



U.S. Fixed Income

Xponance's Yield Advantage strategies are grounded in the belief that **yield is the most reliable tool for generating alpha and optimizing return** per unit of risk. The goal of our philosophy is to deliver long-term results that maximize the contribution of yield to total return, while preserving capital. Typically, this yield advantage is derived through credit, optionality, and other spread products, but can be attained through duration based on the stage of the business cycle.

1 Macro Positioning

Portfolio managers leverage firm-wide macro insights to position portfolio's duration opportunistically based on:

- Yield Curve Shifts/Flattening
- Rate forecasts
- Non-traditional market

2 Quantitative Idea Generation

Quantitative modeling generates insights on issuer and sector pricing anomalies including:

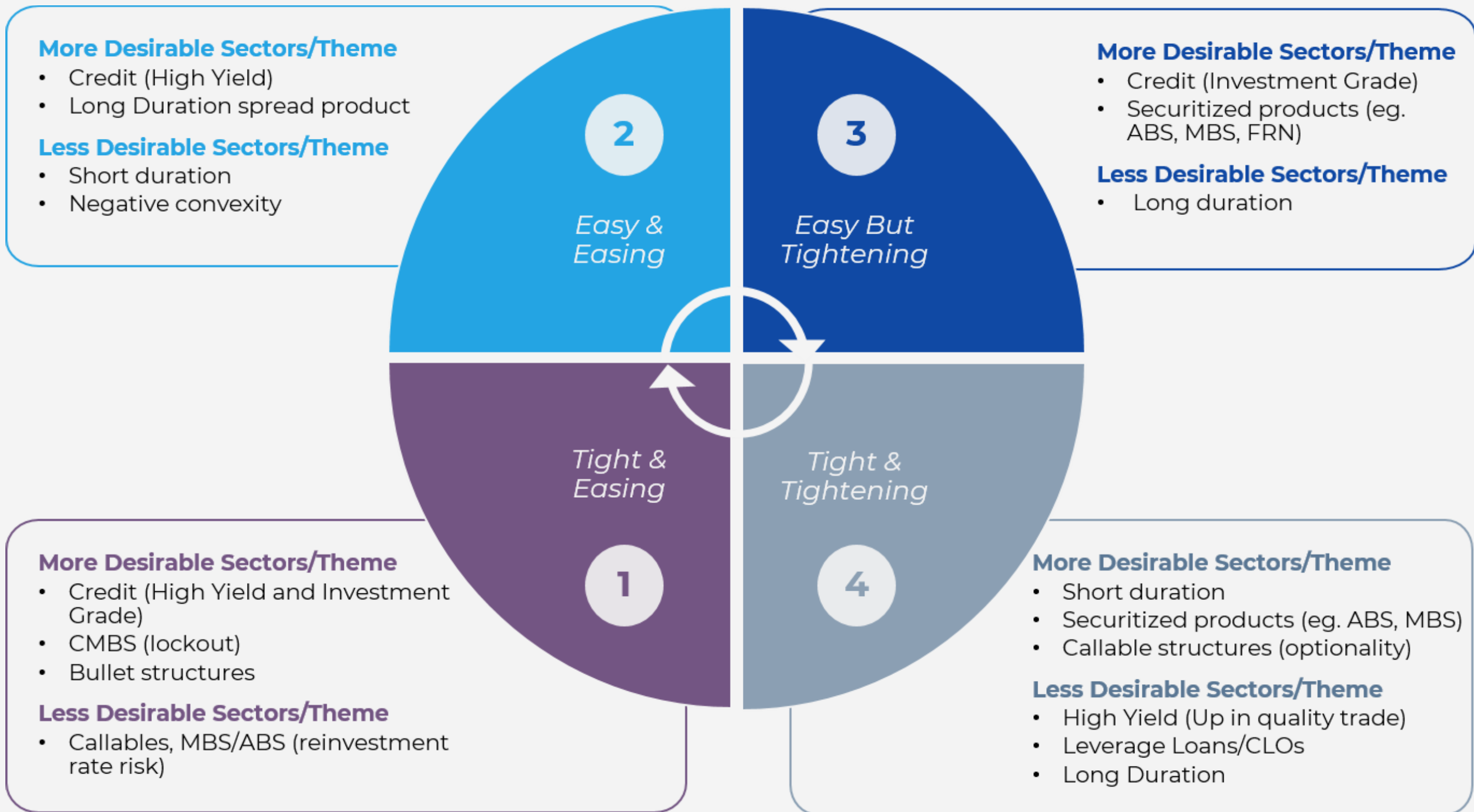
- Credit Quality
- Valuation
- Spreads

3 Fundamental Credit Research

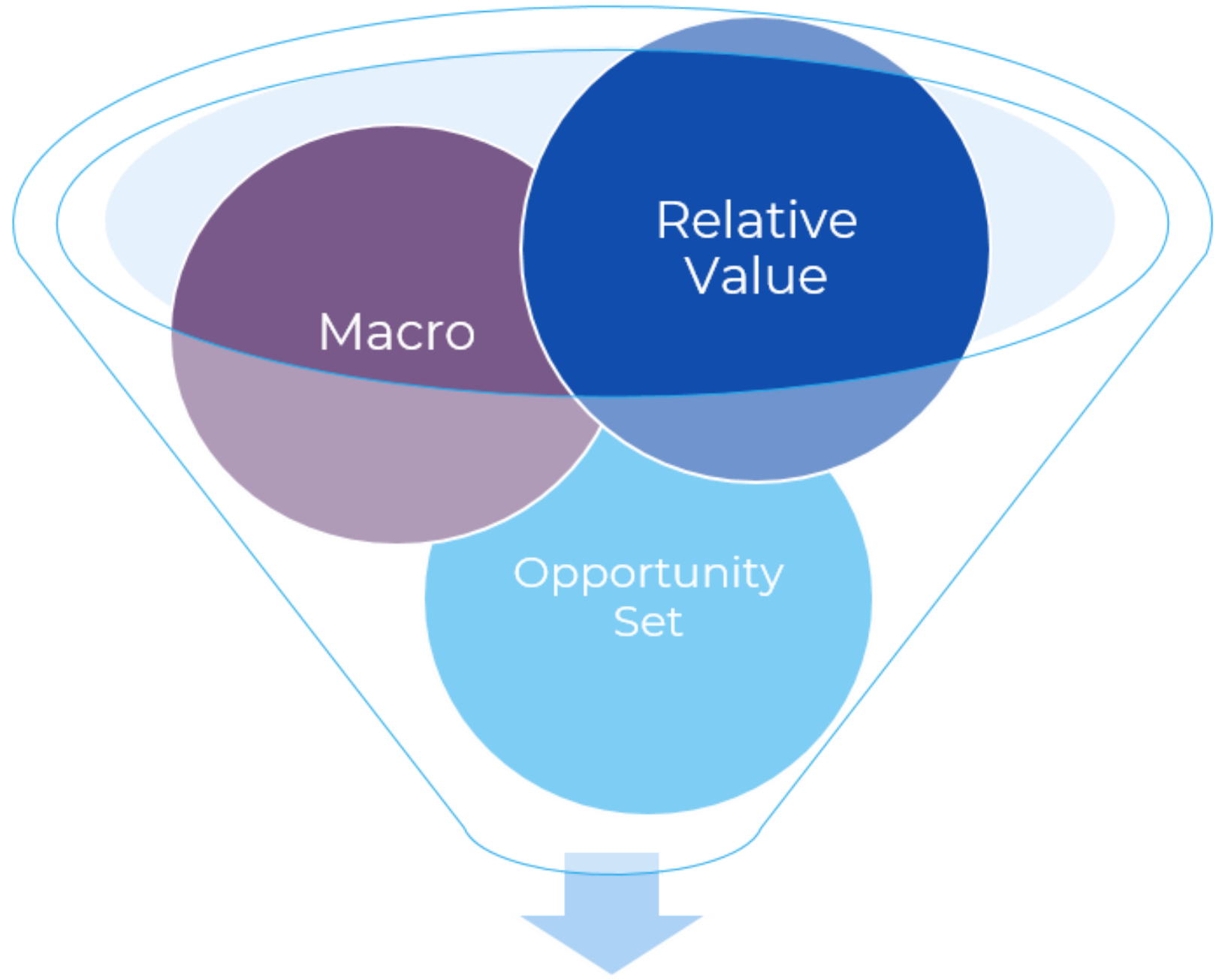
Research analysts conduct fundamental work that forms the foundation for security selection and sector rotations including:

- Annual Industry reviews
- Quarterly Earnings/Credit reviews
- Monthly Portfolio reviews
- Weekly Holdings reviews

Thematic Elements of the Business Cycle



* Please note that the relative performance of the sectors shown may vary when the Fed shifts policy direction within each of the archetypal monetary policy phases



Assessing Portfolio Construction Constraints

Fixed income risk budget formulation—macro conditions, valuation, and opportunity set are interrelated when assessing portfolio construction constraints

Detailed Risk Budgeting is an iterative and ongoing process
Dynamic sector and sub-sector constraints
Fluid assessment of changing security universe

U.S. Fixed Income Strategies

Opportunistic Core

A yield maximizing total return bond strategy with primary investment objectives of current income and capital preservation. A secondary investment objective is long-term capital appreciation. Bloomberg Barclays Aggregate benchmark. [Read more...](#)

Differentiated Income

A total return strategy that strives to achieve high income yield and long-term appreciation through investing in structured solutions with embedded options. Seeks to overperform the Bloomberg Barclays U.S. Aggregate Index by 100 basis point over a full credit cycle. [Read more...](#)

Limited Duration

A laddered, credit intensive, low turnover strategy, that typically significantly underweights treasury securities that in turn reflects a consistent yield advantage relative to the benchmark. The relatively short average life seeks to dampen mark to market volatility and effectively lets book yield win. [Read more...](#)

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