



FICA For Advisors Overview

Control the Cash, Control the Relationship

Eric Switzer, AVP, Product Expert, Intermediary Sales
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We value your partnership

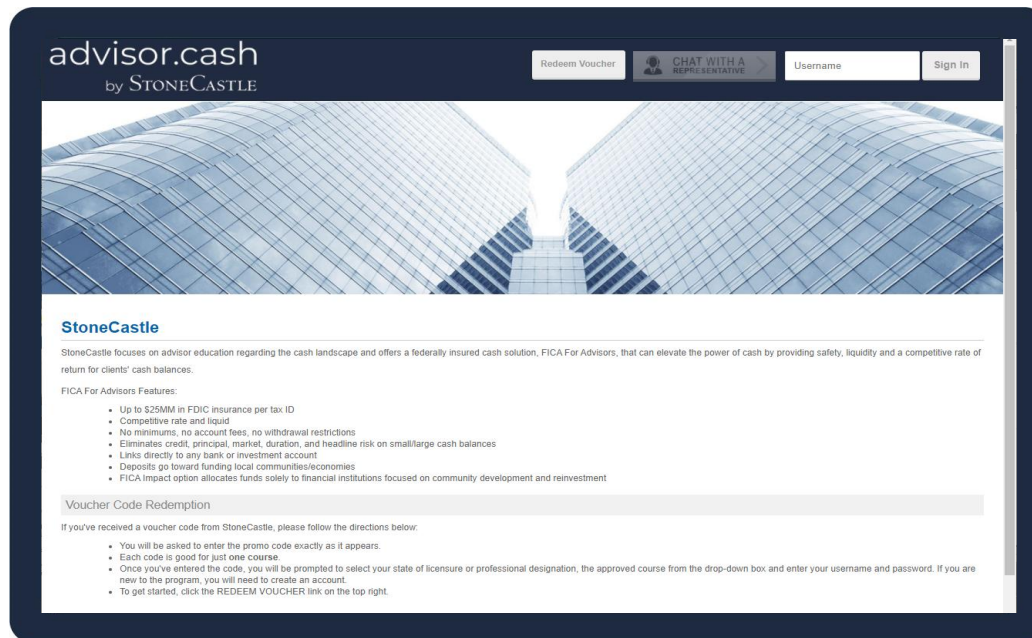
CE Credits

After the webinar all attendees will receive a voucher code with a link to a StoneCastle branded Quest CE website.

This unique code can be redeemed for one CE credit.

You can select the approved course and select your professional designation.

Email: lrobinson@stonecastle.com for the link and voucher code



The screenshot displays the 'advisor.cash by STONECASTLE' website. At the top, there is a navigation bar with a 'Redeem Voucher' button, a 'CHAT WITH A REPRESENTATIVE' button, a 'Username' input field, and a 'Sign in' button. Below the navigation bar is a large image of a modern glass skyscraper. The main content area features the 'StoneCastle' logo and a brief description of the company's focus on advisor education and a federally insured cash solution. A section titled 'FICA For Advisors Features:' lists several benefits, including FDIC insurance up to \$25MM, competitive rates, no minimums, and direct links to banks or investment accounts. Below this, there is a 'Voucher Code Redemption' section with instructions for users who have received a voucher code, including steps to enter the code, select a course, and create an account.

About StoneCastle

StoneCastle Cash Management, LLC (“StoneCastle”), a subsidiary of StoneCastle Partners, LLC has provided insured deposit solutions to some of the world’s most recognized brands including Fortune 500 companies, colleges and universities, endowments and foundations, family offices and public funds.

Advisor.Cash is our platform for RIAs and wealth managers to experience how differentiated cash solutions can help transform their practices and add value to clients.

Year Founded

2003

AUA*

\$19B

Headquarters

New York, NY

Employees

70+

Above data quoted for SCP

Ownership

StoneCastle Partners is employee owned and managed with backing from two world-class financial partners with experience in asset management and financial services.

Charlesbank Capital Partners

An established private equity firm with a consistent track record, disciplined investment strategy and long-standing commitment to the middle market.

Canadian Imperial Bank of Commerce (CIBC)

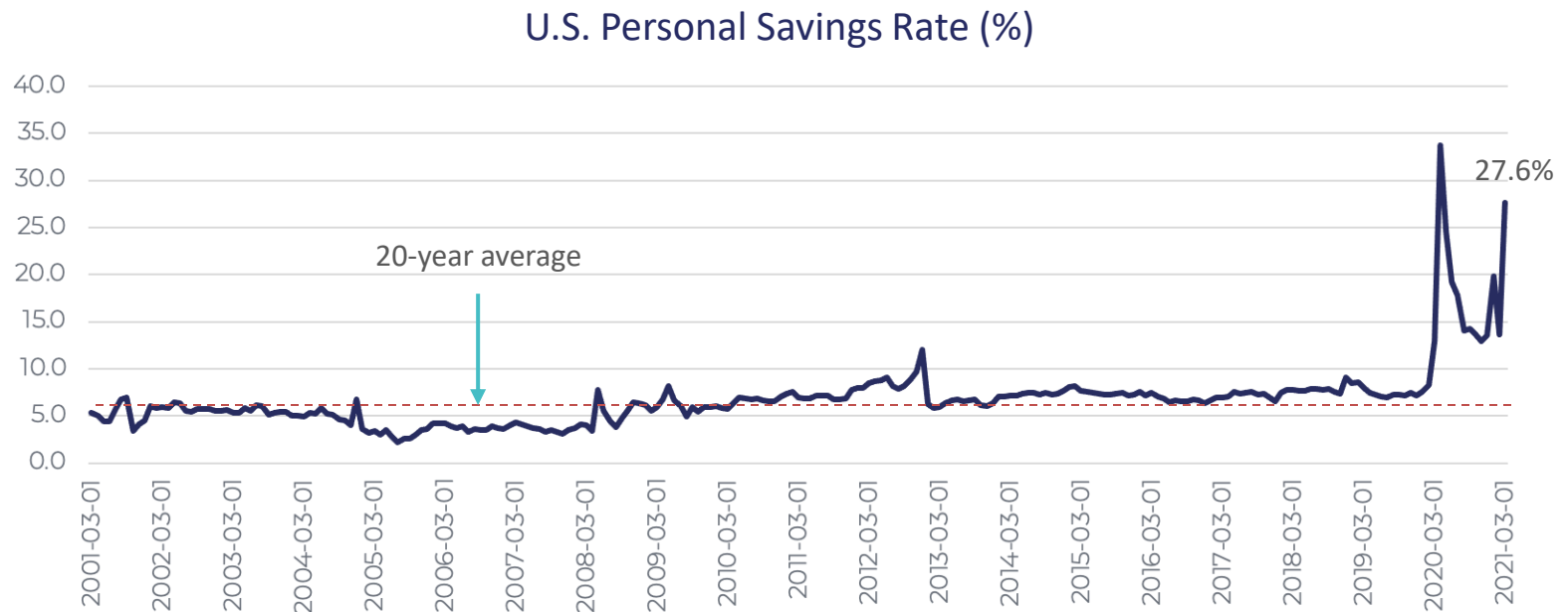
CIBC is a leading global financial institution, providing a full range of financial products and services to retail and institutional clients around the world.

*Deposits quoted above are for StoneCastle Cash Management, LLC as of March 31, 2021. Deposits quoted include Bulk Insurance Deposit Services (“BIDS”), a program where StoneCastle acts as a consultant and introduces banks to third party administrators. Assets in BIDS are not included in the calculation of StoneCastle’s regulatory assets under management noted in its Form ADV.

Cash In The Headlines: Record Savings Levels

Perfect time to be discussing absolute safety and security with clients

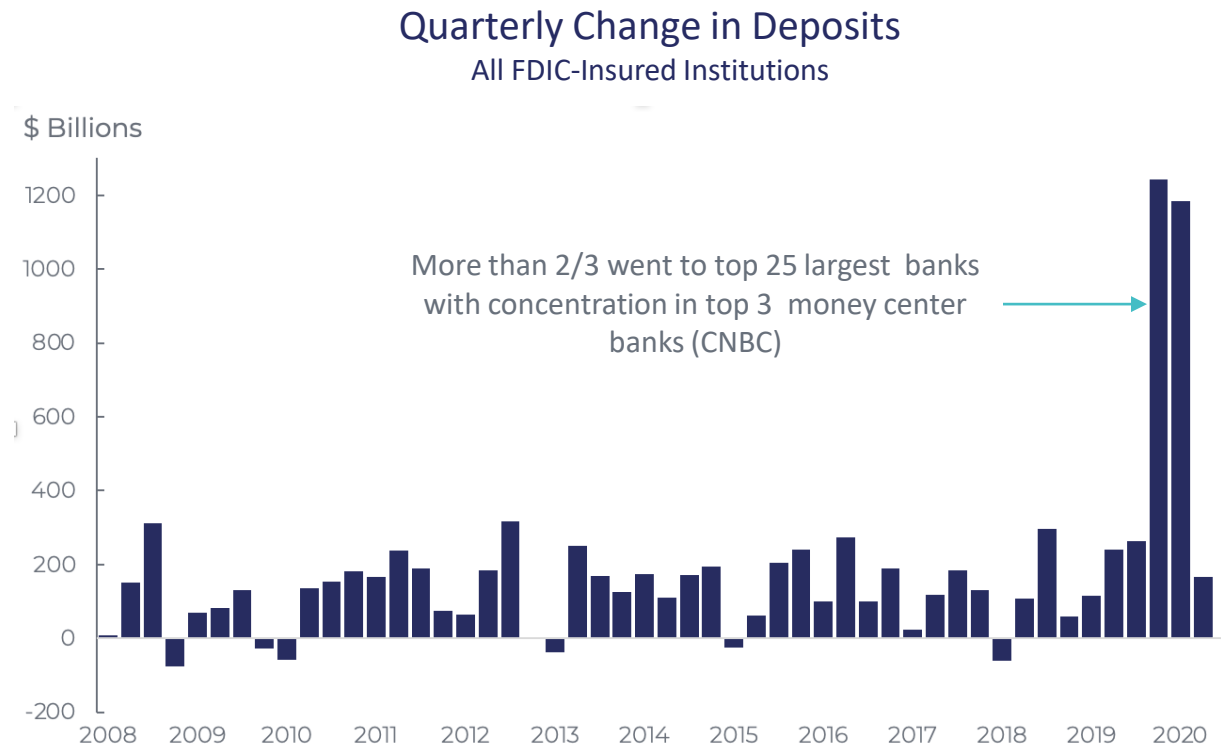
- U.S. Savings Rate Hits Record 33% as Coronavirus Causes Americans to Stockpile Cash, Curb Spending
- Most recent 27.6% sits well above the 20-year average of 6.8%



Source: U.S. Bureau of Economic Analysis, May 2021 (27.6% is as of 5/2021, 12.9% as of 11/20).

The Cash Landscape

Over the past 12 months, total deposits rose by \$2.9 trillion (20.8 percent), propelled by the increase of \$2.4 trillion in the middle two quarters of 2020.



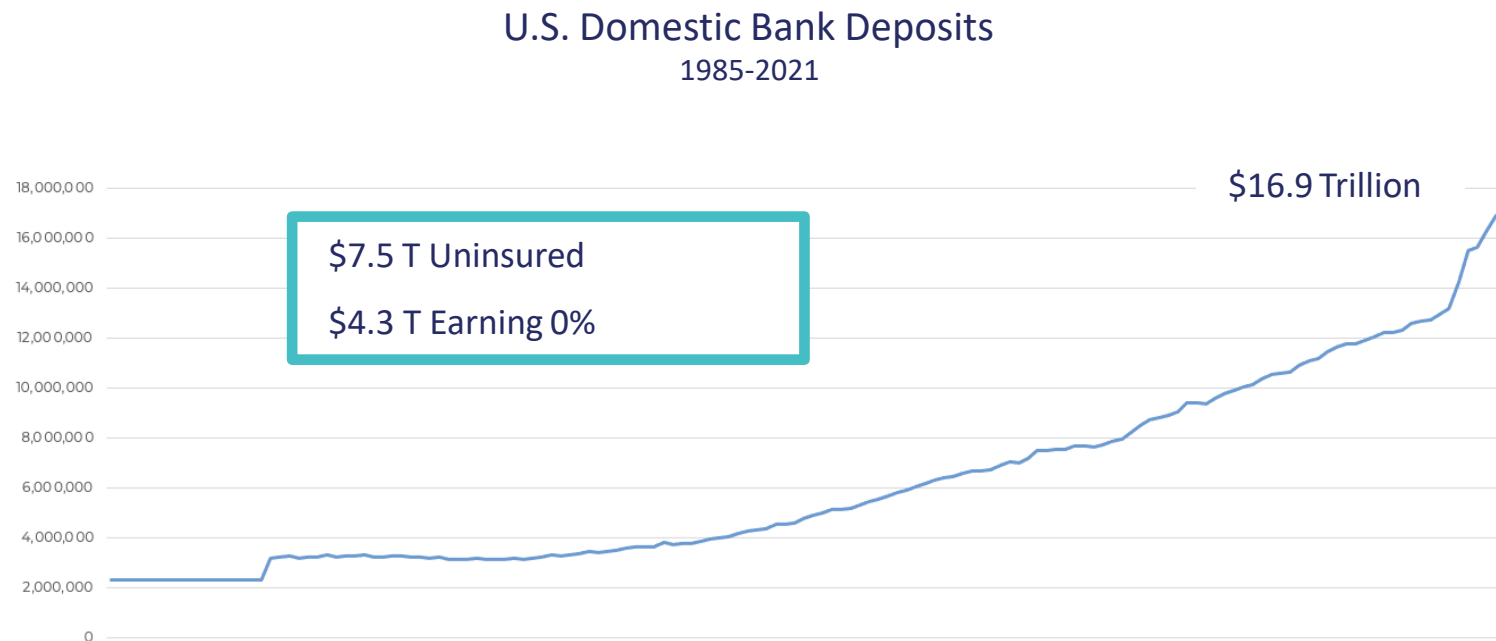
- Opportunity to provide client value and expand relationship with business accounts
- Massive liquidity in banks is keeping rates at or near zero percent at most banks

The Cash Landscape

Deposit Opportunity

Uninsured and Non-Interest Deposits at Banks Remain at Historic Highs and continues to grow; *FDIC 1Q 2021 Quarterly Report*:

- **\$7.5 trillion** estimated level of domestic bank **deposits uninsured (44%)**
- **\$4.3 trillion** estimated bank deposits **earning zero interest (25%)**



Cash In The Headlines: Covid-19 Infects Markets

Perfect time to be discussing absolute safety and security with clients

- Fed Urged to Aid Money Market Funds as Negative Rates Loom
 - Financial Times
- Evidence of Excess Liquidity Is Everywhere
 - Livewire
- US Money Market Funds Struggle as Short-Term Rates Near Negative Territory
 - Financial Times
- Too Much of a Good Thing? Banks Mull Over Excess Deposits
 - Risk.net
- Money-Market Funds Are Turning to the Fed to Fend Off Losses
 - Barron's
- Cash-rich U.S. Banks Move to Reduce Corporate Deposits
 - Financial Times
- Your Cash Earns Zip, Zilch, Nada. Don't Make It Worse.
It's never been more tempting to take extra risk with the money you want to keep ultrasafe. But knowing what not to do is vital
 - WSJ
- Money Market Funds Melted in Pandemic Panic. Now They are Under Scrutiny.
 - The New York Times

The Cash Landscape

Pivoting from a return on principal concept to a return of capital discipline

The only vehicle that has never lost a single penny for investors/depositors is a federally insured account—FDIC.gov

<u>Cash Vehicle</u>	<u>Rate</u>	<u>FDIC Insurance</u>	<u>Termed</u>
FICA For Advisors	0.06	Up to \$25MM	No
FICA Impact	0.04	Up to \$25MM	No
Deposit Products			
Interest Checking	0.03	Up to \$250K	No
1-month CD*	0.03	Up to \$250K	Yes
Money Fund			
Crane Money Fund Average	0.02	N/A	No
Crane Institutional MF Index	0.02	N/A	No
Brokerage Cash Sweep			
Crane Brokerage Sweep Index	0.01	Most	No
Treasury Yield Curve Rates			
1-month Treasury	0.01	N/A	Yes
3-month Treasury	0.03	N/A	Yes

*Rates quoted are the National Average.

Source: StoneCastle, July 1, 2021; Crane Data, May 28, 2021; FDIC.gov, May 15, 2021; Treasury.gov, June 1, 2021.

Overview

FICA For Advisors



FICA For Advisors: At-A-Glance

Product Category:	Current Federally Insured Structured Bank Deposit Vehicle
Yield (7/1/2021):	Federal 0.06% APY ¹
Insurance Limit:	Rating: \$25 million per account/entity (can go up to \$50MM)
Deposits:	AAAk ²
Account Transparency:	No Minimums, No Account Fees, No Transaction Limitations
Transactions:	Daily
Tax Reporting:	Same Day Deposits Next Day Withdrawals ³
Structure:	Single Form 1099 from program custodian Direct custodial account

Additional Benefits

Control: Diversification:	Ability to opt out of specific depository institutions No bank holds more than \$250,000 of any individual client deposit
Safekeeping:	StoneCastle never has custody of client deposits

FICA For Advisors: Profile

- Eliminate headline, market, principal, credit, and liquid risk on all cash
- Help clients improve rates on cash holdings and increase FDIC insurance coverage

HNW/UHNW
Individuals

- Better rate than banks; more insurance
- Emergency Fund
- Cash flow Management (potential higher interest repurposed to offset insurance premiums, mortgage, rental property, etc.)

Capture
Liquidity
Events

- >\$250,000
- Single account v. multiple bank accounts
- Eliminate principal/credit risk of large balances at a single bank
- Recently sold home or business
- Inheritance/transfer of wealth

Corporations/Non-
Profits

- Many non-profits and corporations require their cash to be fully “backed by the full faith and credit”

Held-away
cash

- \$7.5 trillion in banks currently uninsured
- \$4.3 trillion earning zero interest

Case Study - \$100M Client

Control the Cash, Control the Relationship.

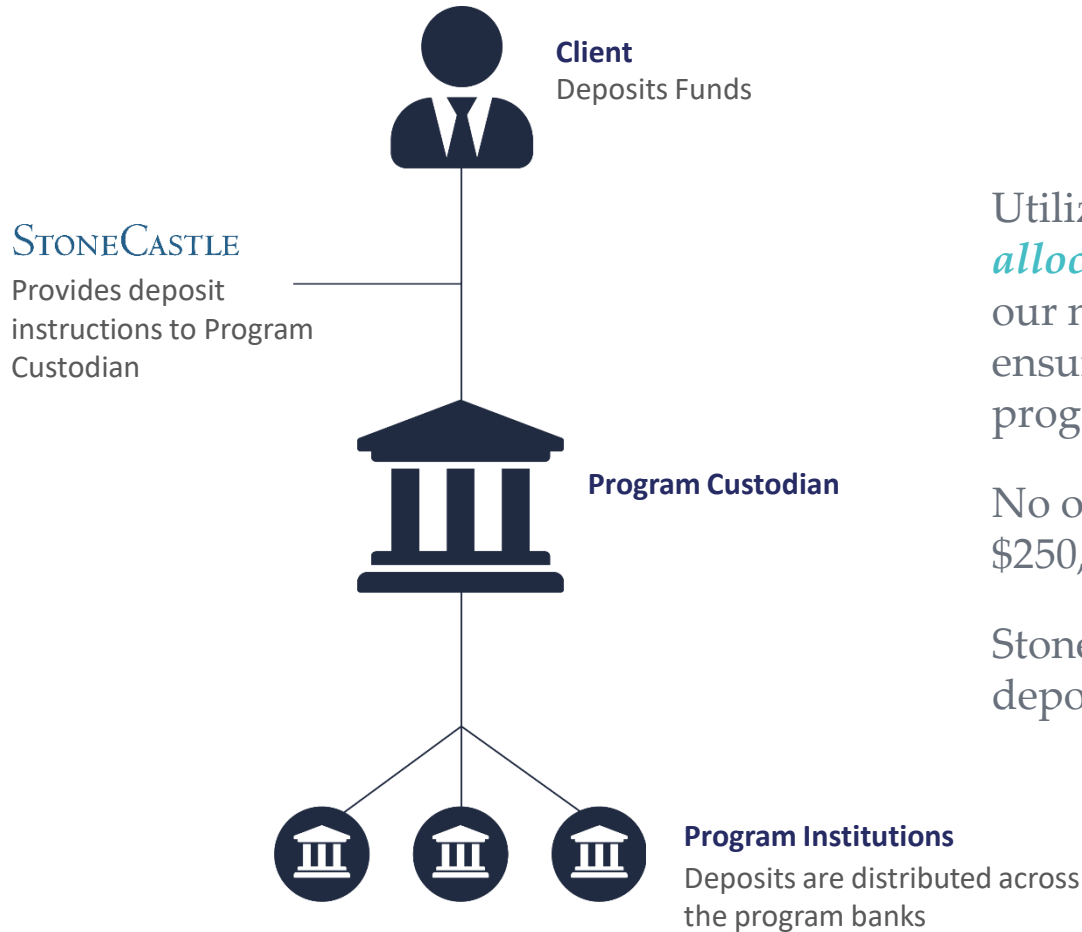
Liquidity Events: Sale of a business, inheritance, secondary residence etc.

Ex: Advisor had a client that sold a business, he was set to receive \$100 million in proceeds pre-tax.



1. Advisor utilized multiple FICA Accounts with separate titling to provide FDIC Insurance **on the full balance**.
2. **Client** utilized FICA as a way to significantly reduce their operational headache of insuring such a large deposit. Client appreciated receiving one consistent yield and transparency into where their funds were deposited all from one website.
3. Advisor and client then worked together to create an investment plan around said inflow of capital while knowing their entire cash position was protected.
 - Then dollar cost average into FICA account
4. Advisor planned ahead and maintained cash needed for taxes in FICA program post investment allocation.

FICA For Advisors: Process



Utilizes *proprietary algorithms to allocate clients' large deposits* across our network of carefully screened banks ensuring full deposit insurance up to the program maximum

No one bank receives more than \$250,000 per client tax ID

StoneCastle never touches client deposits

FICA For Advisors

FICA Impact



FICA For Advisors: The Greater Good

FICA Impact | Option within FICA For Advisors for impact-conscious advisors and clients

Community Banks

at Large

47.3%

Of jobs come from small businessesⁱ

48.5%

Of all small business loans in the US come from community banks, despite controlling only 19% of banking assetsⁱⁱ

1.8M

Net jobs created in 2016ⁱⁱⁱ

75%

Of deposits in the U.S. were held by community banks^{iv}

FICA Impact Network

100%

Of Impact program institutions are Minority Depository Institutions (MDIs), Low-Income Designated Credit Unions, Community Development Financial Institutions (CDFI), community banks (<\$10B) with a Community Reinvestment Act (CRA) Rating of 1 or 2; and community banks and credit unions that operate in the nation's counties that are most diverse, resource scarce, and have the highest concentration of minority-owned businesses as per U.S. census data^v

\$32.7B

In small business loans made by FICA Impact banks since 2010^{vi}

740K

Jobs supported by FICA Impact banks since 2010^{vi}

ⁱ Congressional Research Service Report, 9/11/19

ⁱⁱ FDIC – Statistics on Depository Institutions

ⁱⁱⁱ U.S. Small Business Administration Office of Advocacy, 2019

^{iv} FDIC Management's Discussion and Analysis, 2018

^v Community Reinvestment Act Ratings Database, SC analysis

^{vi} Small Business Administration Loan Database, October 2019

FICA Impact

FICA Impact is an alternative to traditional cash management. Designed specifically with impact depositors in mind, FICA Impact is designed to appeal to depositors seeking to safely earn a competitive yield on cash balances while maintaining high levels of FDIC insurance and leveraging the community banking system to drive small business lending and community reinvestment.

Features

Product Category Federally Insured Bank Deposit Vehicle	Minimum Investment No Minimum
Credit and Risk Considerations Full faith and credit of the U.S. Government ²	Rating Highest AAk rating by KBRA ⁴
Deposits/Withdrawals Same Day/Next Day ³	Interest Accrued Daily/Paid Monthly
Purchase and Redemption Cut-Off 3:00 PM ET	Network Comprised of banks with assets <\$10B

Impact Bank Criteria

Impact Network Banks:

All financial institutions meet one or more of the following:

- Community bank as defined by the Federal Reserve (<\$10B in assets) and have a Community Reinvestment Act (CRA) rating of 1 or 2
- All low-income designated credit unions, minority depository institutions (MDIs), and community development financial institutions (CDFIs)
- Community banks and credit unions that operate in the nation's counties that are: most diverse, resource scarce, and have the highest concentration of minority-owned businesses as per U.S. Census data**

** Institutions with a CRA rating of 3 or 4 are excluded.

Confluence Philanthropy

StoneCastle Becomes Part of the Confluence Philanthropy Community –

Helping to Further the Organization’s Good Works, Education, and Mission-Based Impact Goals



" It is a great privilege to enable firms to align cash balances with their values via our FICA Impact solution by efficiently moving funds to minority owned banks and other financial institutions that support underserved communities without sacrificing safety, liquidity, or yield. Seeing the collective good our clients are doing with impact underscores why we wanted to be a part of the Confluence community to do more."

- Eric Lansky, President StoneCastle Cash Management

"StoneCastle brings a unique impact cash solution, which directly addresses an underserved asset class in the industry. We are excited to see several members currently utilizing the FICA Impact solution, making their cash an effective component of a values-aligned portfolio."

- David Estrada, Managing Director at Confluence

FICA For Advisors: Summary

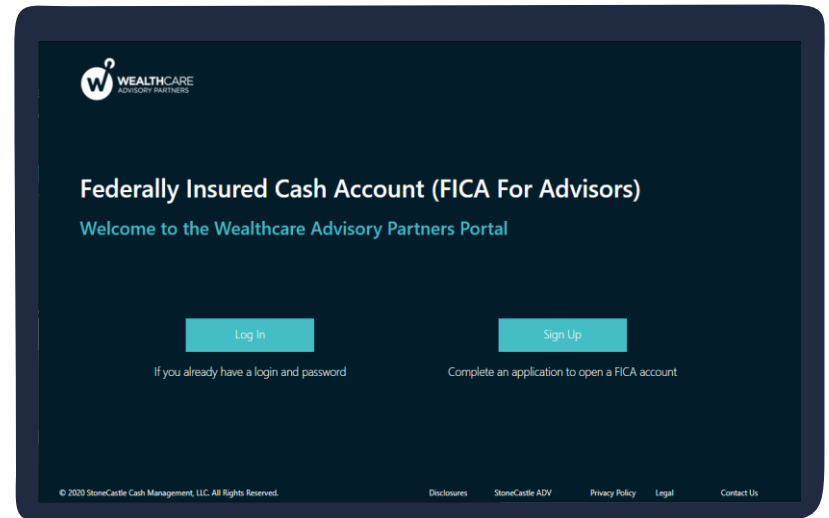
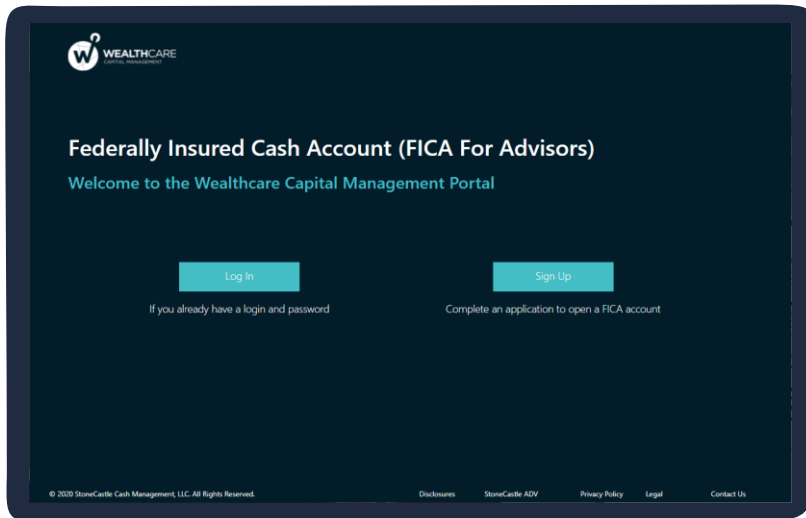
Value Points

- Value of high levels of FDIC insurance (100 x's greater than standard bank account) without sacrificing yield
- Stable principal; unlike money market funds where it is possible to lose principal
- No account fees or liquidity gates like those associated with money funds
- All overnight deposits held at domestic insured institutions—no lock-up/terming of funds and all dollars remain in the U.S. banking system and support local communities
- StoneCastle single focus for over a decade—connecting institutions and individuals to banks
- Transparency/Access
 - 24/7 online access/view for account holder

Getting Started



Wealthcare Customized Portals



How To Open An Account

Four Simple Steps to Complete an Online Application:

1

Account Owner Information Complete basic account information, selecting joint or individual account.

Online Access Authorization Add your advisor's name and email to grant view only access.

Impact Option (optional) Discuss this alternative option with your advisor.

The screenshot shows the StoneCastle website interface for a "Federally Insured Cash Account (FICA®) Application". The page is titled "Account Owner Information" and includes a progress indicator with three steps, where the first step is active. The form contains the following sections:

- Account Type:** Radio buttons for "Individual Account" (selected) and "Joint Account".
- Name:** Text input fields for "First", "Middle", "Last", and "Suffix".
- Social Security Number:** A text input field labeled "Tax ID".
- Date of Birth:** Three dropdown menus for "Month", "Day", and "Year".
- Address:** Text input fields for "Permanent Street Address (No P.O. Boxes allowed)", "Street Address Line 2", "City", "Zip Code", and a "Select a state" dropdown menu.
- Email:** A text input field with the example "example@example.com".
- Online Access Authorization:** A section where the user authorizes StoneCastle to provide view-only access to their FICA Account. It includes text input fields for "Advisor Name" and "Advisor Email".
- FICA® Impact (optional):** A checkbox labeled "Yes! Please enable the Impact Option." Below this is a paragraph of text explaining that deposits will be allocated to banks that are community banks as defined by the Federal Reserve, and that the rate will be .10% lower than the FICA® rate.

A "Next" button is located at the bottom left of the form.

How To Open An Account

2

Terms & Conditions
Check box to clarify you have read.

The screenshot shows a digital form titled "STONECASTLE Federally Insured Cash Account (FICA®) Application". The form is presented on a tablet-like interface with navigation arrows (1, 2, 3) and a progress indicator (2). The main content area is a white box with a blue header that reads "STONECASTLE FEDERALLY INSURED CASH ACCOUNT (FICA®) TERMS AND CONDITIONS". Below the header, there are two input fields: "Client Name:" and "Date:". The form contains several sections of text, including an "Introduction" section that explains the FICA program and a "Deposit and Account Eligibility" section that details the requirements for opening an account. At the bottom of the form, there is a checkbox labeled "I agree to the Terms and Conditions." which is currently checked. Below the checkbox are "Previous" and "Next" buttons.

How To Open An Account

3

Certification

Check box to certify and submit.

STONECASTLE Federally Insured Cash Account (FICA®) Application

3

New Account Application Certification

I, Test Account, have received and understand the Terms and Conditions for the StoneCastle Federally Insured Cash Account (FICA®) (the "Account"). I understand the Account's investment objectives and policies and agree to be bound by the Terms and Conditions. I acknowledge and consent to the householding (i.e., consolidation of mailings) of regulatory documents such as shareholder reports, proxy statements, and other similar documents. I may contact StoneCastle to revoke my consent. I agree to notify StoneCastle of any errors or discrepancies within 45 days after the date of the statement confirming a transaction. The statement will be deemed to be correct, and StoneCastle and its transfer agent shall not be liable, if I fail to notify StoneCastle within such time period. I certify that I am of legal age and have the legal capacity to make this purchase.

- StoneCastle, its transfer agent, and any of their respective agents or affiliates will not be responsible for banking system delays beyond their control.
- I understand that these account assets may be transferred to my state of residence if no activity occurs within my account during the inactivity period specified in my State's abandoned property laws.
- I understand that if any portion of the funds to be redeemed represents a deposit made by check or ACH, StoneCastle may delay the withdrawal until the transfer agent is reasonably satisfied that the funds have been collected. This may take up to 7 days from the deposit date.
- Under penalty of perjury, I certify that (1) the Social Security or taxpayer identification number shown on this form is my correct taxpayer identification number, and (2) I am not subject to backup withholding as a result of either being exempt from backup withholding, not being notified by the IRS of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, (3) I am a U.S. person (including a U.S. resident alien), and (4) I am exempt from FATCA reporting. The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

I agree that by clicking "Certify & Submit" below I am providing the legal equivalent of my handwritten signature and that doing so shows my intent to sign the new account application and certification. I agree to print (CTRL P) and/or save a copy of this certification for my records. This binding contract is effective as of today's date, and is binding on myself, any joint account holder, and any successor account. By pressing the Certify & Submit button, the new account(s) will be create

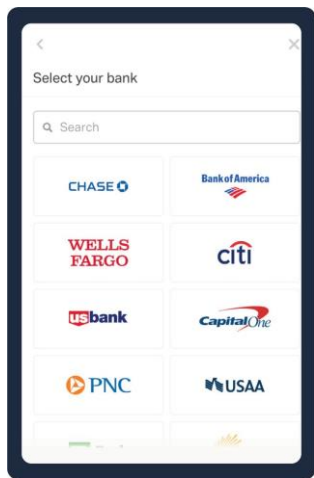
Certify & Submit *

Previous Submit

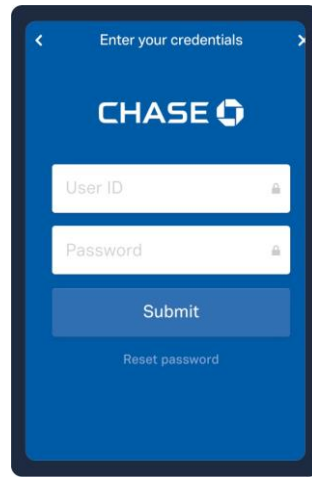
How To Open An Account

4

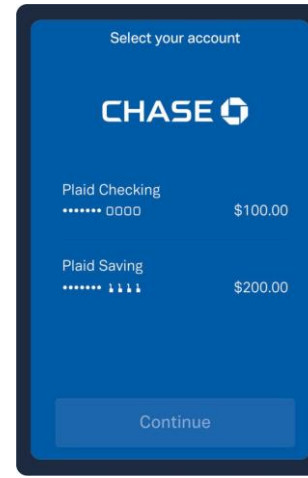
Link to Your Bank Account for ACH Transactions



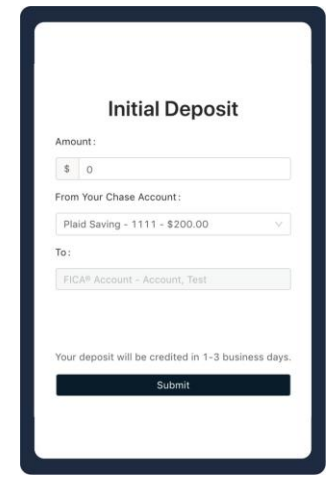
Select your bank name



Enter your unique user ID & Password for your bank account



Select your account type



Enter amount you would like to deposit

How To Open An Account

5

Confirmation

You will receive a thank you message for creating an account that also includes a link to a bank exclusion form.

Your advisor will receive an email that your application is completed.



Thank You!

Your FICA® Account has been created!

Please check your inbox for your account confirmation email.

If you would like to provide bank exclusions, please submit your entries [here](#).

Q & A

Open Discussion

Sales & Marketing

intermediaries@stonecastle.com

833-F4A-CASH | advisor.cash

Account Maintenance & Onboarding Client Services

clientservices@stonecastle.com

866-343-5516



Disclosures

All information contained herein is for informational purposes and should not be construed as investment advice. It does not constitute an offer, solicitation or recommendation to purchase any security. Some information contained in this fact sheet has been prepared from sources believed reliable but is not guaranteed by StoneCastle Network, LLC (StoneCastle) or any of its affiliates. StoneCastle Network, LLC is an affiliate of StoneCastle Cash Management, LLC.

StoneCastle is not a bank, nor does it offer bank deposits and its services are not guaranteed or insured by the FDIC, NCUA or any other governmental agency.

FICA satisfies the FDIC's requirements for agency pass-through deposit insurance coverage. Program banks in the FICA® network are FDIC-insured "banks" and "savings associations" as those terms are defined in the Federal Deposit Insurance Act. The FDIC Limit is \$250,000 per depositor per bank. The NCUA operates the National Credit Union Share Insurance Fund (NCUSIF) to protect accounts at federally insured credit unions up to \$250,000.

FICA is not a member of The Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA), but the depository banks where your money is placed are FDIC and NCUA members. FDIC and NCUA are independent agencies of the U.S. government that protects the funds depositors place in FDIC and NCUA insured institutions. FDIC and NCUA deposit insurance is backed by the full faith and credit of the U.S. government. Funds may be submitted for deposit only after a depositor enters into a FICA agreement. The Agreement contains important information and conditions regarding the depositing of funds.

Balances held in client Custody Accounts may not receive FDIC and NCUA insurance. If clients have any cash at any depository institution that is in the bank network then clients may not receive full FDIC or NCUA insurance coverage on your deposits at those institutions. Funds may be submitted for placement only after a depositor enters into a FICA agreement. The agreement contains important information and conditions regarding the placement of funds.

1 Current yield for FICA is effective as of July 1, 2021, and is for a maximum deposit of \$25 million. For balances in excess of \$25 million please call 866-343-5516. Current yield and maximum deposit insurance coverage is indicative for FICA and may be lower or higher than what is stated due to changes in market or business conditions. Please call 866-343-5516 for the most current yield and maximum deposit insurance coverage. FICA yield is the APY (annual percentage yield) based on APR (annual percentage rate) for the period indicated as reported by StoneCastle. The Annual Percentage Yield (APY) paid by program banks is subject to change at any time at the program banks' discretion.

2 Kroll Bond Rating Agency "(KBRA)" is registered with the SEC as a Nationally Recognized Statistical Rating Organization (NRSRO). In addition, KBRA is recognized by the National Association of Insurance Commissioners (NAIC) as a Credit Rating Provider (CRP). The AAk rating assigned to FICA reflects the Program's Primary Quantitative Rating (PQR) as measured by the KBRA Funds Credit Quality Rating Matrix, which is based on the credit quality of the underlying instruments that comprise the portfolio. Additionally, the fund rating is influenced by the results of the qualitative assessment of StoneCastle. The qualitative shadow rating (QSR) was found to be strong.

3 Liquidity is ordinarily available on a next business day basis. Same day purchase credit and next day liquidity redemptions are subject to a 3:00 PM ET cut-off. Please carefully read the current FICA Program Terms and Conditions for more complete information and the governing terms of the account (including liquidity, fees, terms, etc.). This can be found at www.ficaaccount.com.