

Leveraging corporate accounts to create strategic flexibility

Wilfong Meyer Gage Group

How Wilfong Meyer Gage Group utilized cash to generate yield

The situation

Our client's company had grown tremendously in the last couple years, generating significant excess cash earnings. The cash balance sat idle in a corporate account generating a yield of only 50 basis points. The executive team knew this asset had the potential to create strategic flexibility if it could be leveraged to generate a larger return.

We were introduced to the company's leadership group and discussed avenues by which the cash could be invested and produce a higher yield.



The strategy

Based on our conversations with the leadership team, we helped the company develop a formal investment policy statement (IPS) to clearly define the management of their cash assets.

UBS Portfolio Advisory Group then worked with the leadership team to create a customized portfolio of individual securities designed to meet their strategic needs: cash flow, risk tolerance and time horizon.

This created a moderately postured portfolio structure that allowed for the protection of principal with a view toward long-term growth.

The result

With the higher yield from these investments, our client is now positioned to deploy funds to support the business across a number of potential scenarios:

1. Additional cash flow to retain employees amid an economic downturn
2. Advantageous opportunities to acquire a business
3. Capital to leverage in case of another significant business altering event like the coronavirus pandemic

We consult with this client and his leadership team regularly. They have a team with knowledge and resources to provide advice for any wealth management issue that arises.

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