



Meet the Managers – Scott Solomon & Quentin Fitzsimmons

November 2023

Meet Scott Solomon, Co-portfolio Manager, Dynamic Global Bond Strategy

- 15 Years of Investment Experience
- 17 Years with T. Rowe Price
- Office Location: Baltimore

Timeline

- 2023–Present Co-portfolio Manager for the Dynamic Global Bond Strategy
- 2018–2023 Associate Portfolio Manager for the Dynamic Global Bond Strategy
- 2008–2018 Investment Analyst, Investment Liaison, Fixed Income Research Liaison
- 2005–2008 Joined T. Rowe Price and worked on the Mutual Fund Accounting team

Meet Quentin Fitzsimmons, Co-portfolio Manager, Dynamic Global Bond Strategy

- 32 Years of Investment Experience
- 8 Years with T. Rowe Price
- Office Location: London

Timeline

- 2023–Present Co-portfolio Manager for the Dynamic Global Bond Strategy
- 2015–Present Portfolio Manager for the Global Aggregate Bond Strategy and Global Government Bond portfolios
- 2013–2015 Royal Bank of Scotland Group
- 2003–2012 Columbia Threadneedle



Scott Solomon

*Co-portfolio Manager,
Dynamic Global Bond Strategy*



Quentin Fitzsimmons

*Co-portfolio Manager,
Dynamic Global Bond Strategy*

Meet Scott Solomon and Quentin Fitzsimmons, Co-portfolio Managers, Dynamic Global Bond Strategy

Scott Solomon and Quentin Fitzsimmons were appointed as co-portfolio managers of the Dynamic Global Bond Strategy in February 2023. With almost half a century of combined investment experience, they possess deep expertise of the multi-trillion-dollar global fixed income market. Their skill sets also complement each other—Scott has a strong credit background, while Quentin has tenured experience

in interest rate management and portfolio construction. This is an ideal combination to take the Dynamic Global Bond Strategy forward as the founder, Arif Husain, transitions off at the end of the year and moves to a new role as head of Global Fixed Income.

Q1: Tell us about your background and how you started your investment career.

Scott: From a young age, I've always had a keen interest in investing. This motivated me to pursue a career in asset management, joining T. Rowe Price back in 2005. I first

moved into fixed income in 2008 as a research liaison, which involved supporting the work of research analysts. I would often accompany analysts to meetings with companies, which was a great learning experience as the global financial crisis was unfolding at that time. After this, I moved into the investment liaison role, where I was able to observe the art and science of portfolio management. I contributed to helping improve our attribution capabilities. This value-added work was recognized and helped me earn a spot in the quant team, where I had the opportunity to provide a daily impact on several different strategies, including the New Income Fund, and expand our toolkit of alpha drivers.

In 2018, I was appointed associate portfolio manager for the Dynamic Global Bond Strategy. These past five years have seen me focus on macro-based perspectives and processes while emphasizing the important diversification properties of the strategy. In particular, I took on analyst coverage of Australia and also serve on the firm's flagship Interest Rate and Currency Committee.

Quentin: I started working in fixed income markets back in 1991 when bond yields were a lot higher than where they are today. The experience that I have traveled with since then has helped in several different ways in looking at bond markets. I have worked with two life insurance companies, which served as excellent training grounds for what I needed in terms of skill sets in joining an asset management company. I managed money for pension funds and clients at F&C Investments where I understood the necessity to communicate effectively with clients and advisors. At Columbia Threadneedle, as it is now known, I was one of the founding members for a long-short, fixed income strategy under the UCITS framework.

That experience of managing such a strategy through the financial crisis and the familiarity with multiple derivative instruments has helped me with managing the Dynamic Global Bond

Strategy. All these various experiences have helped to build my natural core expertise in global rate markets and currencies. I complimented those skills by working at a bank where I saw how banks used fixed income assets in their balance sheets. It taught me a lot more about how bonds are seen as collateral as well as instruments of risk and return.

Q2: What have you gleaned from the transition process, your predecessor, and the other investment professionals in the advisory group and elsewhere?

Scott: Working with Arif Husain—a seasoned fixed income investor—these last five years has been a great learning experience. The period has been unprecedented in terms of market events, including a worldwide pandemic and the breakout of war in Ukraine. Regular communication has been the cornerstone, exchanging investment and trade ideas with the backdrop of staying laser-focused on the three core goals of the strategy: sustainable performance, downside risk management, and diversification.

This approach has continued with Quentin joining the strategy. He brings a wealth of expertise to the strategy, and his location in London is valuable given the global nature of this strategy. Quentin and I already have a strong working relationship given our time serving on the firm's Interest Rate and Currency Committee together, so I'm looking forward to this continuing to develop. As both of us take the strategy forward after Arif transitions off, the investment process and goals that the strategy seeks to achieve will remain the same. As important as ever is utilizing our proprietary, fundamental bottom-up research, which we believe is the key driver of value-added active management.

Quentin: The transition process is working well—a great deal of planning and thought has gone into it. For some time now, I have been building a working relationship with Scott. This has meant that I have traveled with him in terms of understanding how he thinks about the world and how he

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— Scott Solomon
Co-portfolio Manager,
Dynamic Global Bond Strategy

perceives how I think and understand the world. So, when we started working collaboratively and directly on the product earlier this year, it was very straightforward and equivalent to ducks taking to water.

Although I didn't directly manage the Dynamic Global Bond Strategy until this year, I have a strong familiarity with the product because I've been a member of the global investment team since joining the firm in 2015. This team is collectively responsible for the management of our suite of global fixed income offerings—we work closely together, sharing ideas, market observations, and insights.

Q3: What are the goals of the Dynamic Global Strategy. How does it compare and contrast with others in the market?

Scott: In the strategy, we have three clear goals that we seek to achieve: generate regular income, minimize losses for our clients, and provide them with genuine diversification away from equity markets.

Among absolute return funds, we believe that the strategy stands out as it seeks to provide not only regular returns in different environments but also diversification from risk markets. That means that during periods of volatility, when risky assets such as equities sell off, we strive to be a performance anchor. To help achieve this, we have a high-quality bias—investing a large portion of our portfolio in high-quality government bond markets where liquidity is typically better. But it's not just a case of being always long sovereign bond duration as that simply won't work when interest rates are rising or when there are heightened periods of volatility. That's why we manage duration actively and within a wide latitude—an approach that enables us to adapt to changing market conditions.

We can implement both long and short duration positions. This gives us the flexibility to adapt to different market cycles and environments. For example, when interest rates are rising, we could

move to quickly cut the portfolio's overall duration to minimize potential losses. By contrast, when rates are falling, we can increase overall duration to as high as six years to maximize possible gains.

Quentin: The strategy also thinks hard about the role of fixed income as a diversification tool. We have seen how problematic this has become over the last decade but increasingly in recent months as interest rates have climbed rapidly. As central banks retreated from supporting markets, stocks and bonds have both sold off simultaneously on multiple occasions these past 20 months, demonstrating that the typical stock/bond relationship is not always constant. Therefore, we consider the full toolkit and choose hedging tools that are appropriate for the environment. In some instances, this may mean using currency and derivatives markets instead of duration to help to balance and mitigate risk.

The strategy's ability to think about the best ways to achieve portfolio diversification and the fact that it is sitting on top of an absolute powerhouse of ideas, research, and resources is very exciting. With deep research capabilities covering over 80 countries and over 40 currencies, we are always able to uncover new investment opportunities.

Q4: What's next for fixed income markets? Describe your outlook and how the portfolio is positioned.

Scott: It's an exciting time to be a bond investor. The period of aggressive monetary policy tightening by central banks is moving closer toward the finish line, which will likely mark the start of a new regime in fixed income markets. But as the battle between growth and inflation continues, this transition to a pause environment is likely to be fraught with volatility, so active management and a flexible approach to bond investing will be important. We believe this environment will suit the Dynamic Global Bond Strategy, which has a strong emphasis on active duration management and is flexible with the ability to potentially

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— **Quentin Fitzsimmons**

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Dynamic Global Bond Strategy*

take advantage of dislocations that might occur in a volatile environment.

Quentin: We are navigating uncharted waters in global fixed income markets. Nobody expected bond yields to rise this far in 2023, particularly after the brutal bear market experienced in fixed income assets last year. The portfolio is currently positioned to benefit from yields continuing to move higher as several governments need to increase debt issuance to finance deficits at a time when central banks are no longer supporting markets with quantitative easing. With employment and housing markets weakening, markets are facing their “peak moment” on multiple fronts as central banks pursue a higher-for-longer policy on interest rates. This ramp-up in bond yields is raising the cost of capital for every investment decision around the world. That is going to mean that we are potentially

looking at a situation where risk appetite in financial markets could fall. As a result, flexibility is likely to be key going forward.

Q5: Share a little bit about your personal interests.

Scott: Striking a healthy balance between work and personal life is very important. I have a young family and I love spending quality time with them. I have a passion for sports and really enjoy playing golf and coaching my son’s baseball team when I’m out of the office.

Quentin: I am lucky enough to have three sons, and I have an avid interest in sports. I love music, especially soul, blues, and rock. I love going to concerts when I get the opportunity. I am passionate about history and politics and broadly thinking about what makes humanity tick.

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