



LYNN WEALTH MANAGEMENT
RESERVE FUND MANAGEMENT

White Paper #5

An authoritative guide designed to help board members make educated decisions

The Safety of Your Assets is Our #1 Priority

For Community Associations' Reserve Funds

At Lynn Wealth Management, the protection of client assets remains at the center of our focus. There are several levels of protection for community associations' assets:

All assets will be held in a combination of FDIC insured CDs and FDIC insured money markets.

CDs are purchased from well-capitalized financial institutions in amounts less than the \$250k FDIC insurance limit and held in the name and tax ID of the association. Our inventory is from BNY Mellon, which has one of the industry's largest inventory of CDs. This enables us to keep more than \$20 million of Reserve funds FDIC insured for a single association by spreading the funds out between 80 to 100 different financial institutions. The money market consists of ten separate banks, linked together; each bank will hold up to \$247,500 of an association's liquid funds thereby enabling an association to keep (ten x \$247,500) over \$2.4 million liquid and FDIC insured.

Reputation and experience of your advisor

David Lynn has been assisting community associations with their reserve fund management since 1992 and is licensed as a broker, regulated by FINRA.

Financial stability, segregation, and control of assets through our custodian

Our custodian, BNY Mellon/Pershing's core financial strength provides yet another measure of protection for their client assets. They have \$37.3 trillion in assets under custody. An annual audit by a major independent audit firm and the audit team at the parent company, BNY Mellon, helps to monitor controls that are in place. Clients' assets are segregated from BNY's, with quarterly vault inspections conducted. Pershing is a FINRA member broker-dealer registered with the U.S. Securities and Exchange Commission.

Securities Investor Protection Corporation (SIPC®) Coverage

Pershing is a member of the SIPC, which protects securities customers of its members. Explanatory brochure available upon request or at sipc.org.

Excess of SIPC Coverage Through Underwriters at Lloyd's and Other Commercial Insurers

In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers. An aggregate loss limit of \$1 billion for eligible securities—over all client accounts.

For more information or a free proposal, please contact us at dave@lynnwm.com

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CDs are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum of \$250,000 (including principal and accrued interest) for all deposits held in the same insurable capacity (e.g. individual account, joint account, IRA etc.) per CD depository. Investors are responsible for monitoring the total amount held with each CD depository. All deposits at a single depository held in the same insurable capacity will be aggregated for the purposes of the applicable FDIC insurance limit, including deposits (such as bank accounts) maintained directly with the depository and CDs of the depository. For more information visit the FDIC website at www.fdic.gov. Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate. The views expressed herein are those of the author and are subject to change without notice. Neither the information provided nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is no guarantee of future results.

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