

Wealth advisors are increasingly seeking customized solutions for their clients' portfolios. The extensive customization potential of a bond SMA helps advisors meet a client's unique income needs in today's low interest rate environment.

Benefits of Bond Investing through SMAs

Customized Exposure

Offer investors the ability to customize the exposure based on personal goals and social values. Target bonds by maturity or credit quality that meet specific investment horizons and risk objectives while earning income.

Predictable Income Stream

Provide a more predictable monthly income stream than investing through a bond mutual fund or ETF. The changing composition of bonds underlying a fund due to inflows and outflows results in fluctuations in the monthly income distributed to shareholders.

Managing Risk and Cash Flows

Allow investors to get the benefit of incorporating customized cash flow needs while effectively managing interest rate risk by holding bonds until maturity. Client specific laddered bond strategies are constructed, taking into account anticipated liabilities and desired income generation.

Cost-Effective Income Solutions

Lower costs compared to investing in bond funds. While ETFs may have low management fees, the premium/discount to NAV and bid-ask trading spreads can add to the total cost of a bond ETF.

GAMMA's Fixed Income Capabilities

We use a rules-based portfolio construction approach and efficient processes to deliver cost-effective, customized income solutions that meet every investor's unique needs. GAMMA's fixed income capabilities include:

1. Customization

Bond portfolios are customized based on a client's income and risk objectives. For example, we offer laddered bond strategies that can be further customized by credit rating, maturity and state (for municipal bonds).

2. A broad array of fixed income and hybrid securities exposure

We offer income strategies providing exposure to the following markets:

- Tax-free and taxable municipal bonds
- High grade corporate bond
- US Treasuries
- Preferred securities
- Real Estate Investment Trusts
- Master Limited Partnerships
- Closed-End Funds
- Green bonds

3. Professional fixed income management

Our team has decades of institutional experience managing index-based fixed income strategies. We work with a large network of bond dealers to source liquidity and buy/sell bonds at institutional prices. To reduce credit risk, we focus on selecting high quality bonds within each market, while monitoring broader market conditions and individual bond ratings using independent credit research from third-party providers and major broker dealers.

4. Systematic tax-loss harvesting

Bond investing through an SMA provides a great opportunity for investors to harvest tax-losses as they arise throughout the year. In particular, municipal bonds, due to their tax advantages, typically transact at a premium and therefore provide an automatic tax-loss harvesting opportunity for bond holders that can be realized at maturity or call date.

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