INVESTMENT OPTIONS

Renee Couch, Comal County
Sam Vaughan, FNC
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December 21, 2018...Jacksonville, Florida
VyStar Credit Union 2-Year CD @ 3.25%
WHAT IS THE STORY?

• Every little bit helps
• We can only do so much...
• with investment options we understand...
• provided by people we trust...
• to ensure an adequate connection to the market
EXPLORE/EXPLOIT TRADE-OFF

• Are we gathering information?

• Are we using that information to get the best possible result?
WHAT IS OUR INTERVAL?

• Explore when we have time to use the resulting knowledge...

• Exploit when we’re ready to cash in.
DO WE HAVE A “REGRET MINIMIZATION FRAMEWORK”?
LET’S EXPLORE...

YES
• Local Government Investment Pools and Money Market Funds
• Certificates of Deposit
• Government Obligations

NO
• Repurchase Agreements
• Securities Lending
• Bankers Acceptances
• Commercial Paper
• Guaranteed Investment Contracts
### ...BECAUSE

<table>
<thead>
<tr>
<th></th>
<th>SAFETY OF PRINCIPAL</th>
<th>LIQUIDITY</th>
<th>REGULAR CURRENT INCOME</th>
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</thead>
<tbody>
<tr>
<td>POOLS/ MMF</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>CDs</td>
<td>YES</td>
<td><strong>PERHAPS</strong></td>
<td>YES</td>
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<tr>
<td>GOV’T</td>
<td>YES</td>
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</table>

Source: Barron’s Finance & Investment Handbook
POOLS AND MONEY MARKET FUNDS

• What are we getting ourselves into?

• What do we need to look out for?
MONEY IN (JUST THE) BANK?

Rate Comparison 12/31/14-9/30/19

Source: Texpool
WHY IS THAT?

Rate Comparison 12/31/14-9/30/19

Sources: TexPool, Federal Reserve Bank of New York
CERTIFICATES OF DEPOSIT

• What are the different ways to get these?

• What do we need to remember?
ADDING SOME CDs...

Rate Comparison 12/31/14-9/30/19

Sources: TexPool, Federal Reserve Bank of New York, FNC
GOVERNMENT OBLIGATIONS

• What types are available to us?

• Is there anything to worry about?
OUTSIDE THE “LAB”

- Cash flows change
- Service providers change
- Personnel changes
TO SUMMARIZE:

• Every little bit helps
• We can only do so much...
• with investment options we understand...
• provided by people we trust...
• to ensure an adequate connection to the market
THANK YOU!

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Companies Related By Common Ownership
www.financialnortheastern.com
100 Passaic Avenue • Second Floor • Fairfield, NJ 07004 • 800-362-9876 • Fax: 973-882-8845
485 Metro Place South • Suite 465 • Dublin, OH 43017 • 877-889-1095 • Fax: 614-789-1677
8717 Ken Aaron Court • Austin, TX 78717 • 800-362-9876 • Fax: 886-328.3560