

Greetings,



Given recent events, we feel it is important to educate and remind our clients of some prudent cash management basics.

The zero-interest rate environment of past years prompted some unhealthy practices. Because there was little return available on cash balances, many investors and business owners simply did not pay attention and left cash sitting idle in checking accounts.

As we have noted in several past emails, interest rates have moved up, and fixed income, such as treasury bonds and money market funds, should be considered for potentially greater yields. Our focus with these investments has been on potentially earning you more interest, maintaining diversification and safety.

The FDIC insures bank accounts up to \$250,000 per depositor. We think you might be comforted to know that the Bank Deposit Sweep Program at Wells Fargo Advisors that is automatically used for cash in our brokerage accounts is also backed by multiple banks. On that cash, there is FDIC insurance up to \$1.25 million per depositor (essentially by using five banks each having \$250,000 coverage). See link for more details: [Wells Fargo Advisors Bank Deposit Sweep Program](#).

Bank deposit sweep accounts, like most bank accounts, yield very little. These cash balances are great for covering expenses, bill paying and temporarily parking investment balances. At Prentis Wealth Management, we spend much time and effort putting cash balances to work for our clients, striving to get our clients a better return and to maintain diversification.

We have always felt the best offense is having a good defense. This is why we maintain our business with Wells Fargo Advisors, a division of Wells Fargo & Company, one of the largest and strongest financial institutions in the world. In a brokerage account, the

securities (Individual stocks, US Treasuries, corporate, municipal bonds, mutual funds, ETFs etc.) are your assets, not ours. These securities in client accounts are totally segregated from the assets of Wells Fargo & Company and cannot be touched by the bank to meet any of its obligations. For a more detailed discussion, please reference the attached PDF titled ***How your Money is Protected***.

Our goal with this note is to lend some comfort and perspective given current events. If you have family, friends, or colleagues in need of assistance on this topic, we are happy to speak with them.

Best,

Peter, Mike, Stuart, Andrew, Joe and Edita

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CAR-0323-01969

