

April 2025



MidWestOne™
PRIVATE WEALTH

YOUR TRUST MATTERS



Christy Fehlberg

1st VP, Senior Private Banker
Iowa City, IA
319.356.5903

Cash Management for Peace of Mind

There is nothing more important during market volatility than having a clear plan you can follow. You may have seen our recent communication on annual returns and intra-year declines, citing the reassuring fact that historically investors have had positive returns in stocks 75% of the time, even in years where the stock market has a steep downturn sometime during the year. The mantra of investing for the long haul has never been truer as we all ride out the volatility in the current market. So first, refrain from rash decisions. Next, check to make sure your overall investment plan is still a good fit for your needs, and that you are well-diversified. And finally, take steps to ensure you have a good cash management plan with access to liquidity (cash!) so you can have peace of mind that if something unexpected occurs – either because you have an unanticipated expense, or because of a prolonged downturn in the market – you are well prepared.

Here are some things you can do (or may have already done) to have a good cash management plan:

Have short-term cash available using High Yield Savings, Money Markets and CDs

- A High Yield Savings account or Money Market is completely liquid and can be used at any time.
- A Certificate of Deposit, while likely yielding a higher interest rate, is fixed for a term of your choice, so choose the term accordingly and consider staggering maturities so you have cash availability from your CDs on a regular basis (every 6 or 12 months, for example).

Maintain a Home Equity Line of Credit

- You may have a substantial amount of equity in your home if you've been paying down your mortgage for many years. You can easily establish this line of credit using your home as collateral.
- The available credit does not change for the period the line of credit is in place.
- This line of credit can come in handy as a safety net or for bridging large purchases.
- After the initial costs of opening a home equity line of credit, there is no cost to have it on stand-by – you only pay interest if you draw a balance.

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800.247.4418

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Email: privatewealth@midwestone.com

Not FDIC Insured | No Bank Guarantee | May Lose Value | Not a Deposit | Not Insured by any Federal Government Agency

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Liquid Asset Secured Line of Credit

- This is another option that uses your non-retirement funds held at MidWestOne Private Wealth as collateral for a line of credit.
- The available credit changes based on the market value of the investments.
- This line of credit can be used for any purpose and is another great way to bridge large purchases.
- There is no initial cost to put this in place and you only pay interest if you draw a balance.

Your MidWestOne Wealth Management team is here to listen to you and to suggest strategies that are tailored to your situation. Please contact a member of our team at privatewealth@midwestone.com.

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Email: privatewealth@midwestone.com

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