Five Behaviors

That May Deserve a Fresh Look This Cycle.

A credit-union-specific lens. A pull-out reference for your next ALCO conversation.

From the Credit Union Investment Strategy Group of Oppenheimer & Co. Inc. — working exclusively with credit unions since 1986.

01 The YT Trap — When the Default Yield Table Is the Wrong One

PILLAR · POSITIVE CONVEXITY · §703.12 PREPAYMENT SHOCK

Brokers default to the YT screen (generic median dealer PSA). Ask for the YT BAM, which models the specific pool. The yields can differ by 50–100+ bps on the same security. Don't buy any MBS off one screen.

02 Carrying Too Much Cash — Yield Drag and Opportunity Cost

YIELD DRAG · OPPORTUNITY COST · §703.3(d)

Liquidity is essential, but excess cash sitting in overnight funds is a yield-killer masquerading as prudence. Every dollar over true liquidity need is yield foregone.

03 Staying Too Short on Investments

FRAMEWORK · INTEREST-RATE CYCLE

A 2022-era defensive posture quietly becomes a 2026 drag. Thoughtful extension into the 3–5 year segment can lift book yield without uncomfortable duration.

04 The Callable Bond Trap — On Both Sides of the Cycle

PILLAR · YIELD PROTECTION

Called when rates fall (forcing reinvestment lower). Outstanding when rates rise (locking in below-market coupon). The issuer holds the option. The credit union pays for it.

05 The Static Portfolio — The Most Consequential Pitfall

INTEREST RATE PERSPECTIVE · ALIGNED WITH §703.15

No repositioning, no rebalancing, no pruning. The cycle moves; most portfolios don't. Active stewardship at every phase — within §703.15 — is the work.

A FRESH LOOK AT YOUR OWN BOOK

Wondering what active stewardship would look like applied to your specific portfolio? We'd welcome the conversation   no follow up sales call unless you ask for one.

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