Quoniam

Quoniam fixed income

A better way to invest in credit

As of 03/2026

Credit strategies

Alpha, without unnecessary risk

Quoniam's science-based, data-driven, approach to credit investing delivers alpha with lower risk and correlation.

Longevity and scale
With 20 years' experience of delivering systematic credit solutions, we are one of Europe's longest-standing and largest systematic credit managers.

Proven multi-factor model
Our dynamic multi-factor approach combines value, momentum and carry to generate additional alpha, at the same time making the portfolios far less exposed to the impact of spread movements.

Low correlation, high diversification
Our highly diversified strategies offer significantly lower correlation with traditional managers, reducing tracking error by up to 60% while preserving returns, making our strategies ideal for diversification in multi-manager credit allocations.

Whether as a core allocation or a strategic complement to existing exposures, Quoniam's systematic credit strategies provide investors with a rigorous, resilient and repeatable source of return – backed by 20 years of empirical research, continuous innovation, and tailored portfolio optimisation. They offer a better way to invest in credit.

Credit strategies

The Quoniam approach

Rigorous

Through science-based research, refined over 20 years, we have identified the essential range of metrics that drive the risk and return characteristics of corporate bonds.

We combine these metrics into a unique multi-factor signal that adds a further source of return.

Repeatable

Our highly efficient automated processes facilitate the simultaneous consideration of multiple investment decisions within and across large investment universes.

We build portfolios from the bottom up, analysing more than 28,000 instruments every day to identify the issues with the potential to contribute to future returns.

Resilient

At the same time, our risk systems enable us to identify those issues at risk of downgrade before it happens and to exit them if they are held in our portfolios.

This approach gives us a robust platform and repeatable process, delivering resilient portfolios that consistently deliver your return objectives for below benchmark risk.

Data-driven investing

Built on meaningful research

15
research professionals

20+
completed research projects per year

We constantly research new datasets and investment techniques that can add additional sources of return or risk reduction for our clients.

Our academic partnerships and the Quoniam doctoral program ensure that our thinking is informed and challenged by a wide pool of intellect.

Recent papers include:

Distinguishing factor strategies

How corporate bond and equity factor strategies differ

Learn more →

Diversifying credit portfolios

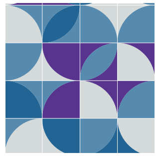
Investors benefit from investing in fixed income factor strategies

Learn more →

Incorporating pre-trade bond liquidity

Sharpening tradability and cost estimates for a better performance

Learn more →



Quality as a factor

What is the role of quality in corporate bond portfolios

Learn more →

As of 03/2026

Consistent performance Lower risk

Accessing the entire investible universe

5,000

issuers

28,000

instruments analysed every day

Our process is data-driven and built to generate consistent alpha while reducing risk and correlation.

A dynamic multi-factor approach

Quoniam's proprietary multifactor model decomposes bonds into individual risk premia and combines them into three complimentary signals – value, momentum, and carry. These signals are dynamically weighted to reflect prevailing market conditions, reducing reliance on any one factor, smoothing performance across cycles and enhancing stability.

Built for scale

Our platform is built for scale, scanning the entire investible universe every day, without key-person dependency. This adaptive framework enables forward-looking security selection and real-time risk management, including proactive downgrade avoidance.

Quantifiable customisation

We quantify the potential return, risk, and implementation cost impacts of specific customisations so clients can understand the precise potential impact of their requirements.

Liquidity analysis that expands opportunity

Optimised for better outcomes

Our pre-trade liquidity analysis significantly increases the size of the tradable universe. It adds predictive power to the traded volume and helps lower the estimation error for transaction costs. This enables us to trade a far greater range of instruments, opening up opportunities in smaller and mid-sized companies that are missed by many.

Investment strategies are overseen by experienced credit specialists who optimise portfolios with a clear focus on return potential, risk factors, liquidity, and cost efficiency.

This approach enables us to offer investors the potential for excess returns through a balanced, data-driven approach that enhances diversification, lowers drawdowns, and adapts dynamically to market conditions – all within a transparent and risk-aware framework.

Diversification that delivers

Broadly-based portfolios with low peer correlation

60%

reduction in tracking error
compared with fundamental portfolios

Traditional portfolios are typically highly exposed to the direction of spread changes in their holdings. As a result, the majority of fundamentally managed funds are highly correlated.

Our highly diversified portfolios balance value, momentum and carry, buffering the impact of market movements in spreads.

Our analysis shows that combining our approach with traditional portfolios reduces tracking error against benchmark by as much as 60%, with a minimal impact on portfolio return.

Including our strategies in a credit portfolio makes it significantly stronger in times of crisis, when large spread increases can happen suddenly.

Find out more →

Corporate Bond Euro Enhanced strategy

Avoid the pitfalls of passive replication

IN FOCUS: Corporate Bond Euro Enhanced strategy

In fixed income, passive isn't truly passive. Liquidity constraints, index turnover, and structural inefficiencies make full replication practically impossible. Quoniam's Corporate Bond Euro Enhanced strategy offers a smarter solution: a science-based, risk-aware approach that seeks to deliver consistent return enhancement – without taking on unnecessary risk.

- **Precision over replication**
  Built for real-world credit markets – our strategy avoids the pitfalls of passive replication by targeting investable, liquid bonds with minimal benchmark deviation.

- **Alpha, systematically extracted**
  A data-driven, multi-factor process identifies consistent return signals while maintaining a tight tracking error to the benchmark.

- **Efficiency you can see**
  Cost-effective implementation, transparent holdings, and low-fee structure – wrapped in a liquid, scalable format.

Features

- Targets investible liquid bonds with minimal benchmark deviation
- Highly diversified
- Cost effective, transparent and low fee

Aims

- To outperform the benchmark after costs
- Target a tracking error of less than < 0.5
- Target information ratio of 1

High Yield MinRisk

Exploiting anomalies and maximising diversification

0

defaults in High Yield

IN FOCUS: High Yield MinRisk

Our systematic high yield credit strategy is focused on delivering strong risk-adjusted returns in global high yield markets by avoiding concentration risk, exploiting capital market anomalies, and maximising diversification – independent of benchmarks.

This strategy is built for investors looking for a resilient approach to High Yield with low correlation, less drawdown and better balance.

Features

- A risk-reduced approach to high yield bonds
- Sector risk parity avoids over exposure to a single sector
- Highly diversified across issuers and sectors
- Reduced portfolio volatility and strong loss mitigation

Aims

- Increased risk-adjusted performance independent of benchmark
- Short duration and lower risk than benchmark
- Focus on maximising Sharpe ratio

Investment Grade

Diversified alpha with downgrade avoidance

16/9

year's outperformance for Euro IG

IN FOCUS: Investment Grade

Our systematic investment grade strategies offer investors a compelling route to excess returns through a balanced, data-driven approach that enhances diversification, lowers drawdowns and adapts dynamically to market conditions – all within a transparent and risk-aware framework.

These strategies are designed to complement or enhance core fixed income allocations by systematically uncovering return sources that traditional strategies may miss.

Features

- Targets benchmark outperformance with comparable risk
- Low tracking error and a proven track record of downgrade avoidance
- Diversified style complements traditional approaches in multi-manager portfolios

Aims

- Consistent outperformance of benchmark by 0.5% – 1% p.a.
- Gross information ratio of 1
- Low tracking error and drawdown
- Highly diversified
- High information ratio

As of 03/2026

Contact us to find out more about our solutions

Quoniam

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Disclaimer

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For more information and guidance on opportunities and risks, please visit quoniam.com/risk-information

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