WELLS FARGO | ASSET MANAGEMENT

Portfolio Manager Commentary

Overview, strategy, and outlook: As of December 31, 2017

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Money market overview

In the money markets, two themes seem to persist and never go away, and last year proved no different from previous years. We were able to break out of that cycle with only 2 of our 10 commentaries this year by producing focus pieces unrelated to those issues. The first was in February, which focused on the credit and regulatory environments and discussed prospects for regulatory changes in the upcoming year. And then in April we produced a detailed examination of the long-anticipated balance-sheet normalization facing the Federal Reserve (Fed), including a discussion on how it might be implemented, when it could begin, and how long it might last. Fortunately, the Fed released its own guidance in June, which answered many of the questions we had left unanswered and which we were able to highlight in that month's commentary. However, that respite proved to be short-lived, as our third focus piece dealt with the first of our persistent themes—the debt-ceiling crisis du jour. In early September we produced a Debt Ceiling FAQ, which we designed to answer many questions that seem to recur every time we go through a debt-ceiling crisis and to serve as a base of knowledge for both clients and investment professionals who are either unfamiliar with the process or need a refresher in between episodes. The piece itself is fairly generic; in other words, it does not focus on any episode in particular and so is permanently available through the funds' website.

In addition to the FAQ, four other commentaries discussed the 2017 debt-ceiling crisis. The year started out with a bang in January when we discussed the looming prospect of the debt-ceiling suspension ending in March, at which time the Treasury would need to implement extraordinary measures to keep liquid. At the time, it seemed unlikely enough bipartisan, let alone partisan, support could be found for Congress to enact any legislation to resolve this bind. We subsequently updated the story and its effect on markets in February, March, and May and ended with the temporary debt-ceiling resolution in September. That, however, is not the end of the story, as the debt ceiling became binding again on December 8 after Congress failed to address it prior to its Christmas break.

The remaining two commentaries discussed the second persistent theme in our markets: the Fed. In addition to April's focus on balance-sheet normalization, the Fed's tightening progress was measured in March and June—which also examined the guidelines the Fed released related to its plans for normalizing its balance sheet—and to a lesser extent September.

One of the benefits of a year-end roundup is it allows us to take a step back and assess what and to what degree events are affecting our markets. In this review, it seems like we've

evolved over the years into something of a broken record, with fewer and fewer events consistently affecting us. In reality, rather than seeing this as a bad thing, we tend to view this as a positive development and a demonstration that our markets have largely healed from the financial crisis and have returned back to a normal (or new normal) operation. Cheers to boring!

Sector views

U.S. government sector

While 2016 had the newsworthy (Brexit and the U.S. presidential election), the scary (risk asset pullbacks, including an equity correction of 15% in February), the cautious (the Fed), and the transformative (money market fund reform), 2017 had little of that and was relatively quiet. For money market investors, it was a good quiet, with improving supply and rising rates.

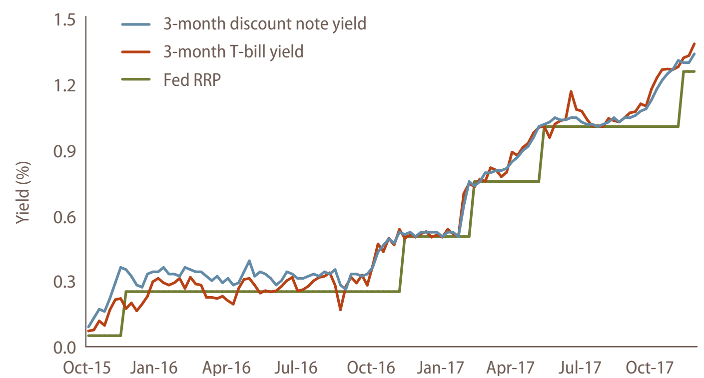
The aforementioned risk asset wobbles, Brexit, U.S. election uncertainty, and a few idiosyncratic economic reports had the Fed surprisingly on hold for much of 2016, and when the Fed finally raised rates in December 2016 after starting its hiking cycle a year earlier, the market entered 2017 with the distinct impression the Fed would leap at any opportunity to not raise rates. Against that backdrop, the market was not anticipating a rate hike the very next quarter, and when the Fed signaled it just a few weeks before the March meeting, investors had to adjust their view on the likely interest-rate path. As the Fed moved throughout the year to normalize interest rates—taking action once each quarter, with three hikes plus its third-quarter balance-sheet reduction announcement—the market realized that Fed Chair Yellen was not so much a dove as she was a pragmatist, dovish when required and also willing to tighten when necessary. Apparently, in the Fed's view, the extremely consistent labor market strength combined with the lag under which monetary policy operates called for the removal of accommodation at a pace that, while modest and cautious historically, was aggressive by postcrisis standards.

The Fed's actions took its reverse repurchase agreement program (RRP) rate, set at the lower bound of its overnight interest-rate range, from a newly minted 0.50% as 2017 dawned to 0.75% in March, 1.00% in June, and 1.25% in December. The chart on this page shows the path of interest rates over the past two years.

Throughout the year, the Fed was likely trying to assess the impact to the economy of the recent U.S. election, and investors were likewise left to guess not only what might develop politically but also how the Fed would react.

The uncertainty stemmed from a development that was perhaps unique in modern history, as the new president, although nominally a Republican, was perhaps practically more an independent, and it was unclear how easily he and the Republican Congress would work together. Those doubts seemed well-founded as the year wore on with meager legislative accomplishments, but the tide turned late in the summer when a series of hurricanes put in motion not only wind and water but also legislative action. Congress returned in September from its summer break and addressed hurricane relief, the debt ceiling, and a potential government shutdown in one fell swoop. Most important to the economy, the action generated legislative momentum that culminated in the December tax-reform passage. By the time pen was put to paper, the unification of the GOP and the president appeared to be complete.

Government security 3-month yields



Source: Bloomberg L.P.

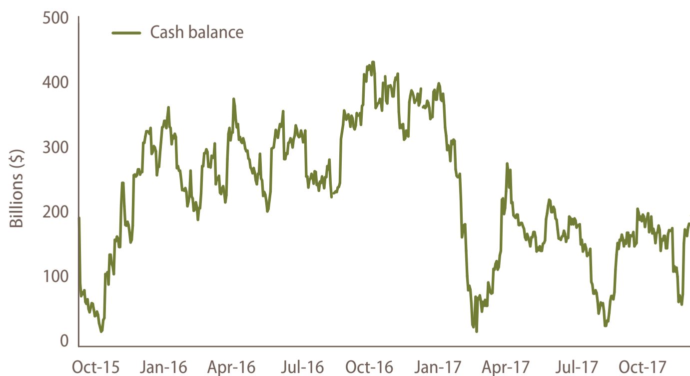
When the Fed met in mid-December, the tax bill appeared likely to become law. After having ignored potential fiscal stimulus for much of the year, the Fed may well have weighed the approaching fiscal boost and decided that with the fiscal side doing more of the heavy lifting, less monetary help was needed—hence the rate hike and signals for a continued cautious steady stream of them, despite inflation's painfully slow awakening.

In addition to higher rates from the Fed, additional Treasury bill (T-bill) supply made for a more investor-friendly environment, as total T-bills outstanding increased $138 billion in 2017 to $1.953 trillion at year-end. With the new tax law perhaps resulting in the government operating at an incremental net deficit, T-bill supply is poised to increase again in 2018.

Although, in total, T-bill supply expanded over the year, the statutory debt ceiling hung over the market in one form or another for the entire year, affecting both the

Treasury's issuance schedule and investor behavior. 2017 began with the debt ceiling suspended until March 16, when it was reestablished at about $19.8 trillion. In a quirk that complicates the Treasury's job and frustrates investors, the Treasury department needs to run its cash balance at reestablishment of the ceiling down to the level of cash on hand when the ceiling was previously suspended. In this case, the Treasury needed to shrink the cash balance from $399 billion at the beginning of 2017 to about $30 billion in mid-March, which it did partially by curtailing T-bill issuance. Although the Treasury was free to then rebuild its cash balance by employing extraordinary measures to continue issuing T-bills even with the debt ceiling in place, the issuance roller coaster complicated investing in the money markets. The Treasury's cash balance since the late-2015 debt-ceiling suspension is shown below, with each trough on the chart related to the debt ceiling.

U.S. Treasury cash balance



Sources: Bloomberg L.P. and U.S. Treasury

The debt ceiling's impact continued into the summer, as the impending exhaustion of extraordinary measures sometime near the end of September meant the U.S. would perhaps have been facing default if it ran out of money without a legal ability to issue more. As noted earlier, Congress was able to again suspend the debt ceiling in September, this time just until December 8, 2017. Leading into that date, the Treasury had to once again draw its cash balance down, this time to around $70 billion, and then yo-yo it back up again immediately afterward. 2017 ended with the U.S. government again operating at its statutory debt ceiling, this time at over $20.4 trillion, and employing extraordinary measures to allow it to continue to issue debt to meet its obligations. The Treasury has not released its official estimate of when those measures will be exhausted (when the debt ceiling would bind), but it may be in the first quarter of 2018. If the newfound togetherness of the federal government allows the parties to suspend the debt ceiling for an extended period of time, perhaps to early 2019, the T-bill market may function free of debt-limit constraints for the balance of 2018.

Prime sector

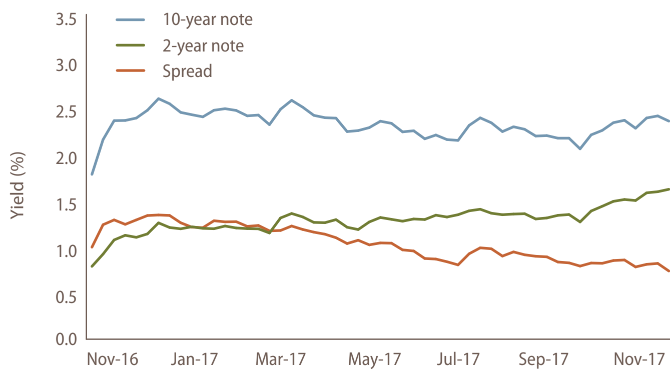
As prime funds entered 2017, their managers were still assessing the impact of the implementation of new money market regulations in October 2016, which had ultimately spurred a sector rotation of roughly $1.1 trillion out of prime and municipal funds and into government funds. As assets stabilized and managers could get back to managing, two themes dominated our year: rate movements by the Fed and asset growth in the prime sector.

As opposed to the previous eight years of near-zero rates and only one tightening, we saw great changes in 2017. The economy seemed to be firing on most cylinders. Jobs and gross domestic product (after the first quarter) were accelerating at a reasonable rate. Even inflation, as evidenced by Consumer Price Index[1], which had struggled to get close to the 2% Fed target, was at or above 2% for the first part of the year. At the end of 2016, the Fed's Summary of Economic Projections, known as dot plots, were predicting three 25-basis-point (bp; 100 bps equal 1.00%) rate hikes in 2017, though the market itself was only pricing in two. While market expectations of a March tightening were only 35% several weeks prior to that Federal Open Market Committee (FOMC) meeting, at the end of February and the beginning of March, New York Fed President Dudley and Fed Chair Yellen gave speeches indicating a move would be appropriate, turning market expectations around on a dime and fully pricing in a rate hike for March. And as expected, the FOMC delivered a 25-bp rate hike at that meeting. With no derailment of the economic train, the little engine that could delivered the two additional expected 25-bp tightenings as advertised—in June and December. The FOMC ended 2017 with its target rate at a range of 1.25% to 1.50% and expectations of two to three additional 25-bp rate hikes in 2018.

As the FOMC embarked on its tightening campaign, the impact to LIBOR (London Interbank Offered Rate) and commercial paper levels were not directly proportional after the first two Fed moves as market participants were hesitant to embrace the fact that the Fed was finally beginning to remove policy accommodation in 2017. From mid-February to a week after the March rate hike, 3-month LIBOR had increased only 12 bps. From mid-May to a week after the June hike, 3-month LIBOR was up 11 bps. However, by December, with the Fed several months into normalizing its balance sheet and announcements from other central banks

that they, too, would start the process of normalization by raising rates and reducing their balance sheets, the Fed move elicited a nearly one-for-one shift in rates. From mid-November to a week after the December hike, 3-month LIBOR increased 24 bps and ended the year at 1.69%, or 19 bps over the upper band of the overnight federal funds target. Economic conditions finally prompted market yields to catch up to the Fed's rhetoric! Another way to observe this phenomenon is the flattening of the Treasury yield curve; as shown in the chart below, the spread between the 2-year and 10-year U.S. Treasury notes is continuing to collapse, led by rising 2-year yields as markets embrace the prospect of higher target rates next year. The minimal reaction of 10-year note yields could indicate that inflation fears remain muted and that the terminal rate is expected to remain lower for longer.

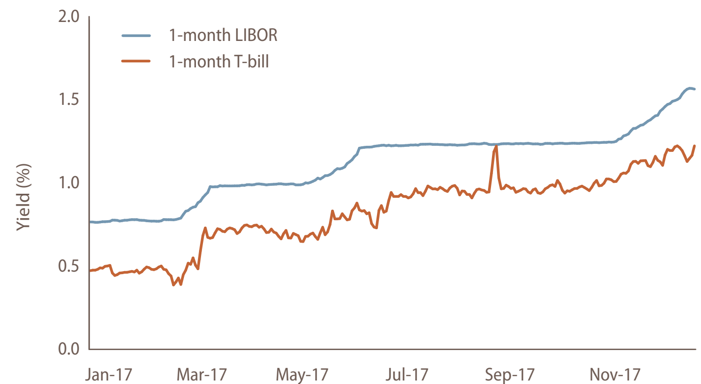
10-year and 2-year Treasury yields



Source: Bloomberg L.P.

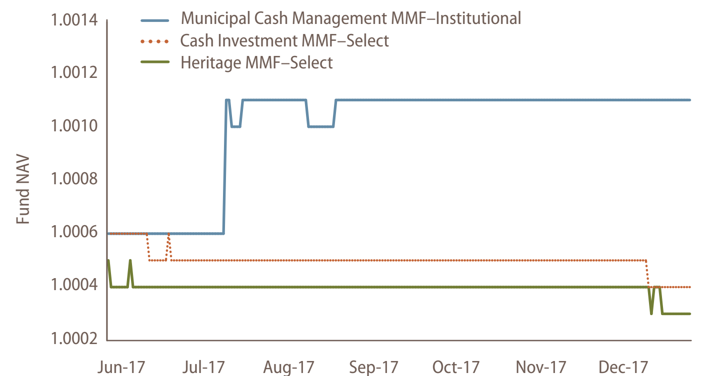
For prime institutional money market funds, assets under management (AUM) began 2017 at roughly $120 billion and finished 2017 at $322 billion! With relatively stable net asset values (NAVs) and an attractive yield pickup over government funds, investors seem to be re-examining the benefits of prime funds. Our prime fund's holdings had a weighted average life (WAL)[2] of roughly 20 days at year-end 2016 and the WALs increased to roughly 60 days by year-end 2017. In the post-reform environment, we have continued to manage our prime funds with the same conservative discipline as before reforms, adhering to a philosophy of constructing a diversified portfolio of high-quality, liquid assets to meet our clients' liquidity needs while offering an attractive risk-adjusted yield. But as AUM stabilized after reform and started increasing in 2017, we were able to opportunistically reposition a portion of our portfolios in floating-rate securities and longer-dated fixed-rate securities to take advantage of the positive-sloping short end of the yield curve. This positioning allowed our prime funds to maintain a significant yield pickup over respective government funds and a high degree of interest-rate sensitivity. As the chart below demonstrates, using T-bills as a proxy for government funds and LIBOR for prime funds, the yield differential between 1-month T-bills versus 1-month LIBOR continues to provide shareholders with an enhanced yield proposition.

1-month LIBOR vs. 1-month T-bill



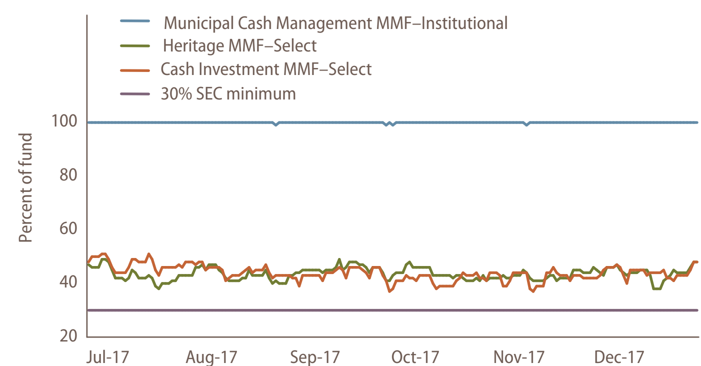
Source: U.S. Treasury

Wells Fargo FNAV money market fund NAVs



Source: Wells Fargo Funds

Wells Fargo FNAV money market fund weekly liquid assets



Source: Wells Fargo Funds

The FOMC has executed four rate hikes since reform implementation and expectations of multiple future rate hikes are firmly in place for 2018. Despite those moves and expectations of more, the prime funds' floating NAVs have experienced minimal variation. We believe that our investment strategy—emphasizing highly liquid portfolios, relatively short weighted average maturities, and a position in securities that reset frequently—should allow us to capture future FOMC rate moves with minimal NAV pricing pressures.

Municipal sector

What a difference a year can make! In the municipal money market space, 2017 marked a return to normalcy of sorts as market participants seamlessly carried on following the implementation of money market fund reforms in October. With major regulatory concerns in the rearview mirror, the markets were content to focus on more traditional issues, such as monetary policy and good old seasonality, which presented challenges and opportunities throughout the year. Additionally, an impressive return of municipal supply, higher absolute levels, and rebounding money market fund assets provided market participants with something to be cheerful about by year-end. However, the year would begin with an unusual reform-related hangover as the seismic shift in asset allocation across the money market fund universe left the municipal space with significantly lower balances.

As you may recall, the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index[3] had experienced a spike to the 0.87% level in the run up to the final money market fund reform implementation date in October 2016. The ensuing Fed rate hike in December also applied upward pressure across the municipal money market curve through year-end. But with the turn of the calendar, the reinvigorated demand for tax-exempt paper throughout the short end of the curve spurred by seasonal reinvestment cash set the tone for the first quarter, and the SIFMA Index quickly descended into a tight range between 0.62% and 0.68% for the vast majority of the quarter. Meanwhile, yields on high-grade fixed-rate paper in the 1-year space remained in a narrow band of 0.90% and 0.95%.

Toward the end of the first quarter, the combination of the FOMC rate hike on March 15 and the looming tax-related seasonal weakness forced SIFMA to quickly follow taxable equivalents higher. The index eventually rose to a multiyear high of 0.91% at month-end, which represented an attractive 97% of 1-week LIBOR. Despite volatility in the overnight and weekly variable-rate demand note (VRDN) and tender option bond (TOB) sectors, the municipal yield curve remained relatively flat as rates on longer-dated high grades barely nudged higher. Yields on high-grade notes ranged between 1.00% and 1.05% during the period. However, technicals would remain negative for municipals through the April tax-time period.

As the tax-time pressures subsided, the SIFMA Index once again quietly drifted lower as supply and demand gradually stabilized. The index would remain in a narrow range of between 0.76% and 0.85% for the month of May. However, the period of calm for the markets would be short lived as the next challenge for the market quickly presented itself. During the month of June, the municipal money markets experienced another wave of seasonal reinvestment demand across the curve. Yields on overnight and weekly VRDNs and TOBs continued to trend lower despite the overwhelming market expectations for a rate hike by the FOMC at midmonth.

The municipal markets were caught wrong-footed as the taxable money markets proactively began pricing in the eventual FOMC rate hike on June 14. Accordingly, the municipal money markets were once again left in a position of playing catchup as demand from traditional buyers dried up as the month progressed. The SIFMA Index eventually reversed course and quickly rose from 0.74% to 0.91% on June 28, finishing out the month at 76% of 1-week LIBOR. One-year high-grade notes finished out the first half of the year at 0.95%, preserving a stubbornly flat municipal money market yield curve.

Yields in the municipal money market space began to stabilize during the summer as the high level of seasonal reinvestment demand experienced during early July began to dissipate. In the variable-rate sector, yields on weekly VRDNs and TOBs experienced typical cash-flow-related volatility but remained in a generally tight range between 0.79% and 0.86% throughout the months of July and August. Further out on the curve, yields on 1-year high-grade notes continued to remain rangebound in the face of fresh supply. The state of Texas returned to the short-term markets in August after a two-year hiatus and issued a $5.4 billion 1-year cash-flow note, which was the largest deal of the year. Despite the increase in supply, benchmark yields for 1-year high-grade notes remained generally stable and closed out the month at 0.90%.

Sentiment in the municipal markets began to shift as market participants returned from their summer breaks and seasonal demand began to wane during the month of September. Yields across the municipal money market space began to rise as moderate outflows from municipal money market funds and other month-end pressures helped push SIFMA to another multiyear high. The index, which had been stuck in

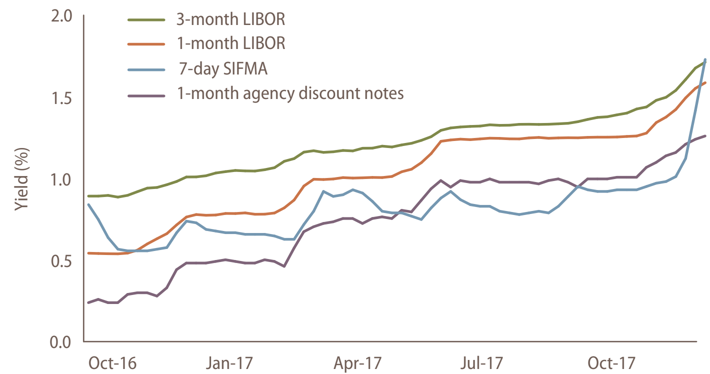
a tight range of 0.77% to 0.79% in August, rose to 0.94% on September 27. Further out on the curve, benchmark rates on longer-dated high-grade paper rose in sympathy with U.S. Treasuries toward the latter half of the month. Yields on top-rated 1-year paper closed out the month at 1.01%, up from 0.90% the previous month. The backup in rates would set the tone for the final quarter of the year.

During the month of November, the municipal market abruptly adopted a defensive tone as the harsh realization that legislators in Washington, D.C., were seriously intent on crafting a comprehensive tax-reform package by year-end became apparent. The opening salvos from both the House and the Senate were viewed as particularly draconian for the municipal sector. The most immediate concern for the municipal markets pertained to the potential elimination of the exemption for private activity bonds and advanced refunding bonds, which resulted in a surge in issuance by borrowers seeking to beat the perceived year-end cutoff.

While the bulk of this new-issue activity consisted of fixed-rate paper beyond the municipal money market space, the combination of a strong acceleration in supply, as well as a looming rate hike by the FOMC, exerted upward pressure on rates in the short end as well. The SIFMA Index rose from 0.92% at the end of October to 0.97% by the end of November. The municipal money market yield curve steepened as longer-dated paper rapidly responded to the sudden supply pressures by rising to multiyear highs as well. Top-rated one year notes closed out the month at 1.30%, up from 1.08% the previous month. The sudden backup in rates resulted in favorable tax-exempt to taxable ratios throughout the front end of the curve. The SIFMA to 1-week LIBOR ratio rose to 0.80% by month-end, up from 0.76% the previous month.

Negative market sentiment carried over into the month of December, as the market was forced to contend with a perfect storm of record municipal supply, a looming FOMC rate hike, and abbreviated holiday trading sessions. While the final tax-reform bill ultimately turned out to be less onerous than feared, the municipal bond-making apparatus had already been set in motion. Ultimately, the total municipal volume for the month of December rose to a record $62.5 billion, up from $20.8 billion during the same time in 2016. Yields on overnight and weekly VRDNs and TOBs rapidly rose as the municipal market rapidly adjusted to accommodate burgeoning supply. SIFMA rose to a staggering 1.71%, or 115% of 1-week LIBOR, while yields on one year high-grade notes reached a high of 1.46% to finish out the year.

7-day SIFMA vs. LIBOR and agency discount notes



Source: Wells Fargo Funds

Throughout the year, we continued to emphasize portfolio liquidity by targeting our purchases primarily in daily and weekly VRDNs and TOBs. Most importantly, this strategy allowed us to achieve our goals for 100% liquidity and principal preservation to withstand periods of volatility in the money market sector. Additionally, our strategy allowed us to quickly capture the benefits of rising interest-rate levels due to both FOMC rate hikes and episodic spikes in SIFMA at various times throughout the year. Given the relative flatness of the municipal yield curve and asymmetrical risks with respect to potential policy tightening by the Fed, we continued to adopt a conservative posture with respect to liquidity and duration targets throughout the period.

On the horizon

With the threat of the debt-ceiling binding on the horizon, it's not much of a stretch to predict that politics will affect the money markets again this year. But one bill of particular interest that market participants may want to keep an eye on is HR2319: the Consumer Financial Choice and Capital Markets Protection Act of 2017. As we briefly noted in our June commentary, this bill aims to reverse much of the money market reform that was implemented in October 2016. At that time, we had pointed out that while it hadn't really gotten much traction up to that point, we felt it had a better chance than previous versions of getting to a vote due to the large number of bipartisan sponsors. Since then, the bill has garnered even more sponsors—currently standing at 37 Republicans and 24 Democrats—but more important was the subject of a November 3 hearing by the House Financial Services Subcommittee on Capital Markets and Government Sponsored Enterprises prior to referral to the committee. So it has made some progress, unlike its predecessors.

Not everyone, though, is on board with the idea of repealing this latest round of money market fund reform. A major difference from the environment prior to the SEC's 2014 publication of its new money market regulations is that the industry itself is fractured in its support and is not virtually unanimously behind reversing the terms of the regulatory reform. Citing the expense and fatigue from the 2-year implementation process, the Investment Company Institute and some fund complexes are siding against the effort, in direct conflict with other fund complexes, consumer professional organizations, and securities-related and associated constituents that have declared their support. It should be interesting to follow this bill to see what happens.

Rates for sample investment instruments — current month-end % (December 2017)

Sector	1 day	1 week	1 month	2 month	3 month	6 month	12 month
U.S. Treasury repos	1.38	1.37	–	–	–	–	–
Fed reverse repo rate	1.25	–	–	–	–	–	–
U.S. Treasury bills	–	–	1.23	1.27	1.38	1.53	1.73
Agency discount notes	0.94	1.00	1.16	1.28	1.33	1.41	1.68
LIBOR	1.37	1.42	1.50	1.56	1.63	1.77	2.04
Asset-backed commercial paper	1.43	1.49	1.63	1.68	1.71	1.79	–
Dealer commercial paper	1.62	1.58	1.49	1.48	1.53	1.61	–
Municipals	1.79	1.71	1.33	1.35	1.37	1.40	1.46

Sources: Bloomberg L.P. and Wells Capital Management Inc.

Wells Fargo Fund	7-day current yield
Cash Investment MMF*–Select	1.47
Heritage MMF*–Select	1.45
Municipal Cash Mgmt MMF*–Inst'l	1.42
Government MMF**–Select	1.19
Treasury Plus MMF**–Inst'l	1.14
100% Treasury MMF**–Inst'l	1.07

Source: Wells Fargo Funds

Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes that a shareholder may pay on a fund.
Yields will fluctuate. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of dividends and capital gains. Current month-end performance is available at the funds' website, wellsfargofunds.com.

Money market funds are sold without a front-end sales charge or contingent deferred sales charge. Other fees and expenses apply to an investment in the fund and are described in the fund's current prospectus.

The manager has contractually committed to certain fee waivers and/or expense reimbursements. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses, and extraordinary expenses are excluded from the cap. Without these reductions, the seven-day current yield for the Institutional Class of the Cash Investment Money Market Fund, Heritage Money Market Fund, Municipal Cash Management Money Market Fund, Government Money Market Fund, Treasury Plus Money Market Fund, and 100% Treasury Money Market Fund would have been 1.34%, 1.32%, 1.33%, 1.11%, 1.11%, and 0.87%, respectively, and the total returns would have been lower. The cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees. The expense ratio paid by an investor is the net expense ratio or the total annual fund operating expense after fee waivers, as stated in the prospectus.

For more information, please contact:

Institutional Sales Desk: **1-888-253-6584**

Website: **wellsfargofunds.com** (*Click "Institutional Cash Management"*)

1. The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. You cannot invest directly in an index.

2. Weighted average life (WAL): An average of the final maturities of all securities held in the portfolio, weighted by their percentage of total investments. The maturity of a portfolio security is the period remaining until the date on which the principal amount is unconditionally required to be paid, or in the case of a security called for redemption, the date on which the redemption payment is unconditionally required to be made. The calculation of WAL allows for the maturities of certain securities with demand features to be shortened but, unlike the calculation of WAM, does not allow shortening of the maturities of certain securities with periodic interest-rate resets. WAL is a way to measure a fund's potential sensitivity to credit spread changes. WAL is subject to change and may have changed since the date specified.

3. The SIFMA Municipal Swap Index is a seven-day high-grade market index composed of tax-exempt variable-rate demand obligations with certain characteristics. The index is calculated and published by Bloomberg. The index is overseen by SIFMA's Municipal Swap Index Committee. You cannot invest directly in an index.

**For floating NAV money market funds: You could lose money by investing in the fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. 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.*

For retail money market funds: 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. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. 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.

***For government money market funds: 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.*

For the municipal money market funds, a portion of the fund's income may be subject to federal, state, and/or local income taxes or the alternative minimum tax. Any capital gains distributions may be taxable. For the government money market funds, the U.S. government guarantee applies to certain underlying securities and not to shares of the fund.

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