Gurtin Municipal Bond Management

Liquidity Management Strategies

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 what we believe to be the highest quality securities and never assume undue duration or credit risk.

	Government Cash Management	Government Enhanced Liquidity	National Municipal Ladder – Ultra Short	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 consistent 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)
Composite Effective Duration	0.11	0.56	0.62	Yield to worst, effective duration, and sensitivity analysis dependent upon customized tax liability dates.
Composite Yield to Worst (At Market)	1.96%	2.28%	1.62%[1]	
Composite Yield to Worst Taxable Equivalent (At Market)	N/A	N/A	2.74%[1]	
Hypothetical 1-year total composite return given a parallel rate shift of +100 basis points[2]	2.80%	2.24%	1.38%	
Hypothetical 1-year total composite return given a parallel rate shift of +200 basis points[2]	3.20%	2.03%	1.17%	

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	$250K	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 Ladder – Ultra Short	$1MM	Flat	14 bps	14 bps	14 bps	12 bps	10 bps	9 bps	5-8 bps[3]

Note: Strategy statistics are as of 3/31/2019. Taxable equivalent yields assume a 37% federal tax rate and a 3.8% Medicare tax. Assumes 98.56% of assets in the National Municipal Ladder – Ultra Short composite are exempt from federal income tax and Medicare tax. Sensitivity analysis as of 3/31/2019. The sensitivity analysis is based on internal calculations. Performance figures do not reflect the deduction of investment advisory fees. Client's return will be reduced by the advisory fees and any other expenses it may incur in the management of its investment advisory account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be $10,416 in the first year, and cumulative effects of $59,816 over five years and $143,430 over 10 years. For additional information please see the disclosures at the end of this document. Management fees for the National Municipal Ladder – Ultra Short strategy are aggregated across all Municipal Ladder SMA's within a client family. Composite statistics do not assure the results and performance of individual accounts. [1]National Municipal Ladder – Ultra Short composite yields may not be representative of yields for new accounts opened under our management. We are happy to provide yields for representative Municipal Ladder – Ultra Short accounts upon request. [2] These numbers are hypothetical: there is no assurance that the strategy will achieve any level of returns. [3] The fee for Municipal Ladder – Ultra Short accounts above $1B is as follows: 8bps for $1B-$2B; 7bps for $2B-$3B; 6bps for $3B-$4B; and 5bps for $4B and above.

Liquidity Management

Unlike our liquidity management portfolios, traditional bank deposits and money market funds may 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.