

# Structured Credit Value

Q4 2021

## Objective

The Structured Credit Value strategy is characterized by high yield, low volatility, and low correlation to index fixed income sectors. The strategy aims for consistent excess returns in an inefficient market and is designed to outperform other credit strategies in volatile, risk-off market environments, while keeping up when the market is less stressed.

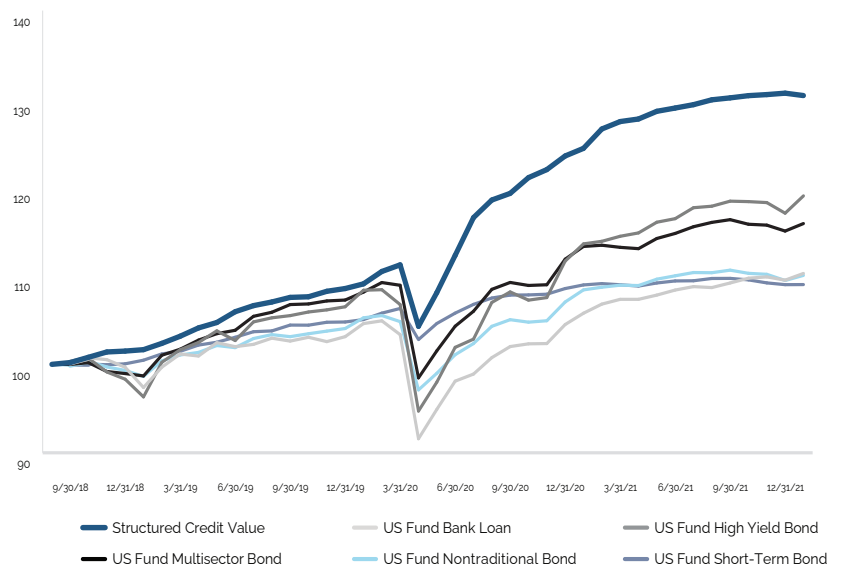
## General Information

AUM	\$294.2M
INCEPTION	9/1/18
VEHICLES	Separate Account & Mutual Fund

## Approach

- Low volatility, absolute return strategy achieved through active value security selection in an inefficient market designed to provide a high level of risk-adjusted current income and capital appreciation
- We aim to buy bonds below their intrinsic value at the time of purchase, providing a reliable way to generate excess returns that doesn't rely on market timing
- The latent value embedded in each position at the time of purchase accrues to portfolio excess returns over time, independent of market environment

## Absolute Return History<sup>1</sup>



## Investor Benefits

### YIELD

Structured Credit offers excellent income opportunities, comparable to high-yield bonds with less duration risk

### MARKET INEFFICIENCY

Non-index sectors are generally more inefficient since they're not subject to the persistent, price-insensitive demand of passive investors, which enhances the opportunity in the secondary trading markets

### DIVERSIFICATION

The asset class has low correlation to other fixed income asset classes due to its lack of overlap and exposure to different risk factors such as consumer credit vs. corporate credit

### NON-ETF

Structured credit is a sector generally not included in fixed income indices due to its diversity and analytical complexity and is therefore not available in a standalone ETF vehicle

<sup>1</sup> Charts represents Morningstar Total Return - OIA Structured Credit Value is showing the net of fees representative account

## Annualized Returns

As of 12/31/21

### OIA Structured Credit Value\*

Bloomberg Barclays US Aggregate Bond<sup>2</sup>

Q4 2021	1 Year	3 Year	Since Inception**
0.37%	6.37%	10.27%	9.83%
0.01%	-1.54%	4.79%	4.61%

## Calendar Year Returns

As of 12/31/21

### OIA Structured Credit Value\*

Bloomberg Barclays US Aggregate Bond<sup>2</sup>

2021	2020	2019	2018
6.37%	15.74%	8.92%	1.96%
-1.54%	7.51%	8.72%	0.98%

## Statistics

Bench – Bloomberg Barclays US Aggregate  
As of 12/31/21

	SINCE INCEPTION**
ANNUALIZED ALPHA	7.94
BETA	0.41
SHARPE RATIO	1.71
TRACKING ERROR	5.31
INFORMATION RATIO	0.98
UPSIDE CAPTURE	114.43%
DOWNSIDE CAPTURE	-49.86%

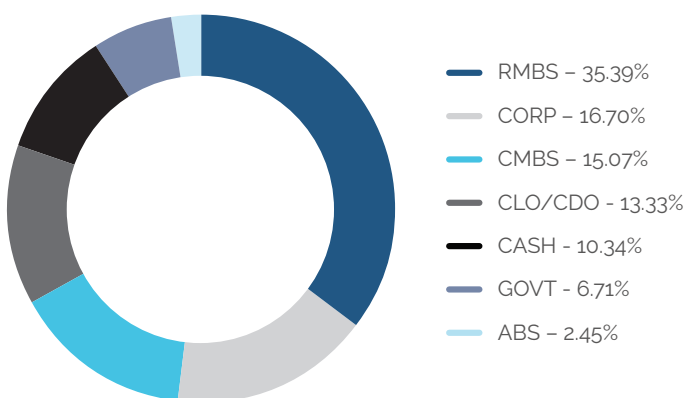
## Characteristics

As of 12/31/21

	OIA SC	BB US AGG.
AVERAGE YIELD	4.32%	1.76%
AVERAGE PRICE	94.31%	104.73%
AVERAGE COUPON	3.00%	2.43%
EFFECTIVE DURATION	1.88%	6.78%
SPREAD DURATION	3.30%	6.77%
% FLOATING RATE	46.65%	0.0%
% INVESTMENT GRADE	63.79%	100.0%

## Asset Allocation

As of 12/31/21



## Team

### Jay Menozzi, CFA

CIO & Portfolio Manager

Before founding OIA, Jay worked at Semper Capital Management for 17 years. He was CIO at Semper from 2010 until his departure in 2016, where he was also lead PM on the Semper MBS Total Return Fund (SEMMX), mortgage credit hedge fund vehicles, and several large institutional SMAs. Prior to Semper he held roles at Atlantic Portfolio Analytics & Management.

BS | Massachusetts Institute of Technology

MBA | Florida Institute of Technology

### Boris Peresechensky, CFA

Portfolio Manager

Before co-founding OIA, Boris was at Semper Capital Management for 11 years. He held several positions at Semper, working in R&D, Trading, and as a Senior PM / Trader of structured products. Prior to Semper, he held roles in risk management at Bayview Financial, HSBC Securities and Lazard Asset Management.

BA | Columbia University

\* Structured Credit Value representative account - Gross of Fees

\*\* Strategy inception is 8/21/18

<sup>2</sup> The Bloomberg Barclays U.S. Aggregate Index is a broadbased benchmark that measures the investment grade, U.S. dollar-denominated, fixed rate taxable bond market, including Treasuries, government related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass throughs), ABS, and CMBS. Investors cannot invest directly into an index.

Orange Investment Advisors, LLC is an investment adviser registered with the SEC. Registration does not imply a certain level of skill or training. All information in this communication has been obtained from sources believed to be reliable but cannot be guaranteed. There can be no assurance that the investment objective for these long only strategies can be achieved and past performance is no guarantee of future results. The Bloomberg Barclays US Aggregate is an index of unmanage securities, and the indices are not securities that can be purchased or sold.