

Marketable Securities

“Offering the right bond, for the right reason, at the right price...”

At Balance Sheet Solutions, LLC, we have a partnership approach to investment services. Through an alliance with CU Investment Solutions, LLC (ISI, member FINRA/SIPC), ISI-registered representatives work with you to understand your credit union’s needs and identify solutions. As such, Balance Sheet Solutions reflects the commitment to become your strategic business partner and a provider of solutions on both sides of the balance sheet. This includes marketable security investments through ISI, SimpliCD (brokered CD solution), liquidity options, asset-liability risk modeling and investment advisory services.

Credit Union Focus

Unlike some typical regional or Wall Street proprietary trading desks which tend to sell “only” in-house inventory, we have no such conflicts of interest. Rather, in our consultative role, we strive to identify the most attractive and risk-appropriate securities for our clients with the end goal of enhancing their investment portfolio returns. In essence, we are committed to finding the “right bond, for the right reason, at the right price.” As such, our agenda is perfectly aligned with each credit union’s needs and investment objectives. In other words, your credit union’s success is our success.

Aggregating the Talent, Tools and Technology

For most clients, identifying suitable securities and executing purchases efficiently is only part of the challenge. Unlike many of our competitors, Balance Sheet Solutions is committed to providing in-depth security and portfolio risk analytics, ALM modeling and other independent research services.

Many credit unions do not have access to these resources, or simply cannot afford them.

By publishing [*Weekly Relative Value*](#), we provide timely updates on the economy and the markets, and offer relative-value strategies. In addition, we offer educational workshops and webinars for the benefit of clients. These additional capabilities and tools, coupled with our total dedication to the credit union industry, is the cornerstone of Balance Sheet Solutions’ value proposition. These services differentiate our investment services from conventional Wall Street or regional broker-dealers.

Broad Selection of Fixed Income Investments

U.S. Treasury Securities – U.S. Treasury securities, issued by the Treasury department, feature the timely payment of principal and interest, guaranteed by the full faith and credit of the United States government. Most market participants consider U.S. Treasuries the highest credit quality in the world markets.

Federal Agency Securities – Federal Agency securities are issued by government-sponsored entities (GSEs), most of which are privately owned, publicly chartered companies. Each was created by Congress to provide liquidity, and reduce the borrowing costs for sectors of the economy deemed critical (farming, education, mortgage financing, etc.).

Mortgage-Backed Pass-Through Securities – Mortgage-backed pass-through securities represent a direct interest in a pool of underlying mortgages. Investors receive a pro rata share of the interest (less a servicing fee) and principal cash flows generated from the mortgage pool. The principal payments include scheduled amortization and any early principal payments resulting from prepayments, refinancings or defaults. These payments are "passed through" to the investor on a monthly basis.

CMOs/REMICs – Collateralized mortgage obligations (CMOs) are backed by large pools of mortgages, or mortgage-backed securities, whose cash flow is distributed to the holders of the issue. Unlike pass-throughs, the cash flows are not distributed pro rata. Instead they are directed to different classes, or "tranches," of the CMO, based on their individual characteristics. This structure allows investors to choose a CMO class that fits their maturity, volatility and yield parameters. (A CMO's yield and average life will fluctuate depending on the actual rate at which mortgage holders prepay the mortgages within the CMO. They will also fluctuate due to changes in interest rates.)

Advantages

- **State-of-the-Art.** Robust risk/return analytic tools are combined with best-practices portfolio management, including access to marketable securities. We engage in a proven approach to portfolio management to assist your credit union in evaluating its portfolio's risk and value in the marketplace.
- **Convenient.** Balance Sheet Solutions provides centralized access to an extensive supply of investments, through a credit union-aligned business partner.
- **Knowledgeable.** Our expertise in the investment markets is unique in its singular focus on credit unions.
- **Flexible.** Select from a broad mix of fixed income investments, including government and Agency securities, mortgage-backed and asset-backed securities and money market instruments.

Getting Started

Simply contact Balance Sheet Solutions to learn more about our services at 888-796-6389 or info@balancesheetsolutions.org.