

+ frequently asked questions



1. My state's investment rules for public funds are unique. Are you familiar with them?

We recognize that all 50 states have unique laws to protect public funds. Before we commit to offering our services in any state, we do a thorough review of the various statutory limitations around the deposit and investment of public funds. three+one® has helped public entities across the nation create and enhance investment, deposit, and liquidity policies. Our team is available to finalize these processes during public meetings and answer any questions that elected officials may have. With a history that stretches over two decades, our team has built a strong foundation to serve public entities in the banking marketplace.

2. Currently, my entity already uses our state's investment pool and we have a managed investment portfolio. How can three+one take our strategy to the next level?

We stress-test every dollar to uncover whether it's available for 30 days, 30 weeks, or 30 months, depending on *your entity's* specific liquidity flows. This builds a framework to identify how much cash could be allocated to *possibly* a state pool, a fixed-income portfolio, or other options—and for how long that cash could remain there. Our proprietary cashVest® process certifies your entity is maximizing all financial resources to ensure it meets or exceeds marketplace benchmarks without sacrificing liquidity or safety.

3. Outside economic factors are changing faster than ever before. How can three+one help my entity plan for the future?

three+one understands that the public and higher Ed sectors are constantly trying to predict liquidity needs amid economic uncertainties. The three+one MC short-term forecast model® will give your entity confidence in projecting its future financial picture. Our forecast provides week-by-week cash-balance estimates to prepare for changing liquidity needs while also revealing short-term investment potential. In conjunction with our time-horizon data, your entity will have a tailored strategy to maximize the value on both short- and long-term dollars.

4. We understand the cashVest program evaluates my entity's banking relationships compared to peers, but my entity does not pay banking fees, so why should I consider your services?

In some instances, public entities may not pay hard fees for banking services, but they often pay *soft fees* which create an "opportunity cost" on cash. Soft fees are typically based on an earnings credit rate (ECR) for compensating balances (with required minimum cash balances) to offset all



fees. If your entity is required to retain a certain level of deposits, there may be a hidden cost. **Whether you pay hard, soft, or transactional fees, there is no fee structure that fits all entities.** Our data and analytical program, along with our industry knowledge, can determine which structure is best for your specific entity regardless of market rates or your current fee structure.

5. My entity already has an investment advisor. Why do I need three+one?

Our firm is not a registered investment advisor (RIA), municipal financial advisor, or a bank; we do not sell or offer investments. We are a financial-data provider that harnesses the power of data for your entity's benefit. Your entity's finance office will be able to make **its own cash-management decisions faster and more confidently than ever before with accurate and timely liquidity data.** Because each entity has a unique liquidity picture - *there is no "one-size-fits-all" solution*; our analyses are individually tailored and present various opportunities based on an entity's specific data.

6. How do you differ from companies that perform similar analyses and reviews?

Our main differentiators are:

- (1) three+one's objectivity as a third-party data provider means we only work for your benefit, and that of your team and your entity. Our incentives are aligned with you and your stakeholders;
- (2) Our marketplace is exclusively public entities, higher Ed institutions, and hospitals which allows us to provide more relevant data and benchmarking to your entity;
- (3) We don't just benchmark and survey customers, we have a vast collection of line-item fee data from around the country that elevates the relevant savings/income for your entity;
- (4) This is an ongoing monitoring service that continually identifies ways to earn and save more. As financial markets change constantly, so should your banking structure and liquidity strategy;
- (5) three+one's tailored approach means we provide actionable recommendations and help your entity execute those recommendations with your financial providers. We are a team that thrives on "holding your hand" through the solution;
- (6) Our peer market data gives your entity valuable insights into the costs and benefits of changes and potential liquidity risks. Because three+one serves the public and higher Ed sectors, our anonymized data continually grow with participation and enable you to see how your entity compares to its peers.

7. How do I deliver my information to you (i.e., bank transactions, analysis statements, investment data, etc.). How does the process work from start to finish?

The easiest and most secure method to collect your entity's transactional and treasury data is with BAI2 and 822 files through secure data transmission with your financial providers. Once we have received your data, we prepare your initial cashVest within 6 to 8 weeks (subject to the number of bank accounts). Moving forward, we work with your team to implement the data's suggested next steps and continuously provide quarterly cashVest updates to track progress and monitor changes in your liquidity and the marketplace.

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8. My entity is earning interest on all its operating accounts. For all practical purposes, we have no “idle” cash. How would my entity benefit by engaging three+one’s services?

This is a common statement we hear from entities and you are correct: each dollar your entity has in its possession serves a purpose and therefore is not “idle.” However, there is a distinct difference between how you look at your operating cash and reserves, how your bank looks at that cash, and how the marketplace values it. For public entities, the question is not “Are we earning interest on our accounts?” but rather “Can our cash provide more value to us?” We have consistently helped entities uncover new revenue and savings through the application of time-horizon data and marketplace benchmarks; *that is a direct benefit to your taxpayers.*

9. My entity operates on a tight budget with little excess cash. How can three+one help me?

For years, public entities with no “excess cash” have struggled to find ways to earn meaningful value on *all* dollars. With the power of time-horizon and marketplace data, finding additional value on cash is not exclusive to entities with significant cash balances, budget surpluses, or reserves. Especially if your entity is tight on cash, liquidity data can find additional value that is not visible through your bank or other financial providers. One of the biggest questions we aim to answer is: “How do I best match my deposits with available marketplace opportunities—without sacrificing safety and liquidity—but while increasing yield, even with small cash balances?” By confirming that no stone will be left unturned, three+one can assure you that every dollar is being used to create maximum value for both taxpayers and stakeholders.

10. Does cashVest add to my staff’s current workload?

Not at all. In fact, cashVest actually *reduces* time spent on liquidity-management decisions while increasing the value received by public entities from their financial institutions. This program helps public finance officials make confident, quick decisions with better results, based on the provided data. cashVest answers many questions that arise from investment decisions, i.e., “How much and for how long can I invest?”, “How much does my operating bank need to offset fees?”, and “Where is my liquidity position going to be in three months?”

As with any technology solution, there are learning curves and growing pains, and we are committed to making this process as easy as possible so taxpayers and stakeholders can see positive results right away.

