

Crafting a Strategic Investment Policy Statement for Corporate Cash Management

Empowering Financial Leaders to Navigate Liquidity and Yield Optimization with Confidence

Executive Summary

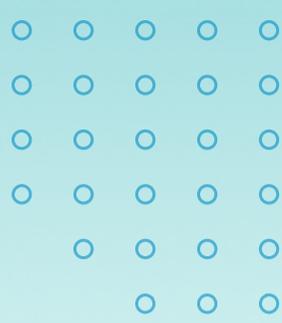
In today's evolving financial landscape, CFOs, Treasurers, and Investment Officers are expected to do more than safeguard corporate cash—they are stewards of liquidity optimization, capital preservation, and performance enhancement. A well-constructed Investment Policy Statement (IPS) provides the strategic framework to manage these responsibilities with discipline and transparency.

This paper outlines best practices for creating an IPS tailored to cash and near-cash investments, with a focus on how modern tools—such as money funds and multi-manager portals—can provide attractive liquidity, diversification, and yield relative to traditional banking products.

Take the first step toward optimizing your liquidity strategy.

Schedule a **consultation** with Treasury Curve to evaluate your current investment policy and returns.





Why an Investment Policy Statement (IPS) Matters

An IPS acts as the foundation for your overall investment strategy. It establishes investment parameters, defines oversight responsibilities, and ensures alignment with corporate goals and fiduciary obligations.

Key Benefits of a Formal IPS:

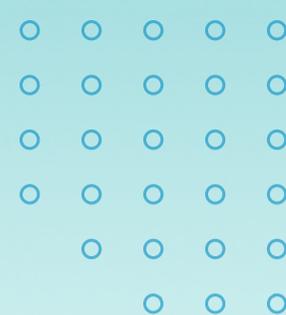
- ✓ Enforces governance and fiduciary accountability
- ✓ Helps protect liquidity and principle
- ✓ Supports better risk-adjusted outcomes
- ✓ Promotes discipline and transparency
- ✓ Facilitates audits and compliance readiness

Core Objectives of Cash & Cash Equivalent Investment Policies

An effective IPS should reflect the following hierarchy of investment priorities:

- 1 Preservation of Capital**
Protect principal through high-credit-quality instruments.
- 2 Liquidity**
Ensure timely access to funds for operational needs.
- 3 Yield Optimization**
Seek to maximize dividend income, returns within defined risk parameters

The Case for Money Funds and Portals



Traditional bank vehicles—such as checking, savings, sweep accounts, and CDs—offer simplicity and the benefit of FDIC insurance (for smaller balances), but may offer lower yields, less flexibility, less liquidity and limited diversification compared to institutional money funds.

Why Money Funds?

- ✓ Daily liquidity (T+0), and same-day access to funds
- ✓ Strong principal stability, especially with stable NAV government and treasury funds
- ✓ Majority of institutional money funds are AAA-rated, offering enhanced safety and compliance alignment
- ✓ May provide yield advantages over traditional bank deposit vehicles, depending on prevailing interest rate and market conditions.

The Power of a Multi-Manager Money Fund Portal

Seamlessly access a diverse range of institutional money funds—without the operational complexity or the need to establish separate accounts with each asset manager.

Why Treasury Curve's Money Fund Portal:

- ✓ Consolidated multi-manager access
- ✓ Real-time visibility and performance tracking
- ✓ Built-in compliance manager to support IPS alignment
- ✓ Streamlined liquidity management from a single dashboard

Discover the difference a modern portal can make. Book a demo with Treasury Curve to explore how our platform can optimize your treasury operations.

Why Money Funds?*

*Any claims, statements or testimonials may not be representative of the experience of all clients and is no guarantee of future performance or success.

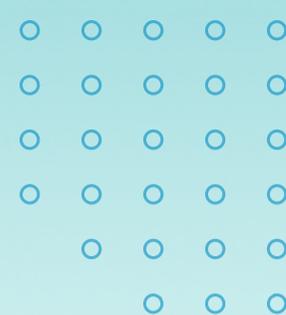
Investments like stocks, bonds, mutual funds and annuities are:

Not FDIC Insured | Not Bank Guaranteed | May Lose Value

Investments in money market funds are not guaranteed or insured by the Federal Deposit Insurance Corporation or any other government agency. While money market funds seek to maintain the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds. The prospectus is available via the link to the asset manager on the Research page in the column entitled Fund Company URL. The prospectus contains more complete information about each Fund including distribution fees and expenses. An investor should read the prospectus carefully before investing or sending money.

Treasury Brokerage, LLC is a registered broker-dealer and a member FINRA/SIPC.

Cash & Cash Equivalents:



Instrument	Purpose
ECR Checking	Daily operations; no yield but may generate earnings credit to offset bank fees
Business Savings	Limited yield; basic liquidity
Money Market Bank Account	FDIC limits may not cover large institutional balances, limited diversification
CD Accounts	Fixed terms with limited liquidity; early withdrawals may incur penalties
Sweep Accounts	Automated movement into interest-bearing vehicles

Money Funds:

Type	Characteristics
Government/Treasury Money Funds (Stable NAV)	Maintains \$1.00 NAV; daily liquidity. Invests in U.S. govt. agencies, and repos backed by U.S. govt. securities.
Treasury & Repo Money Funds (Stable NAV)	Maintains \$1.00 NAV; daily liquidity. Invests in U.S. Treasuries and repos backed by U.S. Treasuries.
Treasury Money Funds (Stable NAV)	Maintains \$1.00 NAV; daily liquidity. Invests in U.S. Treasuries.
Prime Money Funds (Floating NAV)	Higher yield potential than stable NAV with a fluctuating NAV; invests in CP, CDs, repos, corporates.
Access Via a Portal	Consolidates access, improves compliance, and helps optimize returns

Sweep Accounts Automated movement into interest-bearing vehicles (often entails an additional service fee)

Money Funds*:

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Marketable Securities (via a Portal):



Ultrashort Bond Funds: Typically offer next-day liquidity (T+1). They are suitable for strategic allocations that extend beyond immediate cash needs, as their NAV (Net Asset Value) is subject to market fluctuations.



Separate Accounts: Customized investment solutions, often with longer durations and tailored risk oversight. These accounts enable institutions to align portfolio strategy with specific liquidity, credit, and duration objectives—delivering control and transparency.

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Constructing a High-Impact Investment Policy Statement

Your IPS should be a living document that evolves with your organization's risk profile and cash flow dynamics.

Core Components:

Section	Description
Purpose & Scope	Define objectives and permissible account types
Investment Objectives	Prioritize safety, liquidity, yield
Governance	Assign roles and responsibilities
Permissible Investments	Include detailed criteria (e.g., AAA Money Funds via portal)
Credit & Liquidity Standards	Set minimum ratings and liquidity thresholds
Diversification & Concentration Limits	Limit exposure to single managers or funds
Monitoring & Reporting	Define frequency and format of investment reviews
Review Cycle	Establish annual or event-driven policy reviews

Not sure your Investment Policy Statement is working for you? Let Treasury Curve help you benchmark your current investment returns and risk exposure.

Sample IPS Summary – XYZ Corporation

1. Purpose

- ✓ Govern the investment of operating and reserve cash with a focus on capital preservation, liquidity, and competitive returns.

2. Authorized Investments

- ✓ ECR and FDIC-insured sweep accounts
- ✓ Multi-manager Money Fund portal access (AAA-rated funds, stable NAV)
- ✓ T+1 ultrashort bond funds for strategic cash segmentation

3. Risk Controls

- ✓ No more than 10% exposure to a single issuer or fund
- ✓ USD-denominated only; minimum AUM of \$10B per Money Fund

4. Oversight and Reporting

- ✓ Quarterly reporting to CFO and Investment Committee
- ✓ Dashboard-based compliance monitoring via Treasury Curve platform

5. Annual Review

- ✓ Policy reviewed annually and after material business changes

Conclusion: Unlock the Strategic Value of Corporate Cash

In an era where idle cash represents a significant opportunity cost, a well-designed Investment Policy Statement – paired with the right technology and tools – can unlock meaningful yield without sacrificing safety or access. Institutional-grade money funds, particularly through a multi-manager portal, provide a scalable, compliant, and cost-effective solution for today's treasury leaders.

Take control of your corporate cash strategy.

- ✓ Request a benchmark analysis to compare your current investment returns vs. what's possible with Treasury Curve.
- ✓ Book a live demo of our investment portal and reporting tools.



Ready to Modernize Your Treasury?

Get the visibility, control, and performance your organization needs – without the complexity.

Email info@treasurycurve.com or visit www.treasurycurve.com and take the first step toward a smarter, more strategic treasury operation.