Management fee: 0.25%

Philosophy and Approach

Cash management strategies seek to earn an incremental yield over US Treasury Bills, money-market funds, and bank deposit rates. A short-duration portfolio of high-quality ETFs, mutual funds, and individual bonds targets a modest yield while also maintaining a favorable risk-return profile. Risk, return, liquidity, cash flow, and relative value are important considerations in security selection. Macro-economic conditions and outlook help inform the sector allocation.

Strategy Objectives

Preserve Principal ■ **Generate Yield** ■ **Manage Risk** ■ **Maintain Liquidity** ■ **Match Liabilities**

Individual Bonds

Investment minimum: $1,000,000

- Laddered bonds, short duration (< 3 years)
- Credit quality: Single A or higher
- Defined maturities lead to a more certain total-return profile
- Individual holdings provide transparency
- Can be liability-matched
- More rigid maturity schedule makes the strategy less flexible if client circumstances change
- **Client suitability:**
  - Less permanent, less flexible cash allocations
  - Lower risk tolerance
  - Known liabilities
- Time horizon: 1 year+
- Estimated yield to worst (net of fees) : 3.90%

Optimized ETFs / Funds

Investment minimum: $500,000

- Low-cost ETFs and mutual funds optimized for risk and return parameters (standard deviation, drawdown, yield)
- Short duration: <3 years
- Credit quality: Single A or higher
- The constant maturity nature of ETFs and mutual funds lead to a less certain total-return profile
- ETFs and mutual funds afford more flexibility if client circumstances change
- **Client suitability:**
  - More permanent, more flexible cash allocations
  - Higher risk tolerance
  - Minimal required liabilities
- Time horizon: 1 year+
- Estimated yield to worst (net of fees): 4.105%

FLP Investment Management

DISCLOSURES

Past performance does not guarantee future results. Registration with the SEC should not be construed as an endorsement or an indicator of investment skill, acumen or experience. Any dated information is published as of its date only. Dated and forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any dated or forward-looking statements. Investment process, strategies, philosophies, portfolio composition and allocations, security selection criteria and other parameters are current as of the date indicated and are subject to change without prior notice. Advisor's clients may or may not hold the securities discussed in their portfolios. Advisor makes no representations that any of the securities discussed have been or will be profitable.

Terms:

Duration measures how long it takes on average, in years, for an investor to be repaid a bond's price through its total cash flows. It is also used as a tool to determine the change in a bond's value in relation to interest rate movements.

Estimated Yield Is an estimate that compares the anticipated earnings on investments in the coming year to the current price of the investments. It is based on past interest and dividend payments made by the securities held in an account.

Credit Rating is an assessment of an individual, company, or government's ability to repay debts. It's a measure of creditworthiness, and it's used by lenders to determine the risk associated with lending money. Credit ratings are typically expressed as letter grades (e.g., AAA, BBB, etc.) and are issued by credit rating agencies.

Average Coupon refers to the weighted average coupon rate of a portfolio of bonds. It indicates the average interest rate of the underlying assets, weighted by their respective sizes in the portfolio.

Yield to Worst is a measure of the lowest possible yield that can be received on a bond with an early retirement provision. It assumes the bond is paid off at the earliest date allowed by its terms, such as through a call or early redemption.