

Russell Investments and PIMCO: The Tax Efficient Portfolio



What's on everyone's minds right now? March Madness and taxes! We can't help you save a busted bracket, but we can help you create "The Tax Efficient Portfolio."

Communities, Orion's robust model marketplace, makes it easy to pair strategists and develop portfolios to best align with your client's goals and needs. This month, we pair two asset managers to help your high net worth clients achieve similar outcomes yet reduce tax consequences.

Introducing "The Tax Efficient Portfolio"

Russell Investments "Intelligent Diversification with Efficient Implementation"

- Founded in 1936 and headquartered in Seattle, WA, Russell Investments is a brand manager specializing in global allocation, broadly diversified, multi-manager portfolios.
- Russell adopts a unique investment approach in which they utilize specific investment managers through a rigorous selection process to represent different asset classes within their asset allocation models.
- Another unique feature is their tax-managed models use tax-exempt bonds, tax-managed equity, and real assets allocations - applying a more holistic approach to tax efficiency.
- They offer standard and tax-managed allocation strategies across the risk spectrum using their proprietary Russell funds, which follow the methodology described above.
- These strategies are designed to represent an overall portfolio's core holdings and are generally more passive and diversified in nature.

However, their utilization of active managers and a tax-efficient approach creates additional performance potential.

PIMCO “The Premier Active Bond Manager”

- PIMCO, often recognized as one of the world’s premier fixed income managers, was founded in 1971 and is headquartered in Newport Beach, CA.
- Their investment philosophy utilizes top-down forward-looking investment views to determine allocations, while a detailed bottom-up research process ensures enhanced security selection for individual bonds.
- This approach, combined with a robust risk analytics infrastructure, helps build reliability and investor confidence, integral for lower risk diversifiers such as PIMCO’s income strategies.
- PIMCO has a series of three fixed income strategies of varying risk exposures, utilizing their proprietary PIMCO mutual funds, that come in both taxable and tax-aware versions, which leverage more municipal bond funds.
- Given their focus on actively managed fixed income, these strategies pair well with more passive and broadly diversified options and those with higher risk, which may allocate more to equities.

Explore over fifteen Russell Investments’ models and 6 PIMCO models available in Communities. Not yet a subscriber? Let us provide you with a demo of Orion Communities.

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