IVOL White Paper: Diversification in Uncertain Times

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The purpose of this white paper is to explain why investors may want to consider incorporating IVOL as a potential long-term diversifier in their portfolio. We explore current as well as various potential market conditions. In doing so, we examine IVOL's potential diversification benefits in relation to more traditional assets.

In setting forth this argument, we rely upon historical correlation data. Of course, past performance does not guarantee future results. Like all potential diversifiers, IVOL may perform well in certain market conditions and not as well in others, which we will attempt to illustrate here. Also, like all assets, IVOL has its own set of risks. We set these forth in greater detail in the IVOL Risk Profile section later in the paper.

Contents

Introduction

The global economy is clearly entering another phase. The novel coronavirus has cost millions of lives and disrupted economies around the world. New variants have led to renewed concerns. Yet many financial markets have rallied well beyond their pre-virus highs. Where do we go from here? Some of the key questions include:

- Are the unprecedented trillions of dollars of global fiscal stimulus combined with limitless bond buying sufficient to put things right? Are they too much?
- How much economic growth is lost due to the disruption of global supply chains? How long will it take for them to function smoothly again?
- How dangerous are new variants of the virus? Are we on the verge of economic boom, or will we head back indoors under new restrictions?
- How should investors position portfolios for such a wide array of potential outcomes?

Investors are also worried about diversification in their portfolios. When the pandemic hit, stocks and bonds sold off together. Parts of the market may not have performed as investors expected. Many may wonder where they can find potential diversification in a time of heightened correlations. These investors may wish to consider IVOL, the Quadratic Interest Rate Volatility and Inflation Hedge ETF.

2019 ETF.com Award Winners

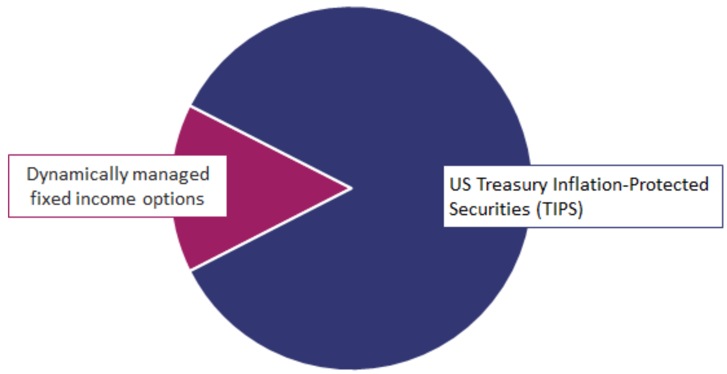
IVOL won the "Best New US Fixed Income ETF for 2019" IVOL was in good company, as the other nominated funds were issued by Nuveen, Van Eck, Goldman Sachs and Blackrock.

The Quadratic Interest Rate Volatility and Inflation Hedge ETF (NYSE ticker: IVOL) seeks to hedge relative interest rate movements and to benefit from market stress when fixed income volatility increases, while providing the potential for enhanced, inflation-protected income. What makes IVOL unique is that it is long interest rate volatility via its access to the OTC fixed income options market. This is the key to IVOL's many applications.

IVOL has experienced strong performance and AUM growth since its launch in 2019. Institutional investors seeking diversification and a potential hedge for their portfolios are now using the IVOL ETF as an allocation tool. We have seen endowments, foundations, pensions, insurers and other fund managers buying IVOL as a way to complete and diversify their portfolios, and also as a replacement for their US Treasury holdings.

Key Features

About 85% of the IVOL portfolio is composed of US Inflation Protected Treasuries. The balance of the portfolio is comprised of fixed income options and cash.



IVOL is an ESG fixed income ETF that seeks to hedge relative interest rate movements, whether these movements arise from falling short-term interest rates or rising long-term interest rates, and to benefit from market stress when fixed income volatility increases, while providing the potential for enhanced inflation-protected income.

While reading this white paper, investors unfamiliar with IVOL may find it helpful to consider some of the factors which impact the value of the IVOL portfolio:

Factors that Impact IVOL	Increasing	Decreasing
TIPS Bond Price	✓	✗
Interest Rate Volatility	✓	✗
Expectations for Fewer Fed Hikes or Lower Short Dated Interest Rates	✓	✗
Long Dated Interest Rates	✓	✗

The ✓/✗ symbols indicate the potential effect these scenarios may have on IVOL, with the ✓ indicating a potential positive effect and the ✗ indicating a potential negative effect.

IVOL in Various Market Environments

To begin, we discuss IVOL's potential performance in three very different market environments – "Risk On," "Risk Off," and "Stagflation." We believe IVOL could work well in all three scenarios, potentially functioning as an enhanced distribution generator, a low correlation allocation, a value play and/or a hedge depending on how it is used in a portfolio. Then we will consider IVOL's potential as a diversifier.

IVOL during Periods of "Risk On"

The U.S. government recently announced an "infrastructure plan" valued at over $1 trillion. This follows on the heels of a separate "stimulus" program equivalent to nearly 14% of GDP. Central banks around the world have taken rates to zero (and below). It seems as if every business one visits has a "help wanted" sign in the window. Many observers expect to see the economy strengthening rapidly. Prices for many risk assets have already anticipated such a move.

All of this spending, coupled with low rates, has raised the specter of inflation. Such a development could be difficult for fixed income investors.

We have long been conditioned to think of bonds as "safe." But this is far from true for investors who care about the mark-to-market price, especially of their longer dated bonds. Bonds are exposed to interest rate risk, commonly called duration. The higher the duration, the higher the sensitivity of the bond to changes in interest rates. As interest rates rise, the price of the bond declines, causing investors to mark down the price. In today's low rate world, the risk is more pronounced. With yields lower, the duration risk is even higher. It is a treacherous time to be a fixed income investor.

Despite the recent moves, the 10-year Treasury remains expensive from a historical perspective. While they don't carry credit risk, long-duration Treasuries are far from risk-free in the current environment. The risk of owning otherwise "risk free" US Treasuries comes from the bonds' duration. The longer the duration, the greater the risk. An investor who owns 30-year US Treasuries at today's rates should expect to lose around 19% on the mark-to-market of his bonds if the 30y yield rises by 1%. 10 Year Treasuries will lose roughly 8.6% of their mark-to-market value if the 10y yield rises by 1%.

As the risk of rising rates becomes a reality, many investors have tried to mitigate their duration risk by making exactly this trade - trading out of longer dated bonds and into "short duration" bonds, typically those with a duration of 2 years or less. They do reduce their duration risk, but they do not eliminate it. Investors who are long fixed income will lose money on their mark-to-market if rates rise. It's simple bond math.

Furthermore, while yields remain near historic lows, bond investors have almost no cushion to absorb these mark-to-market losses. As we write this, the 10y US Treasury has a yield of 127bps. That means if 10-year rates rise by more than 14.2 bps, that entire years' worth of yield will be wiped out by the mark-to-market loss on the bonds. If yields rise by more, the loss grows larger. How many investors are mentally ready to see negative returns in their "risk free" Treasury holdings?

In the chart below, we quantify this phenomenon for several points on the Treasury curve. First, we take the current yield at several popular points on the curve. Then, we calculate the effect on the price of those bonds if yields at that maturity rise by 1%. Last, we calculate how many basis points the yield at that maturity could rise until the mark-to-market loss on the bond's position would exceed the full year's yield.

	3 month T-bill	**6 month T-bill**	**1 year Treasury**	**2 year Treasury**	**5 year Treasury**	**10 year Treasury**	**30 year Treasury**
Current Yield	0.05%	0.05%	0.07%	0.20%	0.75%	1.27%	1.92%
Price drop for a 1% rise in the yield	-0.24%	-0.49%	-0.98%	-1.96%	-4.81%	-8.96%	-20.58%
Basis point rise in yield before mark-to-market loss exceeds annual yield	20.4	10.0	7.5	10.1	15.4	14.2	9.0

Source: Bloomberg and Quadratic Calculations as of August '21

It's easy to see why investors who expect rates to rise might bide their time by holding so-called "short duration" bonds. Yet these bonds generate very little income with rates so low, and potentially create a drag on performance.

An investor who expects a return to "Risk On" should consider an allocation to IVOL in order to benefit from rising inflation expectations without exposing their portfolio to further equity risk in the event of a sell-off. In a "Risk On" environment, TIPS will likely continue to outperform nominal bonds because inflation expectations should rise. At the same time, the curve should steepen further and the options inside IVOL should perform well.

We have built IVOL using Treasury Inflation-Protected Securities (TIPS). But we have enhanced our TIPS with a portfolio of long interest rate options. Why? Aren't TIPS already indexed to inflation?

TIPS reset their principal amounts based on the Consumer Price Index (CPI). CPI is a basket calculation performed by the US Bureau of Labor Statistics (BLS). Its single biggest component – roughly one third of the entire measure - is the cost of shelter, for which it largely uses rent as a proxy. As the BLS says on their website, CPI measures “the prices paid by urban consumers for a market basket of consumer goods and services.”[1] Perhaps CPI is not the most appropriate measure of inflation for fixed income investors?

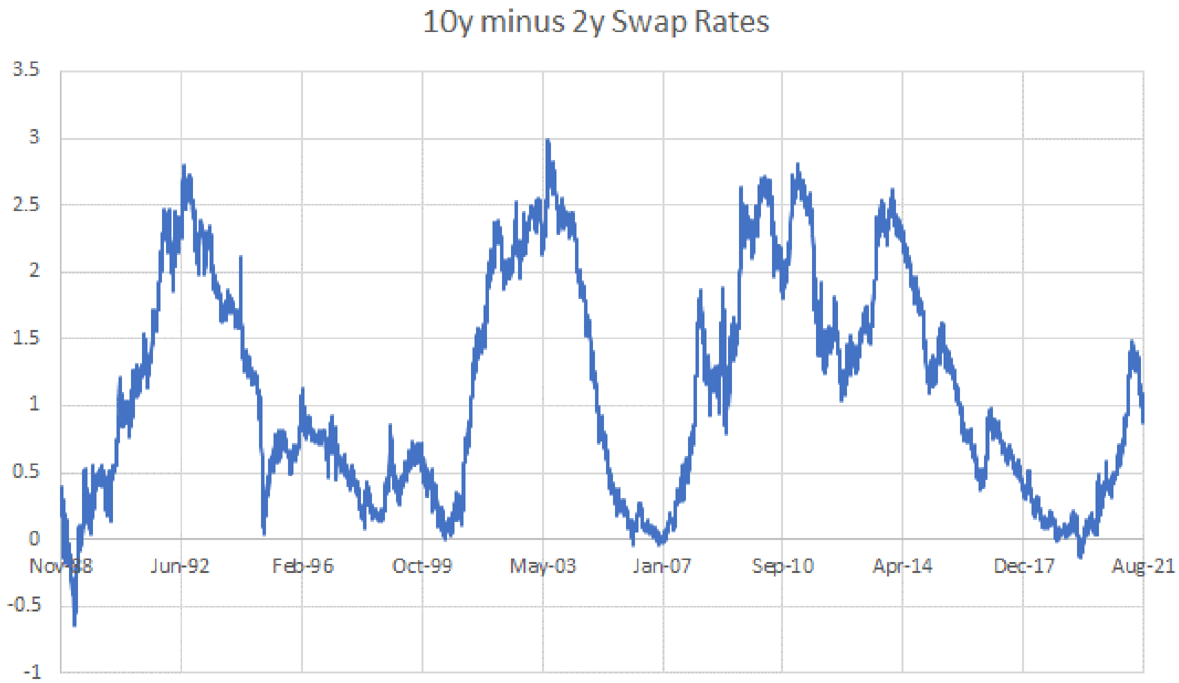
Instead, we believe bond investors should care far more about inflation expectations for the future. It is these expectations for future inflation which really impact the rate sensitivity of bond portfolios. How can we measure these expectations? Columbia University’s Frederic Mishkin found that “… the term structure of interest rates can be used to help assess future inflationary pressures: when the slope of the term structure steepens, it is an indication that the inflation rate will rise in the future…”[2]

IVOL provides access to the term structure of the swap yield curve. It is important to note that this is different than the Treasury yield curve where the Fed conducts its QE purchases. IVOL provides exposure to a different measure of inflation expectations outside of the CPI Index which is calculated by the BLS’ CPI basket.

IVOL’s exposure to the swaps yield curve better reflects the global market’s expectations for interest rates in the future. It’s a measure of interest rates and inflation expectations that may be more relevant to investors beyond the owner occupied rent calculation that makes up a third of the CPI basket. The swap yield curve also incorporates the market’s expectations for interest rates in the future plus other factors such as liquidity and credit quality of banks. Swap rates can trade higher or lower than Treasury yields with corresponding maturities. Currently the steepness of the swaps curve is lower than the steepness in the Treasury curve, allowing for a better entry level in the options used by IVOL. We see that as a value opportunity for IVOL investors to own exposure to a steeper curve at lower levels than Treasuries.

We believe that enhancing our TIPS with options gives us both a broader and a more targeted way to own inflation expectations. Our interest rate options have the potential to increase in value with a normalization of inflation expectations that are not in the CPI basket.

Many investors who are expecting a “Risk On” market in the coming months are already concerned about inflation. The financial press reflects this concern. The debate seems to center on whether or not the inflation we are seeing is “transitory.” Despite all the ink poured out on inflation stories, we can see from the chart below the market’s expectation for inflation remains relatively flat by historical standards. While expectations built steadily in the early part of the year, that concern has waned.



Source: Bloomberg and Quadratic as of 8/9/21

If the appetite for risk assets builds, we would expect inflation expectations to increase again, making the curve steeper and returning it to more normal levels. This would be an outcome entirely consistent with "Risk On." Owning IVOL allows investors potentially to benefit from increases in long dated interest rates and/or a steepening of the yield curve. IVOL may be useful in cushioning the effect of such a move on investors' bond portfolios.

For these reasons, we believe that IVOL represents a potential diversifier for investors concerned about the negative effects a normalization of risk pricing may have on their portfolio of nominal Treasuries or other bonds. Adding IVOL to a portfolio of Treasuries may cause that portfolio to outperform during periods of heightened inflation expectations, fixed income volatility or any time the curve steepens, either from short rates falling or long rates rising. Additionally, in the current environment, adding IVOL is a potential value play because inflation expectations are below realized.

There are scenarios in which IVOL may underperform a portfolio of TIPS alone. These scenarios would include periods of falling inflation expectations. If the market believes inflation will fall further than currently expected, our options may lose value, and this would cause IVOL to underperform a portfolio composed exclusively of TIPS. Similarly, IVOL may underperform if fixed income volatility were to decrease, as it may negatively impact the value of our options. Our options also may lose value if the yield curve were to invert or flatten further.

IVOL during Periods of Recession ("Risk Off")

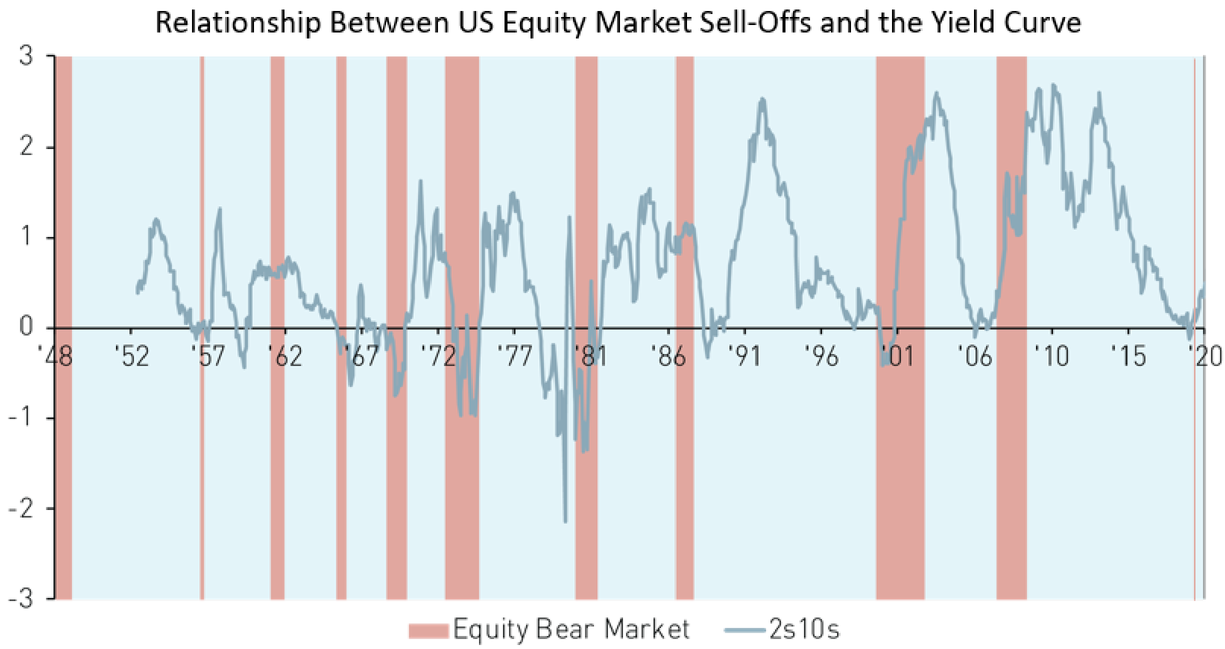
Other investors believe that risk assets have rallied beyond reason. New variants of the virus may lead to renewed restrictions, inflation may force the Fed to hike rapidly, or global supply chains may remain disrupted long enough to curtain earnings further. These investors believe that the next move for risk assets is down, perhaps significantly. Some may even worry that the world economy is entering a prolonged depression.

With every major economy in the world engaged in unprecedented peacetime levels of Keynesian stimulus, and monetary policy as accommodative as possible, it is hard to imagine how much more governments and central banks could do to attempt to revive the global economy. It's a scary question to contemplate: what if it's not enough?

A significant sell-off, with the Fed largely out of ammo, could be a nightmare for investors. Real rates could go negative. Investors who expect a "Risk Off" environment in the coming months have to be concerned about their exposure to equities and other risk assets.

IVOL offers a potential hedge against corrections during times of increased fixed income volatility and/or negative US interest rates which have the potential to cause a steepening of the interest rate curve. How is it that options on the shape of the yield curve may be attractive during times of "Risk Off"?

As the chart below shows, large declines in equity markets are usually accompanied by a marked increase in the steepness of the yield curve. This relationship held true even in the '08-'09 decline, when almost every other asset class fell right along with equities. Equity bear market defined as a peak-to-trough greater than 20% over trailing one year.



Source: Goldman Sachs and Quadratic Capital as of Q4 2020.
S&P500 is the equity index and 2s10s is defined as the difference between the 10y and the 2y swap rates.
Past performance does not guarantee future results.

IVOL seeks to benefit from this increase in yield curve steepness and thus may work as a potential hedge against equity losses. If this relationship were to hold up in the next large equity sell-off, we would expect our options on the shape of the yield curve to increase in value. That would allow IVOL to serve as a potential hedge to holders of equities.

As we watch the interplay of economic recovery and new emerging variants, we believe continuing uncertainty is likely to feed higher volatility. IVOL owns fixed income volatility in the form of interest rate options. So the higher volatility which often accompanies troubled markets could also be a boost for IVOL. Note that IVOL's function as a potential hedge against falling risk asset prices does not require an investor to lose out on potential positive returns in a "Risk On" environment. IVOL is not a "tail fund."

Investors should be prepared for multiple scenarios in the coming months. If market volatility, and especially interest rate volatility, were to fall, IVOL might not perform well. This is because volatility is a key input into the price of options. Since IVOL owns options on the shape of the yield curve, a fall in volatility may lower the value of the options in the portfolio. If, on the other hand, volatility were to increase, the value of our options would be more likely to increase.

IVOL during Periods of High Inflation and Lower Growth ("Stagflation")

Stagflation is a disastrous outcome for investors. Higher prices coupled with lower growth is a potentially terrible environment to generate positive real returns. The global chip shortage is the latest supply chain disruption and has caused many Fortune 500 companies to cut earnings estimates even as prices for their products rise. With companies having trouble sourcing components or finding workers, we could see prices rise even as the economy stays stuck. Policy changes that result in reductions of international trade could also be catalysts for stagflation.

Investors might hope that a large bond portfolio would provide some protection in this stagflation environment, but stagflation could be difficult for holders of fixed income instruments. Bonds could be just as likely to sell off as equities, foiling the popular "risk parity" strategy.

Additionally, the bond market is susceptible to supply and demand dynamics that could lead to a decoupling of normal correlations. A classic example occurred during the immediate aftermath of the financial crisis from January to March 2009. During these months, the equity market deteriorated along with the economic data. Investors who looked for a haven in Treasuries were not successful. 2 year US Treasuries sold off by 19 basis points (bps) and 10y Treasuries sold off by 41bps due to higher supply as the Treasury sought to finance increasing deficits.

As correlations increase, equities and bonds could sell off together. The type of options portfolio held by IVOL has the potential to benefit from such a scenario. In an environment of increasing volatility, rising prices and higher inflation expectations, IVOL's TIPS and options would be expected to do very well because the interest rate curve is likely to steepen, and volatility increase in such an environment. The positive effect could be even further enhanced by any negative rate cuts the Fed may undertake to stimulate the economy. If, on the other hand, prices fall and the economy experiences disinflation, IVOL may underperform. This is because lower levels of expected inflation, other factors being held equal, might cause the value of the options owned by IVOL to fall. Lower levels of expected future inflation might also cause the TIPS portion of the portfolio to fall.

We certainly do not hope for a stagflation scenario in the US, but under such an interest rate scenario as described, IVOL's options portfolio may help mitigate investor losses elsewhere in their portfolio

Summary Table

The table below summarizes the potential benefits and risks of IVOL in each of the three scenarios we have discussed above:

Environment	Risk On	Risk Off	Stagflation
Potential Benefits (upside)	• Owns inflation expectations • Options should increase in value as yield curve steepens • Portfolio of treasuries + IVOL may outperform in heightened inflation expectations	• Options should increase if volatility increases during correction • IVOL may hedge drops in risk assets elsewhere in the portfolio	• Equities / bonds may sell off together in “stagflation” • IVOL may outperform due to rising volatility and a steeper yield curve
Potential Risks (downside)	• IVOL may underperform TIPS if inflation expectations fall or fixed income volatility falls or the curve flattens	• Options should decline in value if fixed income volatility falls	• IVOL may fall if bond prices fall more than options rise

Diversification? In this market?

During the outbreak of the COVID-19 pandemic, we saw that a simple mix of stocks and bonds may not give investors the true diversification necessary to reduce the volatility of their returns. IVOL could potentially play a role in providing diversification. Of course, past performance does not guarantee that IVOL will continue to perform in this fashion in the future.

As the table below shows, IVOL has had very low correlations with major indexes since its launch. Holdings with such low correlation coefficients can be very attractive to investors looking to temper large swings in their portfolios. Note that IVOL has achieved these low correlations during a time when most other assets were becoming more correlated with each other, not less. Investors who have been disappointed with parts of their portfolios which failed to act as expected may want to consider if IVOL might better serve their needs for diversification.

IVOL NAV Correlation To:	DOW	S&P 500	Barclays Agg	MSCI EM	HY Credit	Gold	VIX
Daily Correlation	0.05	0.06	0.05	0.15	0.14	0.15	-0.10

Daily correlation from 5/14/19 to 8/6/21. Data from Bloomberg and Quadratic calculations

Conclusion

Investors need to prepare for the possibility of all three of the market environments discussed above: “Risk On,” “Risk Off,” and “Stagflation.” Even those with high conviction on a likely outcome need to be prepared to be wrong. We believe that IVOL has the capability to work well in all three scenarios, potentially functioning as a yield generator, a low correlation allocation, a value play and/or a hedge depending on how it is used in a portfolio.
IVOL’s unique structure and defined strategy make it a potential long-term asset allocation diversifier.

IVOL’s Risk Profile

Since IVOL owns volatility in its portfolio, it should do well whenever interest rate volatility increases. This does not mean there is no risk to owning IVOL. It is important to understand that IVOL may also underperform or lose money when the interest rate curve flattens or inverts.

Additionally, while IVOL does not borrow against its holdings, the OTC options used by IVOL may give rise to a form of asymmetry which may magnify the fund’s potential for gain and the risk of loss. The prices of options can be highly volatile, and the use of options can lower total returns.

It is important for investors to understand how OTC options work. OTC options generally have more flexible terms negotiated between the buyer and the seller. As a result, they are generally subject to greater credit risk and counterparty risk. OTC instruments may also be subject to greater liquidity risk. As discussed previously, IVOL seeks to mitigate the risk associated with the potential impact of a steepening yield curve (“curve risk”) on the performance of U.S. government bonds by investing in OTC options designed to appreciate in value when the yield curve steepens. There is no guarantee that the Fund’s investments will completely eliminate the curve or inflation risk of its long positions in U.S. government bonds. IVOL’s use of such instruments is not intended to mitigate credit risk, or non-curve interest rate risk. In addition, when the curve flattens, the Fund’s investments will generally underperform a portfolio comprised solely of U.S. government bonds. In a flattening curve environment, IVOL’s hedging strategy could result in disproportionately larger losses in the Fund’s options as compared to gains or losses in the U.S. government bond positions attributable to interest rate changes. The Fund’s exposure to derivatives tied to interest rates subjects IVOL to potentially greater volatility than investments in traditional securities, such as stocks and bonds. Investing in derivatives tied to interest rates, including through options tied to the shape of the yield curve, is speculative and can be extremely volatile.

Additionally, IVOL invests in debt securities, which typically decrease in value when interest rates rise. This risk is usually greater for longer term debt securities.

About Quadratic Capital

Quadratic Capital is an innovative asset management firm founded in 2013 by Nancy Davis. Ms. Davis serves as the firm’s Chief Investment Officer and is the portfolio manager for the Quadratic Interest Rate Volatility and Inflation Hedge ETF (NYSE ticker: IVOL). IVOL was named the “Best New US Fixed Income ETF of 2019” by ETF.com.

Quadratic is a registered Small/Minority Business Enterprise and a majority woman-owned firm, and is a member of the Sustainability Accounting Standards Board (SASB) Alliance which supports the elevation of financially material ESG standards. The firm is based in Greenwich, CT.

Citations

1. Source: https://inflationdata.com/Inflation/Inflation/DecadeInflation.asp),
2. Mishkin, Frederic S., "The Information in the Longer Maturity Term Structure About Future Inflation," NBER Working Paper Series (Sept. 1989) p. 14.

Definitions

Yield curve: The yield curve shows the prevailing yield of bonds having the same credit risk, but different maturity dates. The most common yield curve is the treasury yield curve that displays the 3m, 2y, 5y, 10y and 30y bond yields. The x-axis displays the maturity and the y-axis displays the yield.
Long interest rate volatility: A strategy that purchases options in the market and benefits if the implied volatility used to price these options increase.
OTC fixed income options: Options whose underlying are fixed income instruments and don't trade in the listed market or on an exchange. The options are traded in the over-the- counter market directly between two parties.
CPI: The Consumer Price Index (CPI) is a metric that measures a basket of consumer goods and services. Changes in the CPI are commonly used to assess changes in the cost of living. It is used to identify periods of inflation or deflation.
Disinflation: It is the slowing of the pace of price inflation.
Risk parity: It is strategy used in portfolio management focused on the volatility of the underlying asset instead of the allocation of capital. It relies on historical volatility and correlation between assets to determine the optimal asset allocation.
Spread: Additional yield that a bond pays above the benchmark rate.
Risk On / Risk Off: Risk On is broadly defined as periods when equity prices are rising, overall market sentiment is positive, and perceived risk is low. Risk Off is the opposite of Risk On.
Stagflation: Stagflation is an economic condition when there is slow economic growth accompanied by or inflation.
Roll down: A roll down is the effect that happens to instruments purchased at a future price that is different from the price today. As time goes by, the value of the instrument converges from the future price to the present price as maturity is approached.
Spot: The spot price is the current price at which an asset is traded for immediate delivery.
Carry: Cost or benefit of holding a position over time assuming no changes in the market.
Implied Volatility: Implied volatility is a metric used to measure the market's probability of changes in the price of an instrument. Investors use to price options contracts.

The Dow Jones Industrial Average ("Dow") is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ.
The S&P 500, ("S&P"), is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the US.
The MSCI Emerging Markets ("MSCI EM") Index captures large and mid-cap representation across 26 Emerging Markets (EM) countries.
The iBoxx iShares High Yield Corporate Bond Index (HY) is designed to reflect the performance of USD denominated high yield corporate debt. VIX is a CBOE index that represents equity volatility of 30-day expectations of the S&P 500 equity index.
Bloomberg Barclays US Agg ("BarclaysAgg") The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Important Information

For Institutional Use Only. Not for Retail Distribution.
This material represents the opinion of the manager. It should not be regarded as investment advice or recommendation of specific securities.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the company and may be obtained by calling +1-833-IVOL-ETF. Please read it carefully before investing.

Investing involves risk. IVOL has a limited performance history, and there is no guarantee the Fund will achieve its investment objectives. Principal loss is possible. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. The Fund is non-diversified.
There are risks involved with investing in options including total loss of principal. Options investing is not suitable for all investors. This fund utilizes sophisticated options strategies which may not be suitable for all investors. For a more comprehensive discussion of the risks involved in options investing, please review Characterizations and Risks of Standardized Options available at www.theocc.com/about/publications/character-risks.jsp or contact the Options Clearing Corporation directly at 1 N. Wacker Dr., Suite 500, Chicago, IL 60606. (1-888-678-4667)
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Nancy Davis founded Quadratic Capital Management in 2013. She is the firm's managing partner and serves as the portfolio manager for The Quadratic Interest Rate Volatility and Inflation Hedge ETF (NYSE Ticker: IVOL).

Ms. Davis began her career at Goldman Sachs where she spent nearly ten years, the last seven with the proprietary trading group where she rose to become the Head of Credit, Derivatives and OTC Trading. Prior to starting Quadratic, she served as a portfolio manager at Highbridge Capital Management and in a senior executive role at AllianceBernstein.

She has been the recipient of numerous industry recognitions. Barron's named her to their inaugural list of the "100 Most Influential Women in U.S. Finance." Institutional Investor called her a "Rising Star of Hedge Funds." The Hedge Fund Journal tapped her as one of "Tomorrow's Titans."

Ms. Davis writes and speaks frequently about markets and investing. She has been published in Institutional Investor, Absolute Return and other industry journals, and has contributed articles to two books. She has been profiled by Forbes, and interviewed by Barron's, The Economist, The Wall Street Journal, and The Financial Times among others. Ms. Davis is a frequent guest on television including CNBC, Bloomberg, CNN, Sina and ABC.