I. Rate of return

A. Index fund
   1. Match with mispriced bonds (model price differs from actual price. May include using one sector rather than another.)

B. Active
   1. Mispriced bonds
   2. Mispriced sectors
      a. Inconsistent option pricing
      b. Inconsistent default pricing
   3. Active bets
      a. Interest rate changes
      b. Default risks
      c. Market volatility
      d. Cross-country interest rate exchanges
      e. Exchange rate changes
CONTINGENT IMMUNIZATION

1. Actively manage

2. Lock if hits minimum
HORIZON MATCHING

1. Cash flow match to horizon

2. Immunize cash flows beyond horizon

Comment

This is illustration of much more general procedure. Lock first X years. Actively manage subsequent years.
II. With a liability stream (known)

A. Passive

1. Cash flow matching

2. Immunization

3. Contingent immunization

4. Horizon matching

B. Active

1. Any and all bets discussed earlier