

## *Cash & Short Term Investment Services*

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*Zeller Kern's Investment Management Services, Accredited Investment Fiduciaries*

# DEVELOPING THE RIGHT SOLUTIONS FOR YOUR CASH RESERVES

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*We offer solutions for business owners and institutions who are seeking liquidity, preservation of principal, while optimizing income and managing risk*

## *Solutions for maintaining liquidity and preservation of capital, while optimizing income and managing risk*

*We have a passion for helping our business owner clients succeed. In our pursuit to make a difference, we have developed, over the years, a number of planning and service solutions for them.*

### *Zeller Kern's Cash & Short Term Investment Services*

*In many instances, our clientele have cash reserves built up, but realize that they need to improve the income on those assets, while maintaining liquidity, preservation of capital, and limit risk exposure in accordance with their objectives.*

*There are many instances where the need for this service could apply:*

- Build up and maintain cash reserves for future capital expenditures*
- Cash reserves for future executive compensation*
- Invest proceeds from a recent sale of a business or business asset until a well thought out in-depth plan has been developed*
- Provide a tax efficient yield on general cash reserves*
- General desire to achieve a higher return than traditional bank savings*

*We invite you meet with one of our advisors to discuss which solution might be most appropriate to meet your needs. We can discuss with you the planned use of the assets, how long you anticipate holding your investment, your desire and requirements for liquidity, your needs for tax efficiency, and your income objectives.*

## *Cash & Short Term Investment Services*

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### *Building a sound foundation for your cash assets*

For many corporations and institutions, cash management is an important operation and warrants ongoing attention, especially in today's environment with wild extremes in interest rates, complex and rapidly changing markets, and various risks. Helping our clients navigate through these factors, while maintaining the liquidity and stability they require, is our focus.

The most important place to begin in determining the structure of a cash asset portfolio, is forecasting corporate cash flow and related requirements, in order to optimize the overall strategy for stability, liquidity, and income levels. Anticipating the future need for liquidity from the portfolio will determine the level of ultra-short term securities to maintain in the portfolio. This liquidity need is separated into three segments: Operating Cash, Working Capital, and Investment Assets.

**Operating Cash** - is the regular use cash for operations such as vendor payments, payroll, bonuses, etc. This segment requires the highest liquidity and stability and must be maintained accordingly when determining the right vehicle. It ultimately depends on the needs of each client, but the time horizon for operating cash is from 1 day to 12 months.

**Working Capital** – requires less liquidity but still requires a substantial amount of stability because of the short term future use with three month or six month time horizons. This may include expenditures such as tax payments made each quarter, dividends or bonus payouts, etc. Although this type of cash is crucial for its reliability, its liquidity requirements are less stringent. A typical time horizon guideline for working capital is 6 months to 2 years.

**Investment Assets** – are short term assets that require less liquidity and usually have a time horizon greater than one year or even two years. Nevertheless, its reliability for future access remains crucial and the allocation of those assets into the appropriate investments is important in managing fluctuation risk, quality or its reliability, along with its return. A good guideline to use for a company's investment assets is between 2 and 5 years.

Determining and maintaining an accurate forecast of future availability and the amounts of cash in each of these segments is critical. Your Zeller Kern Advisor will work with you or the investment committee of your organization in assuring that cash management is meeting the organizational requirements.

Building a solid foundation for your cash management requires liquidity and stability, stability that is further assured by insurance such as FDIC, SIPC, or the full faith backing of the federal government.

## *Determining what is right for you*

The investment team at Zeller Kern Wealth Advisors will work closely with you to determine the right cash or short term investment portfolio that reflects your liquidity and stability requirements. We will then provide the necessary ongoing management and monitoring of your portfolio so we can optimize the performance and coordinate disbursements according to your schedule.

Each of our cash and short term investment portfolios on our platform consists of varying profiles providing varying degrees of liquidity, income and risk. The majority of the positions within the portfolio have the backing by the full faith and credit of the U.S. government.

Other positions within the portfolio may consist of FDIC insured securities; others may be securities that are issued by municipalities for tax efficient purposes. Depending on the objective of the client, we may also utilize short term corporate instruments to take advantage of increased yields.

But first and foremost, we manage the portfolios to assure safety of principal, liquidity and stability, which is a portfolio design that is pursuing a highly conservative investment strategy consisting of high quality securities and still achieving higher returns than traditional cash savings accounts.

### **We utilize several resources for our portfolio composition**

- **Money Market Funds**
- **Government Only Funds**
- **Government Treasuries**
- **Government Agencies**
- **Short Term CDs**
- **U.S. Government Short Duration**
- **Municipal Short Duration**
- **Corporate Short Duration**

## *Explore the Possibilities*

Meet with one of our advisors to explore your options for optimizing your cash assets. The service advantage of our firm is providing you institutional cash management along with a cohesive personalized level of service for you and your organization.

We are Accredited Investment Fiduciary® designees with a high level of experience and reputation. We have a passion for serving and making a positive difference for business owners and institutions.

## *The advantage of partnering with us*

In addition to our investment team, that can work closely with you to determine the right cash or short term investment portfolio, the wealth advisors at Zeller Kern provide services from a planning perspective, and can cover many crucial areas related to your business as well as the priorities with your personal wealth, if needed.

When we develop solutions for you, we bring your other advisors – CPAs, estate attorneys, and others, into your plan in a way that is efficient and cost-effective, and you remain in control. We are the business owner's wealth advisor.

We are an experienced credentialed wealth advisory firm and we would be more than happy to have a *purposeful conversation™* with you, to listen and explore ways to potentially build the profitability of your firm, increase its marketability, increase employee satisfaction, prepare for your exit, increase your retirement savings, and better protect your assets.

## *Services for Business Owners*

*Cash & Short Term Investment Services*

*Business Exit Planning*

*Business Value Building*

*Buy-Sell Agreement/ Continuity Planning*

*Retirement Plan Design and Consulting*

*Family Legacy Development*

*Asset Protection Planning*

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