

UUFCA Asset Management Plan
2/12/2024

Scope: This plan refers to non-endowment money that is in UUFCA accounts.

Strategy: Get as high a yield for UUFCA as possible in FDIC insured assets (required by UUFCA Policy), while maintaining sufficient liquidity to meet all foreseeable cash flow needs.

Background facts: Money in our various accounts earns:

WaFed earns 1.0% APY at this time.

MidOR CU earns 1.25% on the first \$100k, and then 1.95% on the next \$150k (max FDIC ins)

Charles Schwab CD's earn 4.5% - 5.5% at this time, depending on duration of CD

As of Feb 12 2024, CD maturity dates, purchased amount and APY at Charles Schwab are:

Maturity	3/15/24	12/11/24	12/19/25	12/21/26
Coupon	\$100k	\$100k	\$100k	\$35k
APY	5.35%	5.45%	4.9%	4.6%

Planned asset allocation to implement strategy is shown below:

	Bank + CU		Schwab CD's	
	amount	apy	amount	apy
Jan 1 2024	~\$328k	~1.6%	~\$341k	~5.1%
March 1 2024	~\$175k	~1.6%	~\$495k	~5.1%
Jan 1 2025	~\$175k	~1.2%	~\$700k	~4.5%
	All (or almost all) will be in our Mid-OR CU account	Estimating declining yields in next year	After solar credit and roundabout compensation and earnings	Estimating declining CD yields next year

CD maturities at Schwab shall be staggered such that we will always have another \$100k maturing every 3 months, in order to meet any unplanned cash flow needs without risking early withdrawal penalties. CD durations will range from 3 mo to 4 yr, balancing reinvestment risk vs cash flow and short-term rate optimization.

Once we are up to \$700, 000 at Schwab we will have 7 CD's, and should be able to fill in a good maturity and duration ladder of CD's. Currently very short rates are better than longer rates, but this could change if the Fed quickly lowers the prime rate.