

Fixed Income Is Different Than Equity

Poinciana Advisor Group's philosophy is that equity investments are for growth; fixed income investing has a vital mission all its own.

- ▲ Fixed income can control overall volatility in a portfolio and provide a stable financial base. It should act as the vehicle for steady, reliable income and contingency reserves.
- ▲ Fixed income operates differently than equity; it should be treated differently.
- ▲ Fixed income solutions can be highly complex, with dozens of variables to consider.
- ▲ If you are considering fixed income investing, it helps to have expert guidance.

POINCIANA HAS A FIXED INCOME PROGRAM YOU WON'T FIND ELSEWHERE

You gain access to experts, not salespeople, who give you clarity regarding your choices. All of our actions are guided by your best interests. We work with experts we respect and trust. You will understand why your custom-built portfolio is suited to meet your goals and objectives.

WHAT YOU MAY NOT KNOW

Bonds are usually seen as stable, low-risk investments; too often just an afterthought in investors' holdings. They are supposed to be the "safe and sound" portion of your portfolio. But today's fixed income market has grown increasingly complex, with hidden risks and unstable securities. There are over two million different municipal bonds, compared to only 8,000 listed stocks on the major exchanges. Many people don't understand what they are buying and most aren't aware of the hidden costs. There are dozens of different bond types, some with high-risk profiles.

Individual investors may not recognize how risky bonds can be — they can be subject to defaults, downgrades, early calls and more. There are a variety of distinct risk factors that should be accounted for. Every detail is important to understanding a bond's real value and overall characteristics.

The bond market is a price-negotiated market. With equities, you can quickly know the value of a security: simply check the Internet. With bonds, there is no centralized pricing information. Prices for the exact same issue can vary widely, depending upon the broker. True costs are easily hidden from individual investors, allowing brokers to place excessive markups and markdowns on their transactions. Brokerages generally sell bonds from a selection that is held in their inventory. This means that buyers don't get a real picture of the selections available throughout the competitive market, and bonds in inventory usually carry a higher markup.

Individual bond investors need independent, objective advice, not a sales pitch.

POINCIANA UNMASKS THE HIDDEN NATURE OF FIXED INCOME INVESTING

Poinciana gives you clarity and provides you with a quality, customized fixed income plan. Our key strategic relationship gives you access to experts who educate you on the market and your choices, and show you the true cost of each investment. We believe investors are entitled to objective, knowledgeable recommendations regarding bonds, bond fund selections and fixed income portfolio construction. And we think you deserve personal attention that matters. Poinciana provides fee-only investment management as a Registered Investment Advisor. We are not a commission-based broker-dealer. As your fiduciary, we put your interests first. This is one reason we have chosen a fixed income sub-advisor who likewise is not a broker-dealer and will act as a fiduciary to our clients.

Invest wisely. Our advisors pursue an academically based approach to investing in all markets, including fixed income. With Poinciana, you will have a personal fixed income Investment Policy Statement that outlines your objectives and complements your equity portfolio. We recommend a portfolio of only high-quality bonds, generally with short-term to intermediate-term maturities so your fixed income portfolio maintains its mission-critical stability. We help you stay disciplined. We bring transparency to the process by providing you with a clear understanding of what you are doing and why.

Receive a custom solution, not an off-the-shelf or model-based approach. It begins by meeting with your Poinciana investment advisor and an introduction to our fixed income expert team. Our team then assesses your current holdings, keeping in mind your whole financial picture (fixed income and equities). We share the results with you and help you form a fixed income strategy. Then we build your custom portfolio, analyzing each bond's full range of characteristics (sector, maturity, credit rating and more), and making careful, cost-effective selections to meet your individual goals. For taxable accounts, we remain vigilant to tax management strategies that can add to your net return. We build with taxable or tax-exempt instruments — or with *both* if that makes the most sense for your situation.

Bring efficiency to the process. Poinciana demands our fixed income advisors research and maintain a network of strategically selected bond dealers to ensure a wide range of security availability. We leverage their understanding of the market and the size of their client base to ensure fair and competitive pricing for you.

Your portfolio is monitored so we can suggest adjustments where needed. Poinciana advisors maintain proactive, ongoing management and clear communications regarding your holdings so you don't have to wonder where you stand. Our process helps you avoid pitfalls that can lie between you and your goals. With Poinciana, you'll understand your investments and feel confident in your strategy.

INDEPENDENT ASSESSMENT

Should you be thinking about a new strategy for your fixed income investing? Find out how Poinciana would approach it. We will provide you with a complimentary independent analysis of your current fixed income investment plan. Our assessment will give you a complete and accurate picture of your fixed income holdings. Contact us today for details.

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