

Market Plus – Large Cap Core Equity

Q2 2020



June 30, 2020

Annualized Returns (%)

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception ¹
Gross of fees	20.43	-5.29	3.95	9.53	10.09	12.20	14.13	8.10
Net of fees	20.36	-5.39	3.75	9.31	9.88	12.00	13.92	7.83
Benchmark ²	20.54	-3.08	7.51	10.73	10.73	12.13	13.99	7.67

¹ Inception Date: December 31, 2001 ² Benchmark: S&P 500

Characteristics

	Portfolio Weight	Benchmark Weight
Excess return (gross since inception)	0.43%	-
Excess return (net since inception)	0.17%	-
Information ratio (gross since inception)	0.27	-
Information ratio (net since inception)	0.11	-
Holdings	140	505
P/E using FY1 est	21.0	23.4
P/E using FY2 est	17.9	19.3
Dividend yield	2.1%	1.9%
Historical 3 year EPS growth	25.3%	24.0%
Weighted average market cap	\$400,834mm	\$388,002mm

Sector Weights (%)

	Portfolio Weight	Benchmark Weight
Communication Services	11.17	10.78
Consumer Discretionary	11.50	10.83
Consumer Staples	6.31	6.97
Energy	2.94	2.83
Financials	10.43	10.08
Health Care	13.57	14.63
Industrials	7.88	7.99
Information Technology	27.74	27.46
Materials	2.59	2.52
Real Estate	3.32	2.84
Utilities	2.55	3.07

Top Ten Holdings (%)

	Portfolio Weight
Microsoft Corporation	6.07
Apple Inc.	6.01
Amazon.com, Inc.	4.51
Alphabet Inc. Class A	2.62
Facebook, Inc. Class A	2.53
Intel Corporation	1.85
Visa Inc. Class A	1.77
PepsiCo, Inc.	1.51
Johnson & Johnson	1.48
Procter & Gamble Company	1.24

Portfolio Facts

Inception date	12/31/2001
Assets in strategy	\$1,077mm
Benchmark	S&P 500
Predicted tracking error	1-2% vs. b/m
No. of stocks	100-175
Sectors	B/m ± 2%
Annual Turnover	70-80%
Min. investment	\$10mm
Vehicle(s) available	Separately managed

Portfolio characteristics are subject to change, and current holdings may differ. Past performance is not an indication of future results. A complete list of firm composites and performance results is available upon request. Additional disclosures are found at the end of this presentation. Statistics shown are supplemental information to the GIPS compliant presentation at the end of this presentation. Results represent preliminary data which is subject to change.

Portfolio Management



Sumali Sanyal, CFA

Managing Director, Senior Portfolio Manager, Systematic Global Equities



Cameron F. McLennan, CFA

Director, Portfolio Manager, Systematic Global Equities

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 Philosophy & Process

Our investment philosophy focuses on striking an appropriate balance between risk and return in our management of clients' portfolios while taking ESG factors into consideration. The elements of this philosophy include – emphasis on security selection, quantification of major sources of risk, diversification as a means of managing common factor risk without reducing expected returns and controlling tracking error. We utilize internally developed quantitative models for stock selection. These models are built using factors that reflect and measure fundamental drivers of growth, value, and momentum, and have also been shown to be consistent and predictive drivers of long-term excess returns. Our portfolio construction methods focus on maximizing exposure to these factors while controlling both ESG risk and portfolio active risk.

Distinguishing Attributes

- Dynamic stock selection models that adjust to changing market trends
- Focused on achieving optimal risk-return tradeoffs
- ESG factors taken into consideration
- Structured and disciplined investment process
- Experienced investment team
- Corporate culture built on client service and diversity

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Annual Disclosure Presentation

Year End	Total Firm Assets (\$mm)	Composite Assets		Annualized Performance Results (%)				3 Year Ex-Post Standard Deviation (%)	
		USD (\$mm)	Number of Accounts	Composite Gross	Composite Net	Benchmark ¹	Composite Dispersion	Composite	Benchmark ¹
2019	5,411	1,095	12	28.84	28.58	31.49	0.00	12.29	11.93
2018	4,026	799	9	-6.51	-6.69	-4.38	0.00	11.29	10.80
2017	6,817	733	6	25.64	25.41	21.83	N/A	10.14	9.92
2016	6,249	543	5 or fewer	12.82	12.65	11.96	N/A	10.83	10.59
2015	5,577	439	5 or fewer	2.07	1.91	1.38	N/A	10.23	10.47
2014	2,542	430	5 or fewer	16.87	16.67	13.69	N/A	9.32	8.97
2013	2,731	378	5 or fewer	32.59	32.38	32.39	N/A	12.25	11.94
2012	3,425	340	5 or fewer	15.79	15.59	16.00	N/A	15.55	15.30
2011	3,441	303	5 or fewer	3.24	3.02	2.11	N/A	18.50	18.97
2010	3,449	516	5	13.38	13.18	15.06	0.20	N/A ²	N/A ²

¹ Benchmark: S&P 500 ² Not shown because 36 monthly returns are not available

The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Standard deviation is not required for periods prior to 2011.

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, 2019. A copy of the verification reports is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

On August 31, 2018, FIS Group, Inc. (“FIS Group”) acquired Piedmont Investment Advisors, Inc.’s (“PIA”) predecessor, Piedmont Investment Advisors, LLC. Xponance® 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 complete list of composite 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®.

Market Plus Composite contains fully discretionary low tracking error large cap core equity accounts and for comparison purposes is measured against the S&P 500 Index. The product typically has 125-175 holdings and a predicted tracking error range of 1% - 2% vs. S&P 500. The Market Plus Composite was created December 31, 2001.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. Piedmont maintains a significant cash flow policy. A significant cash flow has been 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. Prior to June 30, 2004, net of fee performance was calculated using a dollar-weighted average fee. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The management fee schedule is as follows: First \$50mm: 35 bps; Next \$50mm: 30 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 terms of basis points (“BPS”) for our products. One hundred basis points equal 1%. All fees are negotiable.