

## MEEDER PRIVATE WEALTH

# Enhancing Fixed Income Strategies

## The Benefits of Bond Funds

### RISK MANAGEMENT AND PORTFOLIO DIVERSIFICATION

Meeder recognizes the vital role fixed income investment strategies, such as bonds, play in managing risk and enhancing portfolio diversification. Meeder provides financial advisors with clear and thoughtful guidance to help navigate the complexities of fixed income investing with their clients.

### COMPARING INDIVIDUAL BONDS WITH BOND FUNDS

Below, we highlight some features of individual bonds and bond funds. While individual bonds offer certain benefits, Meeder believes bond funds can be a more effective and advantageous choice for managing fixed income allocations.

KEY FEATURES	INDIVIDUAL BONDS	BOND FUNDS	ADVANTAGES OF BOND FUNDS
<b>Management</b>	Usually buy and hold with a limited number of bonds held	Diversified portfolio tailored to broad investor goals, with professional management	Ensures professional oversight, diversification, timely adjustments, optimized reinvestment, and reduced risk
<b>Diversification</b>	Difficult to diversify due to high capital requirements and limited investment options	Instant diversification with lower investment required	Allow investors to spread risk across a broad range of bonds without needing significant capital, improving potential returns while reducing risk
<b>Flexibility</b>	Limited by factors like liquidity, transaction costs, and the need for constant, active management	Inherent flexibility, allowing for seamless adjustments to portfolios	Allow quick and cost-efficient adjustments to market changes, interest rates, or credit risks—improving returns and reducing the need for constant management
<b>Liquidity</b>	Varying liquidity	Highly liquid with daily trading	Easy to buy and sell at any time
<b>Income</b>	Typically paid in semi-annual distributions	Typically paid in monthly distributions	More frequent and stable cash flows

## IN SUMMARY

Both strategies can be customized to align with client goals, offering regular interest payments and flexibility to match financial objectives, risk tolerance, and time horizons.

However, with bond funds, your clients aren't tied to the fate of a single bond. Instead, they gain access to a professionally managed, pooled investment vehicle designed to optimize total returns and navigate fixed income markets more effectively. Plus, bond funds provide liquidity, so investors are not locked into a long-term commitment when opportunities arise elsewhere.

Meeder believes this approach helps build stronger, more resilient portfolios.

Reach out to learn how we can help you and your clients make the most of fixed-income opportunities.



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