

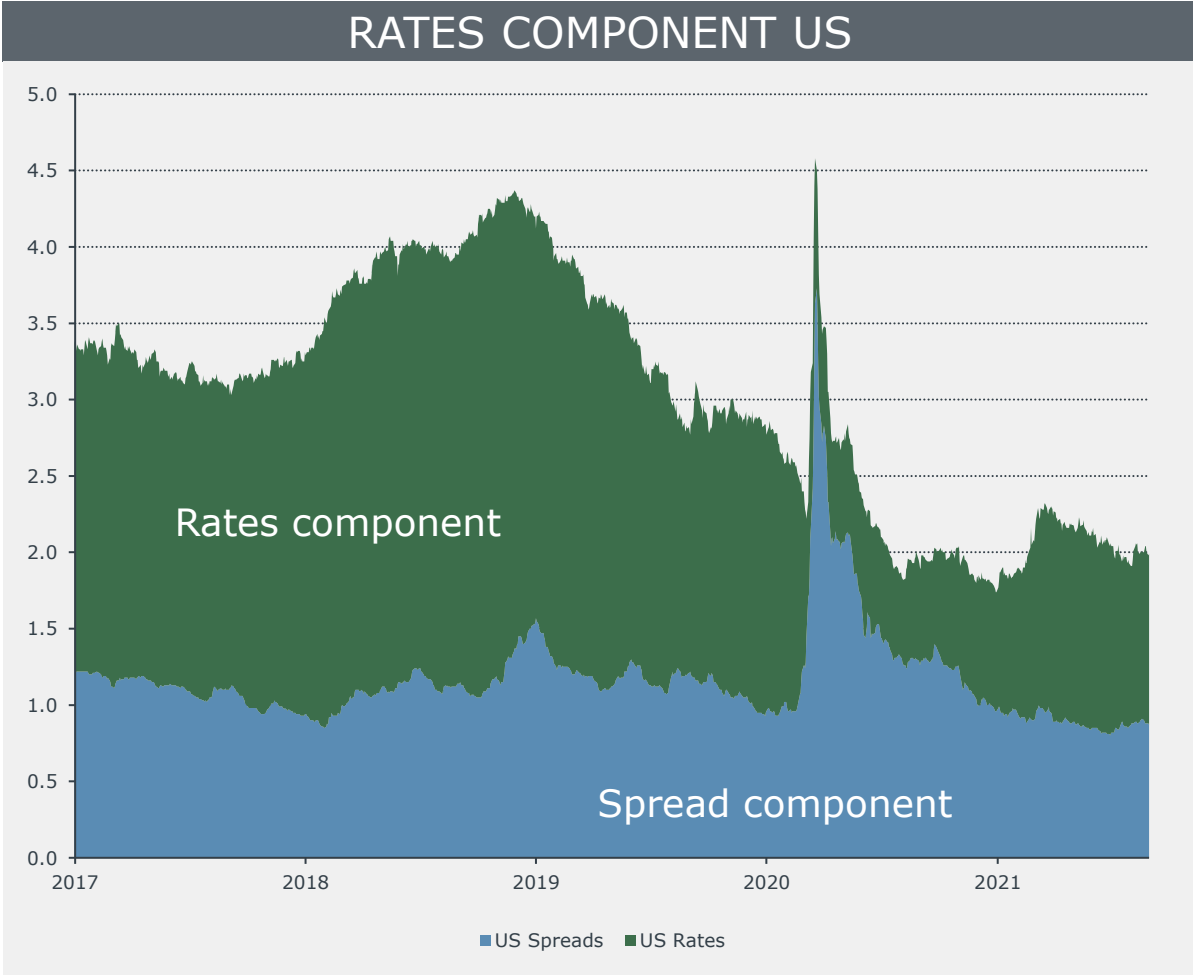
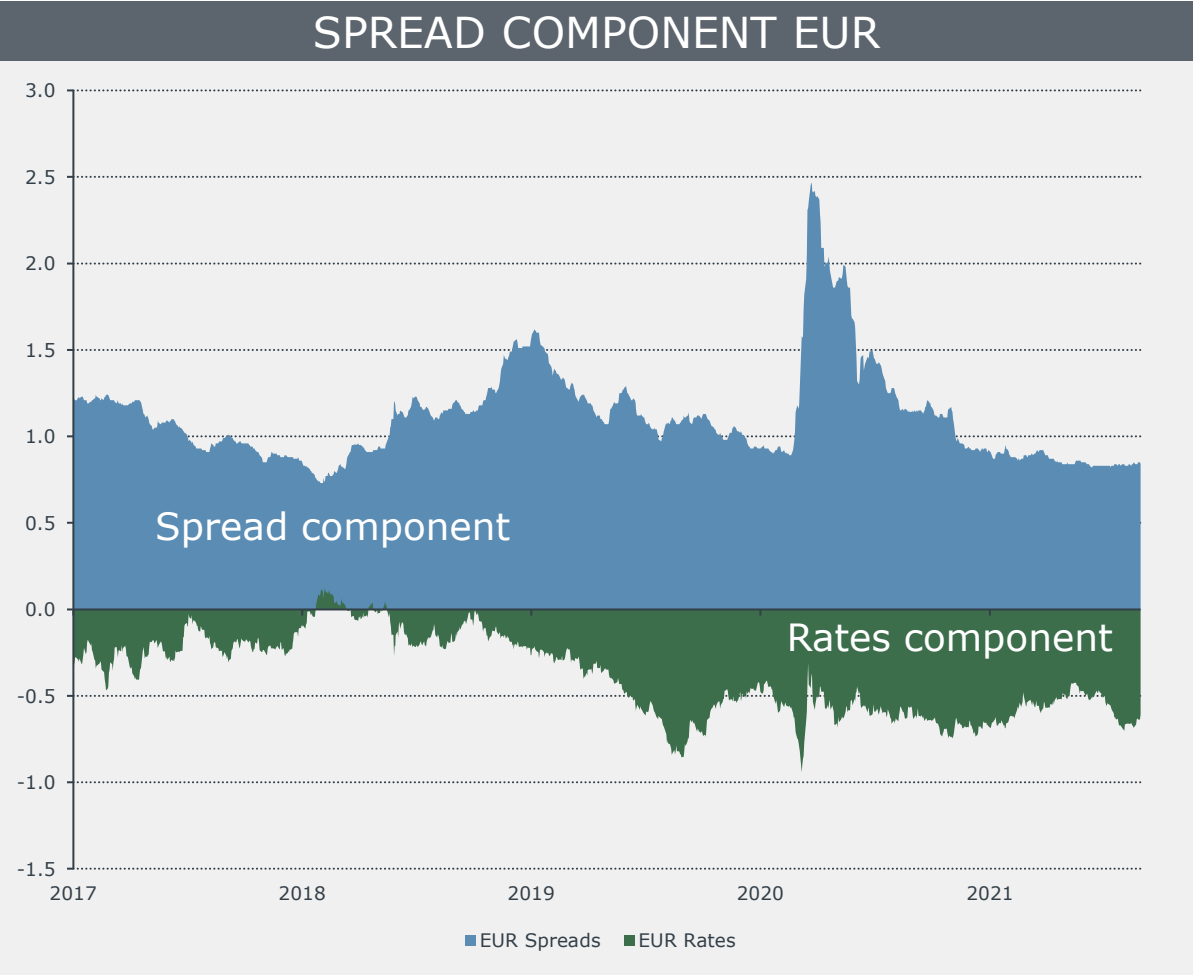


Diversification with factor investing in
credit in the current low-yield environment



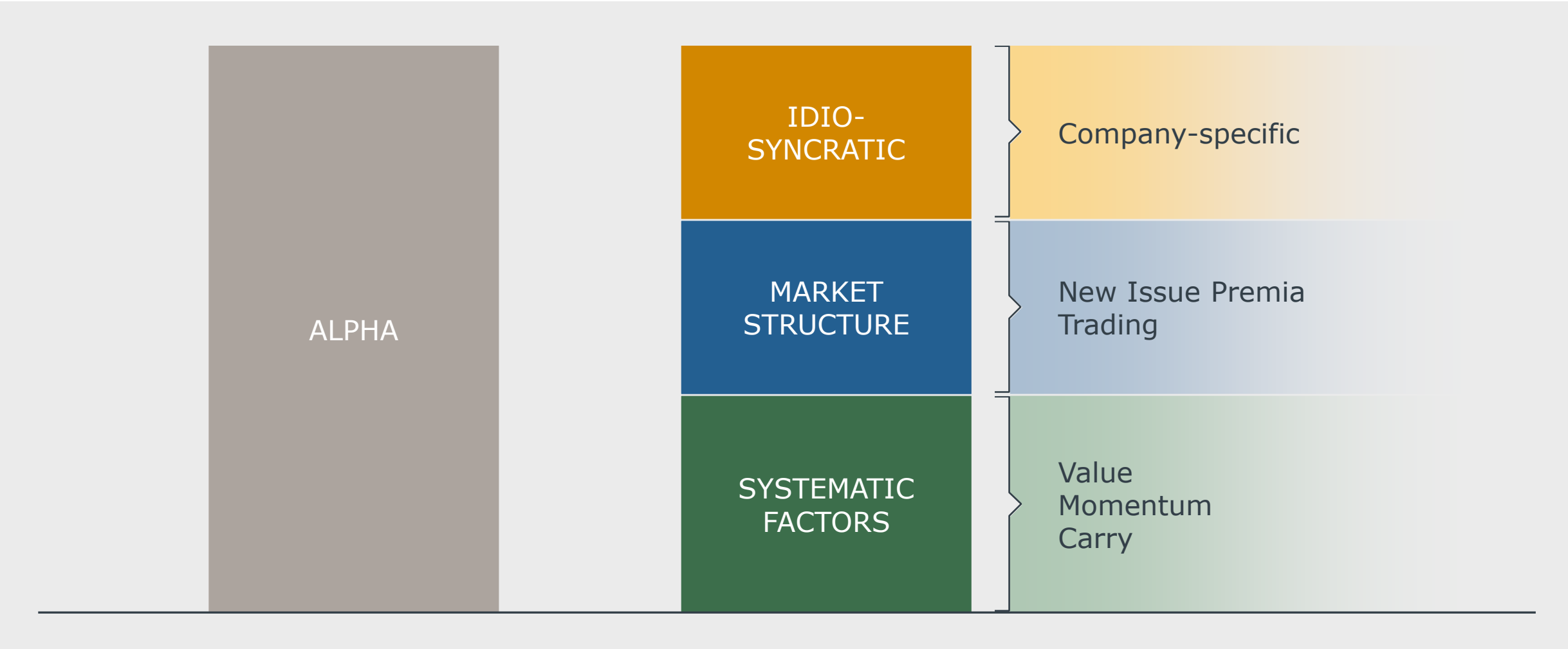
Edinburgh, September 15, 2021

Global credit yields and spreads

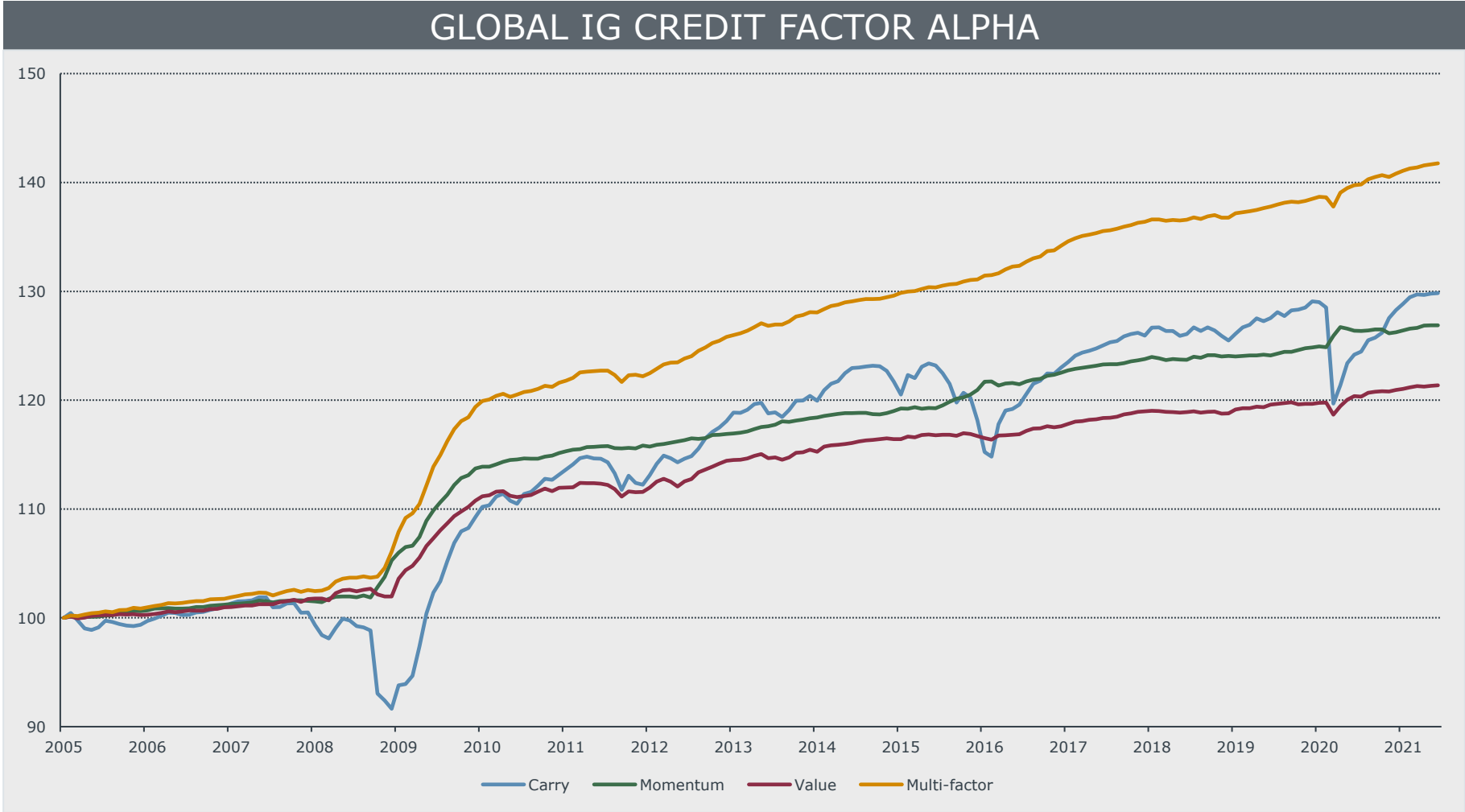


Source: Bloomberg L.P.; Quoniam Asset Management GmbH

Sources of credit returns

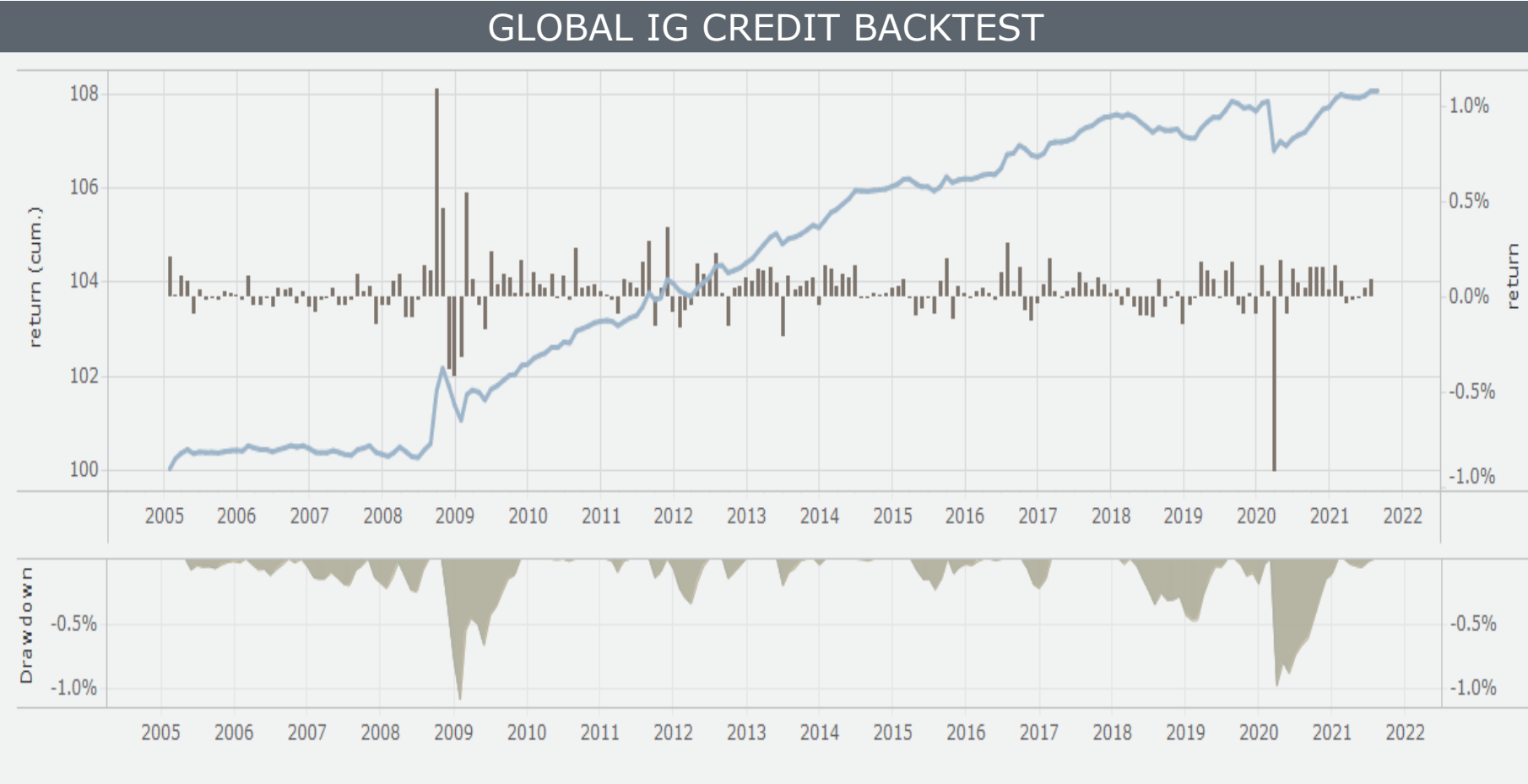


Corporate bond factors: Systematic performance over many years



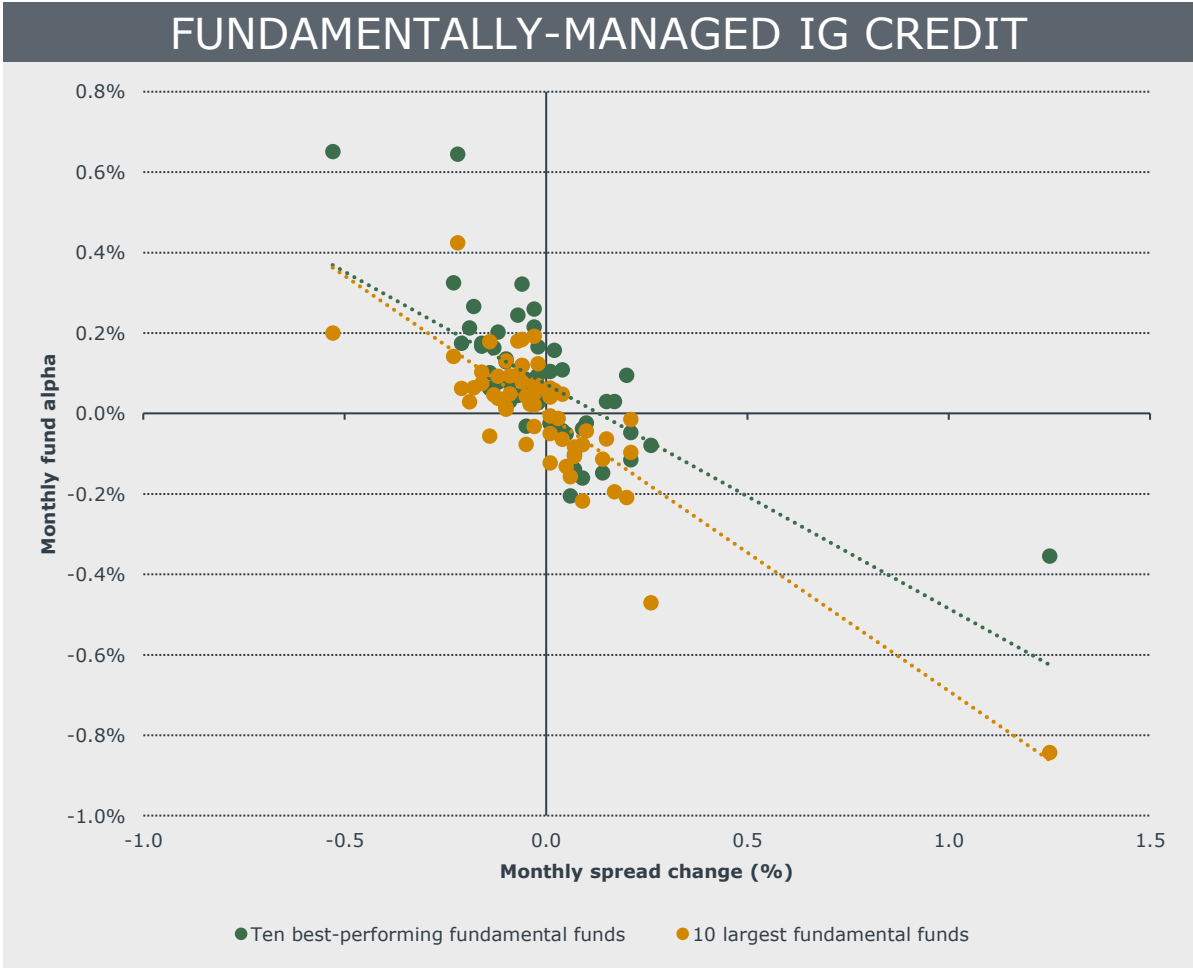
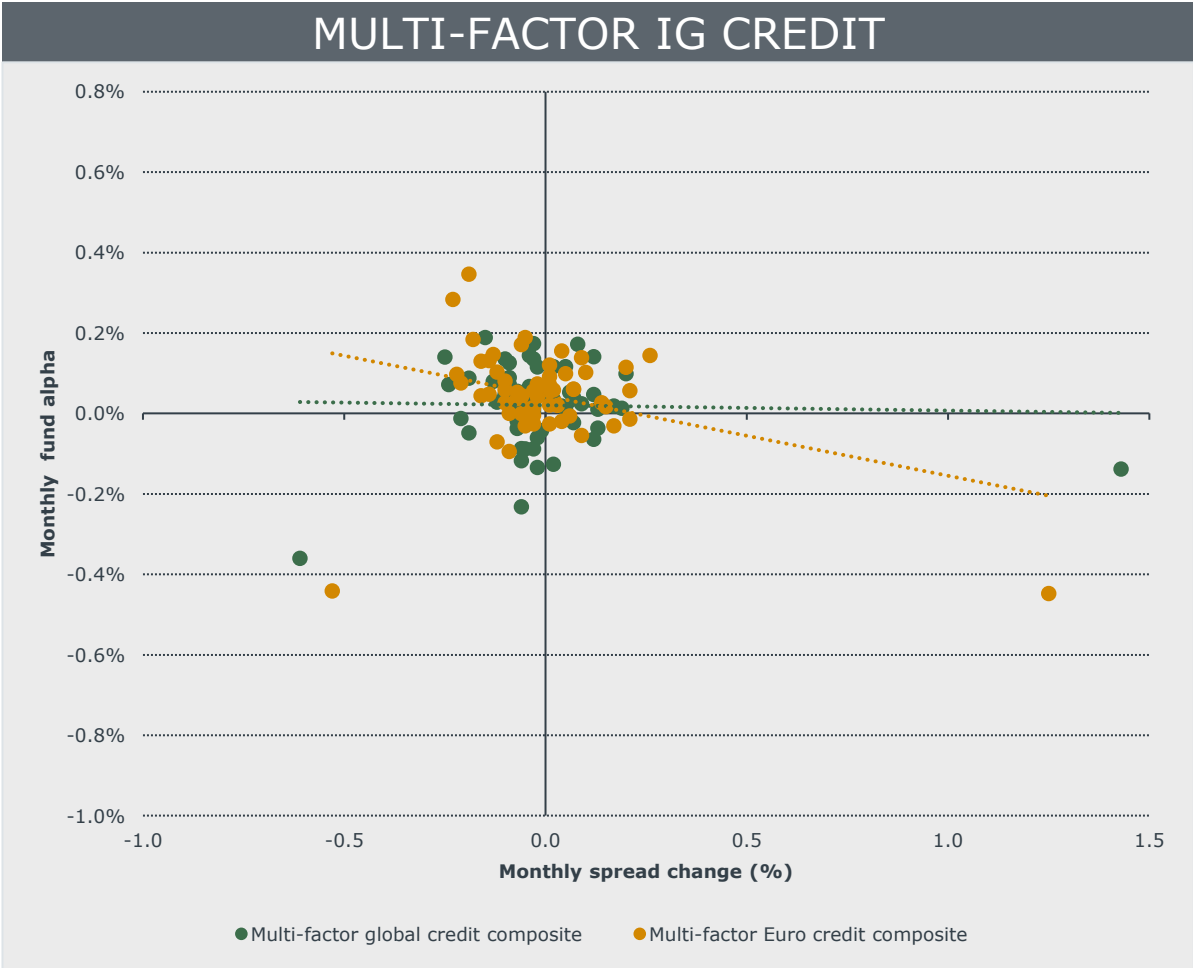
Global IG credit top 20% portfolio: Relative performance per factor vs. global senior IG benchmark for the period Dec. 31, 2004, to Jul. 30, 2021. Source: Quoniam Asset Management GmbH

Performance characteristics of a multi-factor strategy



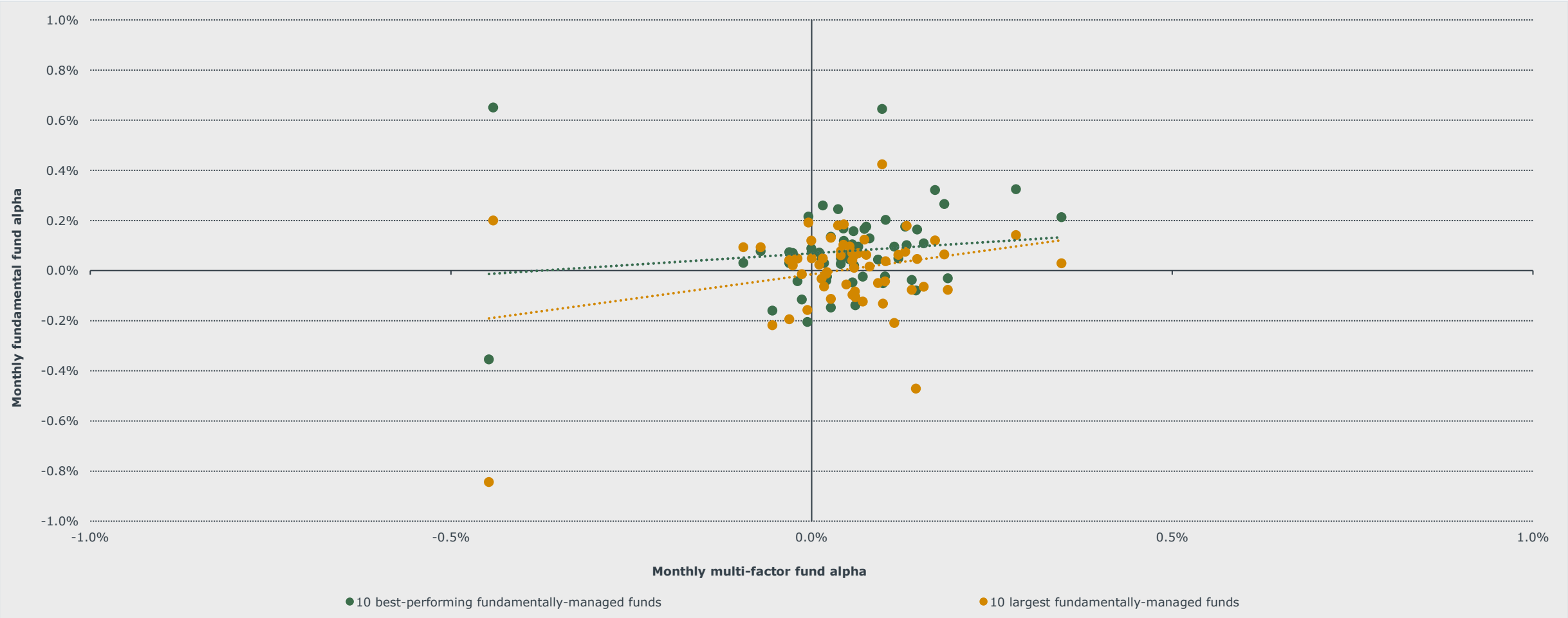
Source: Quoniam Asset Management GmbH

Systematic multi-factor alphas are much lower correlated with the market than fundamental fund alphas



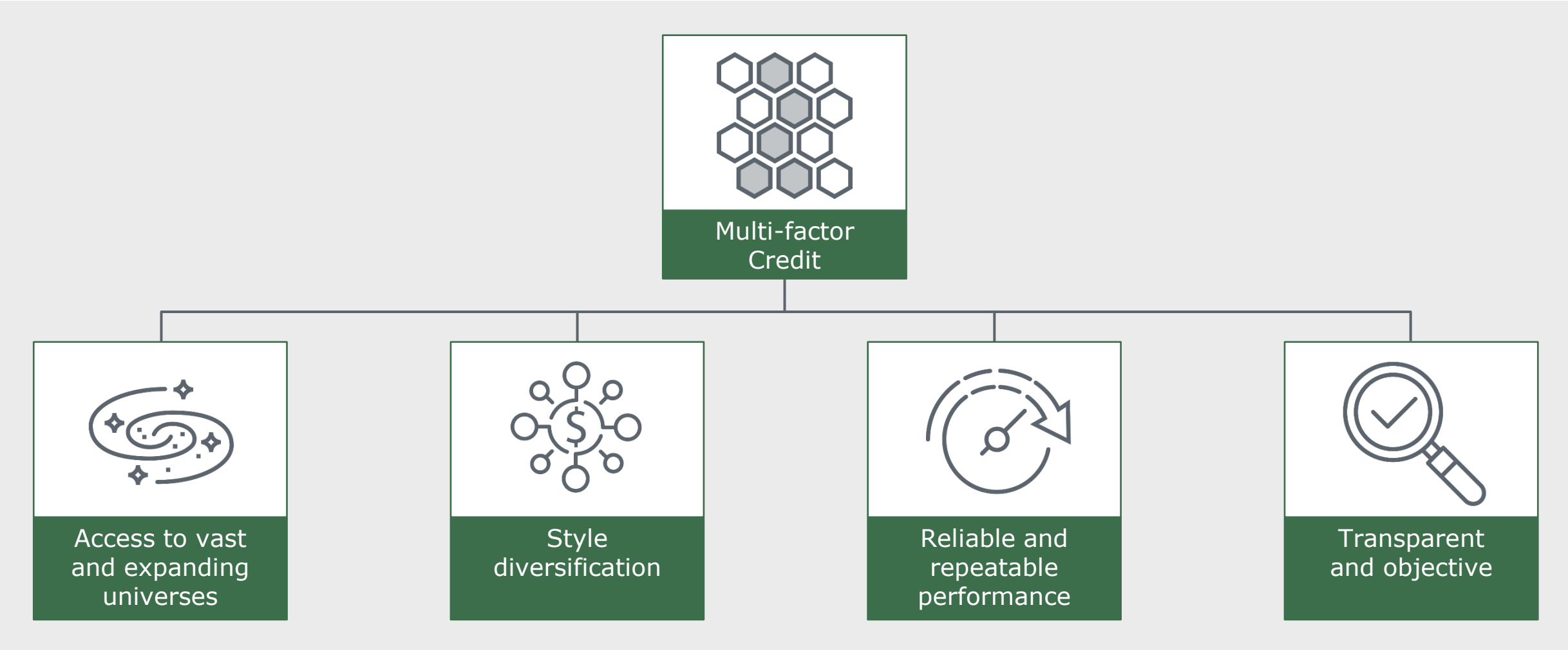
Fundamental funds in the Euro IG Credit strategy. Source: Bloomberg L.P.; Quoniam Asset Management GmbH, 06/2016-05/2021

Quantitative-systematic approaches have low correlation with traditional fundamental funds



Euro IG credit. Source: Morningstar, Quoniam Asset Management GmbH; 06/2016-05/2021

Characteristics of systematic approaches in credit



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