

[English](#) | [Français](#)

2

[Cited by.](#)

The Consideration of Coupon Levels, Taxes, Reinvestment Rates, and Maturity in the Investment Management of Financial Institutions

Published online by Cambridge University Press: **19 October 2009**

Robert H. Cramer and Stephen L. Hawk

[Article contents](#)

[Get access](#)

Extract

The investment managers of financial institutions face a multiplicity of factors that influence the performance of fixed coupon securities in their investment portfolios. These factors can be classified under three headings:

- 1) *Condition of the economy*—changes in interest rate levels and spreads;
- 2) *Nature of the financial institution*—institution's tax rate, economic factors such as deposit variability and loan demand for banks, and premium inflow and benefit payments for insurance companies;
- 3) *Characteristics of individual securities*—(a) their attractiveness in terms of risk level and marketability; and (b) their contractual factors (coupon level and maturity) and tax status.

Type

Research Article

Information

Copyright

Copyright © School of Business Administration, University of Washington 1975

References

REFERENCES

- [1] Buse, A. "Expectations, Prices, Coupons and Yields." Journal of Finance, Vol. 25, No. 4 (September 1970), pp. 809–818. [CrossRef](#) [Google Scholar](#)
 - [2] Conarard, Joseph W. The Behavior of Interest Rates. New York: National Bureau of Economic Research, 1966. [Google Scholar](#)
 - [3] Homer, Sidney, and Johannesen, Richard I.. The Price of Money. New Brunswick: Rutgers University Press, 1969. [Google Scholar](#)
 - [4] Homer, Sidney, and Liebowitz, Martin. Inside the Yield Book. Englewood Cliffs: Prentice-Hall, 1973. [Google Scholar](#)
 - [5] Malkiel, Burton G. The Term Structure of Interest Rates. Princeton: University Press, 1966. [Google Scholar](#)
 - [6] Malkiel, Burton G. The Term Structure of Interest Rates: Theory, Empirical Evidence, and Applications. New York: McCaleb-Seiler, 1970. [Google Scholar](#)
-