



INTEGRATING QUANTITATIVE STRATEGIES IN FIXED INCOME PORTFOLIOS

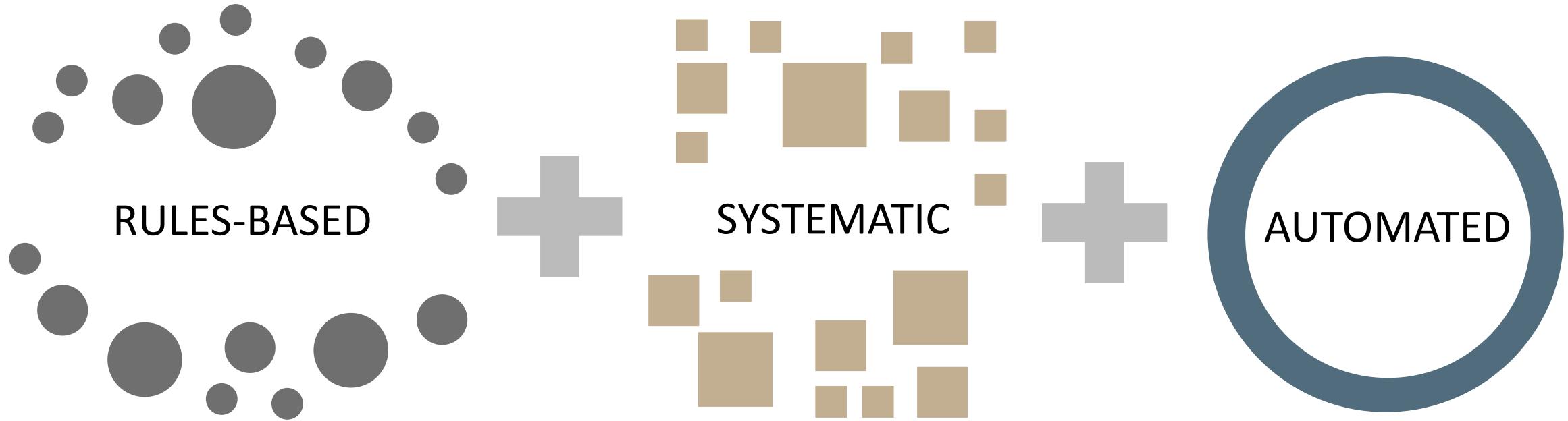
Investment Innovation Conference

Guest Speaker: Patrick Duplessis
Portfolio Manager, Fixed Income

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DEFINING QUANTITATIVE STRATEGIES



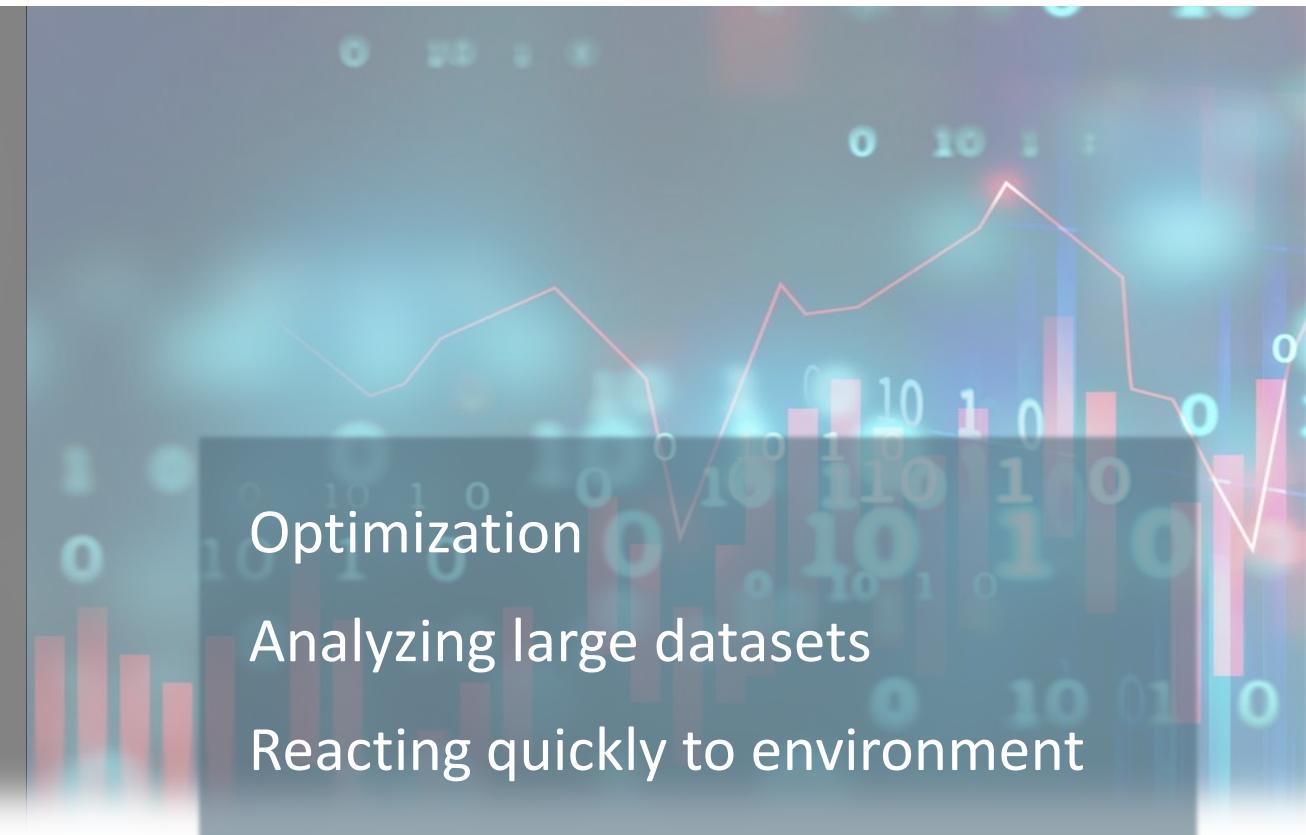
PORTFOLIO MANAGERS VERSUS QUANTITATIVE MODELS



Leveraging experience

Building trust with others

Strategic thinking



Optimization

Analyzing large datasets

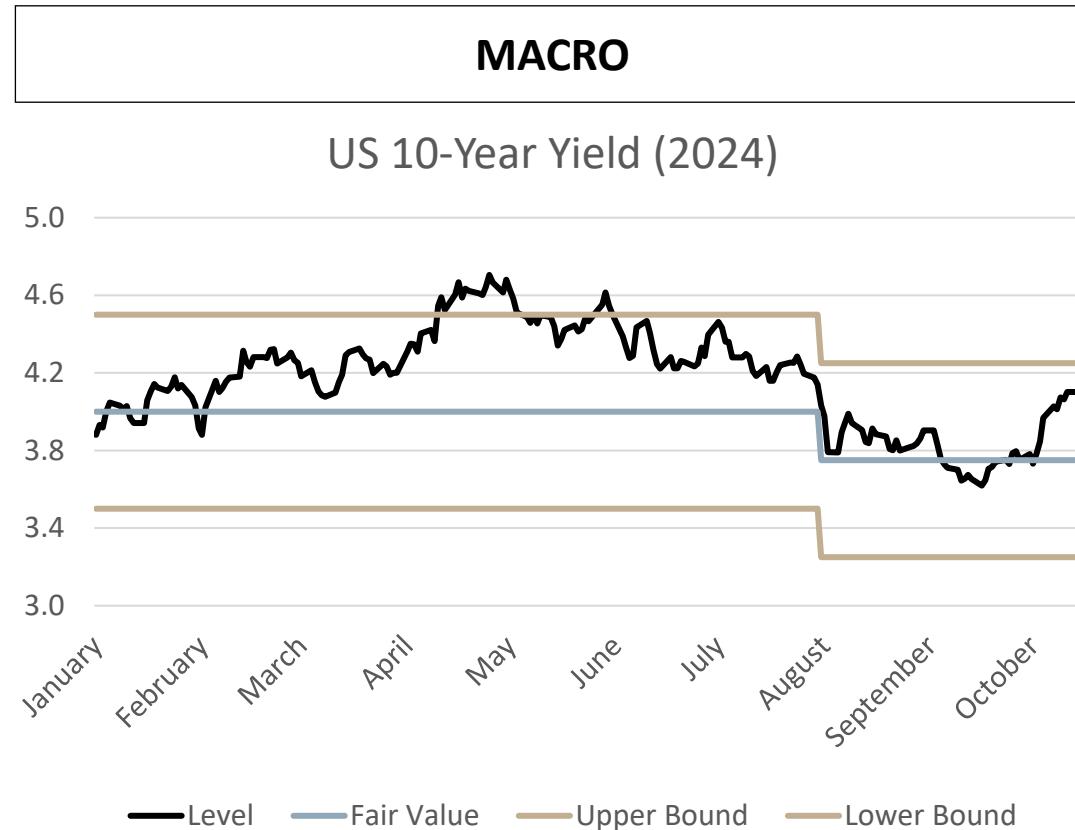
Reacting quickly to environment

BENEFITS OF QUANTITATIVE STRATEGIES

Improving portfolio value creation

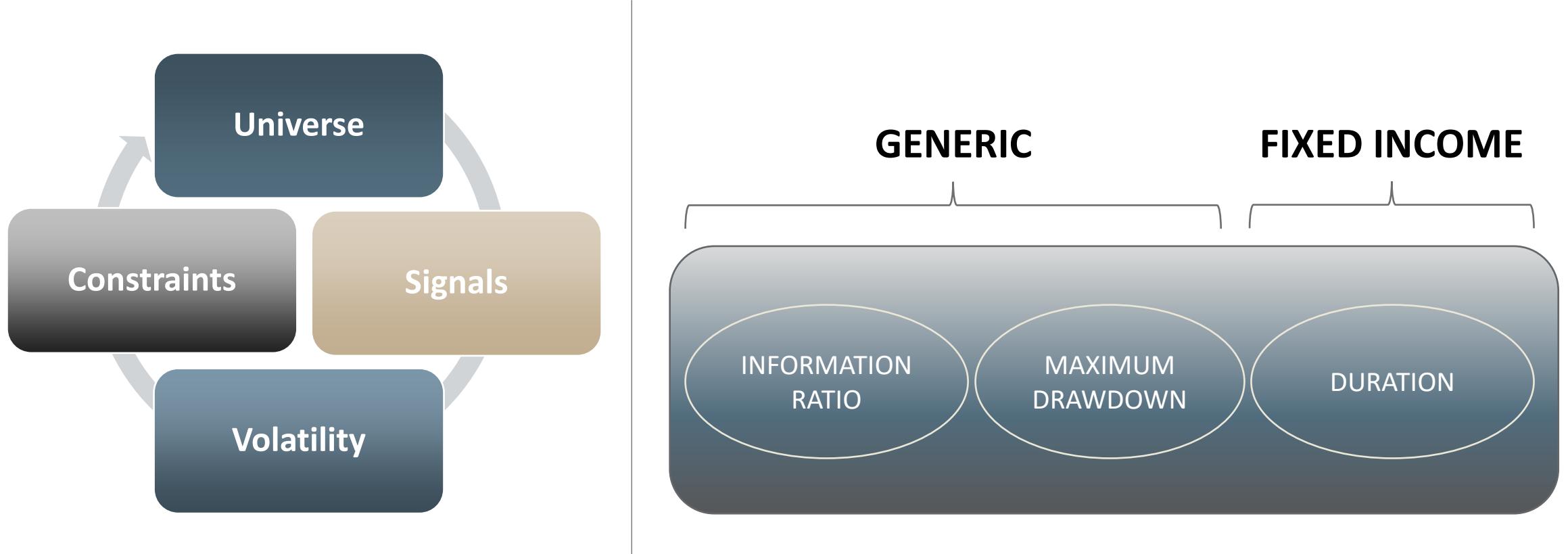
- › Diversification
- › Efficient decision making
- › Maintain active risk in a constrained opportunity environment

MACRO VS TREND



Models complement portfolio manager's style

MODEL SELECTION: FINDING THE RIGHT FIT



IMPLEMENTATION: CRITICAL LAST MILE

Proprietary

- › Tailored solution
- › Easy maintenance and enhancements

Quantitative Investment Strategies (QIS)

- › Extensive range of models
- › Efficient implementation

Investment team considerations

- › Fees/cost
- › Overfitting
- › Intellectual property
- › Crowding

BOTH REQUIRE SUBSTANTIAL TIME AND COMMITMENT FROM THE INVESTMENT TEAM



INTEGRATING QUANTITATIVE STRATEGIES IN FIXED INCOME PORTFOLIOS

- PLAYS A KEY ROLE IN A PORTFOLIO
- MODELS COMPLEMENT PORTFOLIO MANAGERS
- REQUIRES
 - PRUDENT SELECTION
 - PROPER IMPLEMENTATION
 - EFFECTIVE OVERSIGHT



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