

Yield Advantage Differentiated Income Q1 2023

March 31, 2023

Annualized Returns (%)

	QTD	YTD	1 Year	3 Year
Gross of fees	2.82	-23.72	-23.72	-5.15
Net of fees	2.77	-23.87	-23.87	-5.33
Benchmark ²	1.87	-13.01	-13.01	-2.71

¹ Inception Date: September 30, 1991 ² Bloomberg Barclays U.S. Aggregate Index

Characteristics

	Portfolio Weight
Average Duration	8.02
Weighted Average Life	10.25
Average YTM	7.37
Average YTW	7.37
Average Weighted Coupon	2.55
Average Quality (Moody's)	A2

Sector Weights (%)

	Portfolio Weight	Benchmark Weight
Cash	0.95	0.00
U.S. Treasury	2.16	40.39
Govt-Related	20.00	1.15
Credit	45.15	27.58
Securitized	31.74	30.88

Duration Distribution (%)

	Portfolio Weight	Benchmark Weight
0-1 Year	3.04	0.02
1-3 Years	9.32	21.33
3-5 Years	17.68	15.7
Over 5 Years	69.96	62.97

Distinguishing Attributes

- Significantly enhanced credit diversification
- Enhanced income derived from optionality, curve relationships and issue size (illiquidity premium)
- Wisdom of experienced investment team
- Corporate culture built on client service and diversity

Portfolio Facts

Benchmark	Bloomberg Barclays U.S. Aggregate Index
Inception	9/30/1991
Total Product Assets	\$289mm
Vehicle(s) available	Separately managed

Portfolio Team



Charles L. Curry, Jr.
Managing Director, Sr.
Portfolio Manager, U.S.
Fixed Income



John Gagliardi
Assistant Portfolio
Manager, U.S. Fixed Income

About Xponance®

Xponance® is a multi-strategy investment firm offering strategies across equity and fixed income. We are independent and employee owned by women and diverse professionals, whose common passion is to do the right thing for our clients and each other. Xponance® is the successor firm representing the integration of two great legacy firms, FIS Group, Inc. and Piedmont Investment Advisors, LLC.

Investment Objective

The Differentiated Income product is a total return strategy that strives to achieve strong income yield and potential long-term capital appreciation.

Investment Strategy

Compared to traditional investment grade strategies, this product seeks to maximize risk-adjusted return via investment grade securities. Significant yield advantage is achieved through bespoke credit, smaller size securitized deals as well as securities with embedded options. Securities utilized include IG corporates, FRNs, CLOs, Agency step-up/range accruals as well as MBS/CMBS. Structure vs Credit risk is contemplated given the nature of these securities.

The strategy is sector agnostic and portfolios are constructed from a fundamental/quantitative framework in concert with an overall macro protocol that underpins all the Yield Advantage products.

Total product assets shown above may include accounts that are not reflected in the Global Investment Performance Standards (GIPS®)* report below. Portfolio characteristics are subject to change, and current holdings may differ. Past performance is not an indication of future results. Returns are presented gross and net of management fees and include the reinvestment of all income. GIPS-compliant performance information for the firm's strategies and products are available upon request at info@xponance.com. A GIPS report is found at the end of this presentation. Statistics shown above are supplemental information to the GIPS report at the end of this presentation. Results represent preliminary data which is subject to change. For further performance data, please see the Xponance® Yield Advantage Differentiated Income disclosures below.

*GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Annual Disclosure Presentation

Year End	Performance Results (%)			3-Yr Annualized Ex-Post Standard Deviation (%)		Number of Portfolios	Composite Assets (\$mm)	Total Firm Assets (\$mm)
	Composite Gross TWR	Composite Net TWR	Benchmark ¹	Composite Gross	Benchmark ¹			
2021	7.10	6.91	-1.54	8.43	3.36	Five or Fewer	398	14,866
2020	4.53	4.33	7.51	8.38	3.35	Five or Fewer	376	12,493
2019	9.34	9.13	8.72	1.84	2.87	Five or Fewer	364	5,411
2018	-0.39	-0.57	0.01	1.95	2.84	Five or Fewer	329	4,026
2017	5.15	4.97	3.54	2.10	2.78	Five or Fewer	302	6,817
2016	6.74	6.49	2.65	2.52	2.98	Five or Fewer	200	6,249
2015	0.10	-0.15	0.55	2.90	2.88	Five or Fewer	188	N/A
2014	9.28	9.01	5.97	2.75	2.63	Five or Fewer	181	N/A
2013	1.16	0.92	-2.03	2.69	2.71	Five or Fewer	219	N/A
2012	10.36	10.10	4.22	2.25	2.38	Five or Fewer	217	N/A

Composite inception date: October 31, 1991.

¹ Benchmark: Bloomberg Barclays U.S. Aggregate Index

Xponance®, Inc. ("Xponance®") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Xponance® has been independently verified for the periods from November 1, 1998 through December 31, 2021. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

On August 31, 2018, FIS Group, Inc. ("FIS Group") acquired Piedmont Investment Advisors, Inc.'s ("PIA") predecessor, Piedmont Investment Advisors, LLC. Xponance®, Inc. ("Xponance®") is an independent, registered investment adviser and is the successor registrant under the Investment Advisers Act of 1940 (the "Advisers Act") to both FIS Group and its wholly-owned subsidiary, PIA. Pursuant to a corporate rebranding and consolidation strategy, Xponance® was established effective April 1, 2020, to leverage the long histories of its predecessor entities in providing customized investment management products to institutional clients. FIS Group (through its former subsidiaries, Fiduciary Investment Solutions, Inc. and FIS Funds Management, Inc.) managed assets since 1996 and PIA (through its former affiliate Piedmont Investment Advisors, LLC) began managing assets in 2000. The firm maintains a list of composite descriptions and limited pool fund(s) descriptions, which is available upon request.

Total firm assets presented through, and including, Calendar Year 2019 represent total firm assets for PIA, prior to April 1, 2020, this composite was managed by legacy firm PIA. Total firm assets presented post April 1, 2020 represent the total firm assets of Xponance®.

Yield Advantage Differentiated Income Composite contains all fee paying and non-fee-paying portfolios managed according to its investment strategy on a fully discretionary basis. The Composite consists

of investment quality securities where credit risk is minimized through an emphasis on treasuries, agencies, high quality corporates, asset-backed and mortgage-backed securities and is measured against the Bloomberg Barclays US Aggregate Index. The Tactical Fixed Income Composite was created on September 30, 1991.

Performance presented prior to 10/01/16 occurred while the Portfolio Management Team was affiliated with a prior firm where the members of the Portfolio Management Team were the only individuals responsible for selecting the securities to buy and sell.

Results are based on fully discretionary accounts under management. Accounts that are no longer with the firm are included through the last full measurement period such accounts were managed in the composite's style. Past performance is not indicative of future results. The composite maintains a significant cash flow policy. Effective 9/30/2022, a significant cash flow has been defined as any client requested cash flow that would impede the firm's ability to implement the composite strategy. We will remove the assets from the account the day we raise cash or transfer the assets into the account after trading is complete; therefore, the assets will be moved or held in a temporary account and the member account will remain in the composite. Prior to 9/30/2022 the significant cash flow was defined as any client requested cash withdrawal where we must execute trades to generate the requested cash. We will remove the cash from the account the day we raise the cash; therefore, significant cash flows out of an account will be treated as a temporary account and the member account will remain in the composite.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

The management fee schedule for the composite is as follows: First \$50mm: 35 bps; Next \$25mm: 30 bps; Next \$25mm: 28 bps; Over \$100mm: 25 bps

Fees are charged to clients on a quarterly basis. Fees are calculated as a percentage of assets under management and vary based upon the type of product and the total amount of assets under management. The percentage fee is expressed in terms of basis points ("BPS") for our products. One hundred basis points equal 1%. All fees are negotiable.

Effective September 1, 2019 Composite name was changed from Yield Advantage Tactical Income to Yield Advantage Differentiated Income

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.

Internal dispersion presented is an equal-weighted standard deviation of annual gross returns of those portfolios that were in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented.