates will remain elevated for some time to come. The challenge in managing

the portfolios will be to maintain the optimal blend of maturities and security types to be able to exploit the opportunities the markets present. To that end, we have a sizable portion of our money market funds in overnight repurchase agreements (repos), which offer daily liquidity and very competitive overnight yields. We have also taken positions in Treasury bills in both the U.S. Treasury fund and the Government Securities Money Market Fund and, in the Government Securities Fund, slightly longer-term agency bonds and agency floating rate notes.

### Why should investors consider investing in this Fund?

Money market fund rates are at highs not seen in many years. At current levels, they are competitive with many other asset classes. With daily liquidity and historically stable asset values, we believe they are a time-tested and valued addition to many portfolios.



## DISCLOSURES

**An investor should consider a fund's investment objectives, risks and charges and expenses carefully before investing or sending money. This and other important information about an investment company can be found in the fund's prospectus. To obtain a Cavanal Hill Funds prospectus or summary prospectus, please call 800-762-7085 or visit us at [www.cavanalhillfunds.com](http://www.cavanalhillfunds.com). Please read it carefully before investing.**

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***You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.***

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