Corporate Cash Investment

The Nature of Your Business Needs the Resources of Ours.
Cash flow management and investment is critical to your business. Like a river streaming out of the mountains, cash flow can be seasonal, increasing heavily in one season and drying up in the next. Maintaining a proper balance of liquidity, capital preservation and growth potential is what we at Morgan Stanley Smith Barney have been trained to help you do.

Managing a cash portfolio effectively requires you to be a Finance manager for all seasons and to have a solid understanding of money markets and of capital markets in addition to setting, implementing and reviewing board-approved investment policies.

Morgan Stanley Smith Barney’s Corporate Cash Directors can help you meet your goals by using our highly consultative approach to treasury investment management. Our Advisors, with training in corporate cash management issues, can bring all the resources of our Firm to any challenge you face.
Morgan Stanley Smith Barney assists corporations in seeking the greatest benefits for all of their corporate cash needs. Through our Corporate Cash Investment relationship we seek to deliver to clients the maximum benefit for their Core and Seasonal cash balances through a customized investment management approach. Your Morgan Stanley Smith Barney Corporate Cash Director will develop a plan with you according to your corporation's individual governances, characteristics and short- and long-term liquidity needs. Each is a Fixed Income advisor who will tailor the right financial plan to your corporation's needs.

In addition to your corporate cash management needs, your Morgan Stanley Smith Barney Corporate Cash Director can help you meet all your corporate needs, including borrowing, pension investments and 401(k) plans. We have developed an offering of retirement programs designed to meet the needs of corporate plan sponsors, small business owners and self-employed individuals. Recordkeeping and administrative services are provided through alliance relationships established with some of the most respected names in the retirement plan industry. These relationships are comprised of both bundled and unbundled services, with each provider offering an array of plan types, including qualified defined contribution plans, defined benefit and non-qualified deferred compensation plans.

**Guiding Principles**

- Preservation of Capital
- Provide Liquidity
- Investment Policy Compliance
- Maximize Returns

**Operating Funds**—Cash balances that are used for daily operation with daily fluctuating cash flow.

**Seasonal and Temporary Cash**—Resulting from seasonal business activity, these cash amounts fluctuate greatly due to large and temporary inflows and outflows of capital.

**Core Cash**—Generally, a non-fluctuating balance held as a reserve and not used for daily operations.
Corporate Cash Director Services

Investment Policy Formulation Guidance
Your Corporate Cash Director and their team will work closely with you to articulate and clearly define your company’s financial goals and objectives. Taking into account risk tolerance, targeted average duration, issuer concentration and security type preferences, they will formulate a tailored investment policy.

Corporate Cash Investment should not employ a “one size fits all” approach. Customized institutional corporate cash investing, along with precise cash flow forecasting, is a competitive advantage in any industry for companies of all sizes.

We will work with you to incorporate a strategic asset allocation strategy for your company’s short-term cash portfolio.

Investment Product and Market Education
Each Morgan Stanley Smith Barney Corporate Cash Director has been trained in all of the latest cash management techniques and products. They will guide you through the products and services that are best suited to your cash management and investment needs. Your Corporate Cash Director will work with you to adjust your strategy should the rate environment shift.

Investment Portfolio Management
Morgan Stanley Smith Barney has access to many of the top portfolio managers available. Through your Corporate Cash Director, your company will be provided with institutional cash management and liquidity strategies.

Advanced Accrual Reporting and On-Line reporting
Corporate Cash Directors can provide your company with supplemental reporting and accrued interest balances on each position in your company’s portfolio. This information is calculated daily and not only provides greater transparency into the mechanics of a portfolio’s return, but can also assist in maintaining compliance with your clearly defined investment objectives. The information is updated online, and we provide monthly comprehensive reports. Additionally, our reporting platform allows for off-calendar monthly statements, should you require them.

Security Custody
Morgan Stanley Smith Barney can hold securities for your company.

Corporate Cash Directors service clients of various sizes, both public and private.

Typically, our clients:
• Benefit from the investment knowledge of a Corporate Cash Director
• Rely on outside sources for investment advice
• Require competitive execution
• Require either transaction or fee-based capabilities
• Require accrual basis reporting supporting FAS requirements
• Require discretionary and nondiscretionary capabilities
• Require either DVP or custody capabilities at no cost
• Have fluctuating cash needs
• Employ multiple cash managers.
Product Offerings

Short-term fixed-income securities, often referred to as cash equivalent or money market, will offer liquidity and often yield much higher than a single money fund. Diversifying a portfolio among a number of security types with maturities based upon the need for capital will also help you to maximize your company's yield potential.

**Commercial Paper**
Negotiable, unsecured promissory notes issued by companies that see this as an effective means of short-term financing. Securities trade at a discount at a fixed yield. Credit quality is determined at issuance by a rating service. Securities trade in denominations of $1,000 and are offered in various amounts at various terms.

**Federal Agency Securities**
Securities issued by agencies of the U.S. Government. Considered moral obligations of the Government, these securities provide high liquidity and a yield slightly higher than U.S. Government securities. Issues trade either at a discount or bearing coupon. They trade in various denominations.

**Corporate Securities**
Debt instruments issued by corporations. Issued usually as notes, with maturities of two years or less, or as bonds with longer-term maturities. Bonds trading in the secondary market near their maturity are often included in a Corporate Cash Portfolio.

**Municipal Securities**
Debt instruments issued by states and local governments. Issued usually as notes, with maturities of two years or less, or as bonds with longer-term maturities. Many of these carry private insurance which enhances their credit. Income from many of these obligations are exempt from Federal and local taxes in many circumstances. Bonds trading in the secondary market near their maturity are often included in a corporate cash portfolio.

**U.S. Treasury Securities**
Securities issued by the U.S. Treasury according to a regular calendar. Often referred to as “T-bills,” they are issued at a discount, at a fixed rate and pay par at maturity. Maturities are generally 1, 3 and 6 months. These securities trade in denominations of $1,000.

**Certificates of Deposit**
Issued by banks and other financial institutions and backed by FDIC insurance, these issued time deposits are offered in varying amounts as allowed by FDIC. Our Firm brings together issues across the nation which can provide competitive yields to customers.

**Repurchase Agreements**
Funds are provided in exchange for collateral (usually a government, agency or asset-backed security). An alternative means of investing short-term cash balances, these are negotiated on an individual basis. Rates paid are generally fixed and terms typically range from overnight to one year.

**Institutional Money Funds**
With a minimum investment of $1 million, these funds seek to provide shareholders with liquidity and a high level of current income, while seeking to preserve the value of the investment at $1.00. These funds are not FDIC-insured. The fund's prospectus should be read carefully prior to any investment.
Fixed Income Capabilities

Overview
Morgan Stanley Smith Barney LLC is jointly owned by Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated. As such, our Firm brings to our clients the benefits of both trading floors. Both Citi and Morgan Stanley are leaders in fixed income underwriting, structuring, sales and trading across all asset classes, including corporate government and agency bonds, asset-backed and mortgage-backed securities, syndicated loans, structured products and futures products.

As a leader in foreign exchange sales and trading, our franchise provides unequalled knowledge and experience in foreign exchange, derivatives and local currency debt.

We strive to provide:
• Origination and execution excellence
• Innovative products and solutions
• Quality distribution and secondary support
• Top-ranked research & analysis

Our broad fixed-income knowledge—coupled with complementary strengths in derivatives, foreign exchange, technology and distribution—allows us to offer corporations and institutions a wide range of comprehensive financial solutions, utilizing insightful research and top-notched execution in all types of market conditions. We pride ourselves on our ability to address client needs with products in all major currencies, sectors and geographies, and our breadth and depth of resources allows us to be consistently innovative.

Fixed Income Sales and Trading
The sales and trading units of Morgan Stanley Smith Barney’s parent companies have long been acknowledged as two of the world’s preeminent fixed-income dealers. Our success has been built through the use of our substantial capital base and by providing liquidity to our customers in all business cycles, building strong client relationships and providing world-class research. We participate in fixed income throughout the world and trade the securities of all major governments, as well as agency, corporate, high-yield, mortgage-backed, asset-backed and emerging market securities, derivatives, loans and foreign exchange.
Other Corporate Services

**Foreign Exchange**
Drawing on the experience of our foreign exchange franchises, we can offer multinational corporations unmatched access to 24-hour sales and trading capabilities, competitive pricing and execution, as well as a full range of products including spots, forwards and options, and risk advisory services. We deal in 150 currencies and offer seamless coverage between our global business centers.

**Pension Consulting**
Consulting Group Institutional Services and Graystone Consulting, businesses of Morgan Stanley Smith Barney, can leverage the manager research and evaluation capabilities of our Firm's Investment Advisor Research team to create customized portfolio recommendations for our clients. This helps ensure that the investment manager hired to manage qualified retirement plans aligns with our client's spending and investment policies.

We provide full service investment consulting capabilities including investment policy statement development, asset allocation advice, investment manager research and performance measurement systems designed to help institutional investors meet their fiduciary responsibilities.

**Global Stock Plan Services**
Stock option and restricted stock plans maintain a powerful allure and effectiveness as a company benefit when it comes to providing a potential financial opportunity for employees. We take an integrated approach to stock plans and other benefit programs so that your plan works harder, more efficiently and more cost effectively.

Global Stock Plan Services offers a range of services to help you meet your financial reporting requirements under FAS 123(R). Our offering includes valuation support, compensation expense reporting, deferred income tax accounting support and disclosure reporting. By providing an integrated offering that is flexible and innovative, a commitment to technology and our emphasis on outstanding client service, we’ll work with you to make sure we deliver an equity compensation program that's appropriate for your company.

**Executive Benefits Services**
Morgan Stanley Smith Barney's Executive Benefits Services group assists corporations with the development of benefit arrangements for senior executives. Our executive benefit plans include deferred compensation, supplemental retirement plans, and life and disability insurance plans. Executive Benefits Services is comprised of professionals and strategic partners who have extensive experience in benefit consulting, tax planning, insurance, investment management, administration and plan accounting, and employee communication.

**Directed Share Programs**
Morgan Stanley Smith Barney can execute and administer directed share programs for companies seeking to place shares of stock with identified individuals during an offering, or develop a platform for future equity compensation programs. Our online platform supports directed share programs by allowing participants to submit indications of interest online, elect purchase decisions and access program for plan documents.

**Executive Advisory Solutions**
Executive Advisory Solutions offers Wealth Management Services to the executives of our Corporate Clients. Financial Advisors meet with executives in one-on-one settings to offer customized education and wealth planning services.

The Financial Advisor consults with wealth management advisors from around the Firm to create customized strategies that address such varied disciplines as: Lifestyle Management; Asset Protection and Risk Management; Income and Cash Flow; Asset Management; Comprehensive Wealth Management and Implementation; and Specialized Corporate Executive Service.

For more information, call 212-783-2442.
Morgan Stanley Smith Barney LLC and its affiliates do not provide tax or legal advice. To the extent that this material or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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