



# Cash Management: Positioning for the Next Phase of the Rate Cycle

Last year, we advised members on how to take advantage of rising short-term rates and harvest yield on cash holdings. Now, as this period of rapid and frequent rate hikes may be ending, we offer our guidance on how to navigate a phase of stable and possibly declining interest rates. Specifically, we share views on:

- Adding duration to lock in yield
- Mitigating the duration risk that comes with longer-term rates

We also review the four categories we use to group cash, determined by timing of expected need.

- Reserve funds provide the greatest opportunity to extend duration and lock in yield

We recommend a strategy to take advantage of the current rate environment using Reserve funds – even as we caution that members must have some degree of confidence that those funds will not need to be accessed prior to maturity of the recommended investments.

## TIFF Investment Management



October 11, 2023

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