Gurtin Municipal Bond Management

Liquidity Management

We understand our clients expect their cash to be accessible when they are ready to deploy funds toward other opportunities, which is why our philosophy is to invest clients' liquidity management portfolios in the highest quality securities and never assume undue duration or credit risk.

Strategy Offerings

	Government Cash Management	Government Enhanced Liquidity	Municipal Ultra-Short Term	Government or Muni / Gov't Tax Liability
Investor Suitability	• For investors with daily liquidity needs • Same-day liquidity	• For investors seeking liquidity with an enhanced yield over cash • Same-day liquidity	• For investors seeking a predictable tax-exempt income stream • Same-day liquidity	• For investors with specific, short-term liabilities • Same-day liquidity
Underlying Investments	US Treasury & Agency Securities rated AAA	US Treasury & Agency Securities rated AAA	Municipal Securities rated A- or higher	US Treasury & Agency Securities rated AAA (and Municipal Securities rated A- or higher if desired)
Effective Duration	0.11	0.34	0.46	Yield to worst, effective duration, and sensitivity analysis dependent upon customized tax liability dates.
Yield to Worst	1.34%	1.49%	1.45%	
Yield to Worst Taxable Equivalent	1.34%	1.49%	2.45%	
Expected 1-year total return given a parallel rate shift of +100 basis points	1.97%	1.82%	1.23%	
Expected 1-year total return given a parallel rate shift of +200 basis points	2.36%	1.90%	0.95%	

Management Fee Schedule

Strategy	Account Minimum	Fee Type	Up to $5M	$5 to $10MM	$10 to $50MM	$50 to $100MM	$100 to $500MM	$500MM to $1B	Over $1B
Gov't Cash Management	$1MM	Blended	10 bps	10 bps	8 bps	6 bps	6 bps	6 bps	6 bps
Gov't Enhanced Liquidity	$1MM	Blended	15 bps	12 bps	11 bps	10 bps	10 bps	10 bps	10 bps
Gov't Tax Liability	$1MM	Flat	4 bps	4 bps	4 bps	4 bps	4 bps	4 bps	4 bps
Muni / Gov't Tax Liability	$1MM	Flat	6 bps	6 bps	6 bps	6 bps	6 bps	6 bps	6 bps
Muni Ultra-Short Term	$1MM	Flat	14 bps	14 bps	14 bps	12 bps	10 bps	9 bps	5-8 bps*

Note: Strategy statistics are as of February 28, 2018. Taxable equivalent yields assume a 37% federal tax rate and a 3.8% Medicare tax. Assumes all Municipal Ultra-Short securities are exempt from federal income tax and Medicare tax. See disclosures for more information. Sensitivity analysis as of 02/28/2018. The sensitivity analysis is based on internal calculations. For additional information please see the disclosures at the end of this document. Note: Management fees for the Municipal Ultra Short-Term strategy are aggregated across all Municipal Ultra Short-, Short-, Limited-, and Intermediate-Term SMA's within a client family. *The fee for Municipal Ultra Short-Term above $1B is as follows: 8bps for $1B-$2B; 7bps for $2B-$3B; 6bps for $3B-$4B; and 5bps for $4B and above.

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Unlike our liquidity management portfolios, traditional bank deposits and money market funds suffer from the following vulnerabilities that make them less efficient liquidity vehicles:

Bank Deposits

- The FDIC insurance limit on bank deposits is $250,000. Above that limit, investors are unsecured creditors and are subject to bank balance sheet risk.
- Interest is fully taxable at the state and federal levels.

Money Market Funds

- Money market funds can place a "liquidity fee" up to 2% on investors who withdraw funds during periods of market stress.
- As interest rates increase, providers are more likely to increase fund fees, reversing the discounts they have offered since the Federal Reserve enacted its zero interest rate policy.
- Interest is fully taxable at the state and federal levels.