



Identifying greater yield for our client's corporate cash

ATX Wealth Partners
Private Wealth Management



The situation

Our client is the Founder and CEO of a company that was in the midst of closing the first tranche of a \$100 million Series C funding. He introduced our team to his CFO to discuss the company's cash management approach and to help determine if it could be enhanced.

Up to that point, the prospect of enhanced yield and a more robust approach to cash management had not been a priority. Now, our client wanted to ensure that he and the company were being wise stewards of their soon-to-be raised capital.

The strategy

Our team met with the company CFO to discuss their existing Investment Policy Statement and assess the cadence of expected cash flow and various concerns that were top of mind. Four goals were promptly identified during this and subsequent conversations: 1) potential for greater yield while maintaining focus on daily liquidity, operational needs and preservation of capital; 2) portfolio diversification aligned with their concern for greater yield; 3) adoption of a well-constructed Investment Policy Statement (IPS) focused on yield and diversification; and 4) providing the CFO, Controller and their teams with finger-tip access to an array of on-demand, detailed and compliant reporting capabilities.

Our team was agnostic and presented various cash management solutions. Specifically, we offered an introduction to multiple cash management teams inside and outside of UBS. We assisted our client in reviewing various cash management groups to assess the integrity and robustness of the company's preexisting IPS. Recurring feedback from those vying for the cash management mandate showed us that various segments of the IPS could be improved upon for the benefit of the company and its fiduciaries.

In the end, the client hired UBS's Asset Management (AM) to manage the assets and our team services the relationship from a banking and portfolio commentary standpoint. Additionally, AM's portfolio managers avail themselves to the client by phone and in-person.

The result

We moved the needle for the client in a meaningful manner. Portfolio yield increased by approximately 150 basis points. This incremental income enhanced portfolio income by more than \$1 million. Today the UBS portfolio is robust and diversified. It is allocated to A-rated or better fixed income instruments and, per their IPS, maintains a portfolio duration of less than 0.30.

On-demand reporting capabilities are provided (at no charge) to our client through AM's relationship with a leading third-party provider. They offer robust web-based investment portfolio accounting, reporting and reconciliation services for institutional clients overseeing more than \$3 trillion in assets.

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