

BALANCED CONVERTIBLE STRATEGY



PROFILE | JUNE 2022

OVERVIEW

Advent Capital Management, LLC was founded in 1995 and is a registered investment advisor with the SEC. Advent manages approximately \$9 billion in assets across several traditional, alternative, and closed-end fund strategies for corporations, public pension plans, insurance companies, foundations, endowments and high-net-worth individuals. Advent's proficiency in investing across the entire capital structure is driven by the strength of its fundamental, bottom-up credit and equity research. Advent's team is among the largest and most experienced in the industry with 25 investment professionals. The firm has been managing assets in traditional and alternative strategies for nearly 25 years.

CONVERTIBLES, AN OVERLOOKED ASSET CLASS

Convertibles are an overlooked asset class despite outperforming broad equity and fixed income indices over time with lower volatility than equities. Convertibles are not a mainstream asset class, and are not often included in model portfolios of institutional consultants. Convertibles are not widely used in mutual funds, are rarely discussed in financial publications or electronic media, and do not typically trade on public exchanges. Yet, the global convertible market (USD \$502 billion) is large enough to enable specialized managers to run large diversified portfolios and to generate attractive risk adjusted and absolute returns.

The convertible market has also undergone a positive structural transformation, as liquidity, diversification and quality of issuers have increased significantly with the growth of the market. The majority (over 90%) of the market is comprised of large cap and mid cap issuers. In addition, the terms of convertible deals have also become more favorable for investors, as call protection has been extended and bond maturities have been shortened from 25-30 years to 4-7 years. Despite all of these positive changes, convertible securities continue to be an overlooked asset class and are thus a "think outside the box" investment solution.

INVESTMENT APPROACH

The Strategy seeks equity-like returns with only a portion of the risk. Advent selects equity-like convertibles that have favorable credit and equity fundamentals as well as positive asymmetry. Positive asymmetry means capturing meaningful equity upside with significantly less downside risk.

STRATEGY

The Strategy invests in "balanced convertibles" typically trading between 85%-135% of par value, provided that the security passes the rigorous credit and equity fundamental analysis tests. In addition to convertible models, Advent relies on bottom-up, fundamental credit analysis. This differentiates Advent from those convertible investors who examine these securities strictly from a common stock standpoint, while placing less emphasis on the numerous nuances of the fixed income portion of the security. We utilize a credit based approach to identify attractive convertibles of companies with favorable credit and equity fundamentals. We believe that rigorous credit analysis in addition to careful examination of equity fundamentals will result in a portfolio that will produce superior returns over time.

RISK AND RETURN CHARACTERISTICS: LONG TERM TRACK RECORD OF EQUITY-LIKE RETURNS WITH LOWER RISK

	YTD (%)	2021 (%)	2020 (%)	3 Yr Ann. (%)	5 Yr Ann. (%)	10 Yr Ann. (%)	15 Yr Ann. (%)	Since Inception Ann. Return (%)	Standard Deviation Since Inception Ann. (%)	Sharpe Ratio Since Inception Ann.
Balanced Convertible Institutional Composite (Gross)	(20.14)	5.11	41.50	8.31	8.83	9.53	7.50	9.19	12.76	0.56
Balanced Convertible Institutional Composite (Net)	(20.37)	4.58	40.80	7.76	8.29	9.01	6.96	8.62	12.75	0.51
ICE BofA U.S. Convertible Index (VXA0)	(20.21)	6.34	46.22	10.09	10.03	10.64	7.69	8.41	12.95	0.49
S&P 500 Index	(19.96)	28.71	18.40	10.60	11.31	12.96	8.54	9.27	15.25	0.47
Russell 2000 Index	(23.43)	14.82	19.96	4.21	5.17	9.35	6.33	8.00	19.98	0.30

Inception date of the Balanced Convertible Institutional Composite was October 1, 1995. The Risk Free Rate used is an average of the monthly 3 Month Treasury rate. VXA0 represents the ICE BofA U.S. Convertible Index. Advent claims compliance with Global Investment Performance Standards (GIPS). Returns presented on a gross basis are substantially higher than returns presented on a net basis because gross returns do not reflect the deduction of investment advisory fees and other expenses that would be incurred by a client. Investment advisory fees have a compounding effect in reducing the value of a client portfolio over time. Past performance is not a guarantee of future results. Please see the "Disclosures" section at the end of this presentation. AUM, personnel and performance data as of June 30, 2022.

BALANCED CONVERTIBLE STRATEGY

PROFILE | JUNE 2022



ADVENT
CAPITAL MANAGEMENT, LLC

Firm Information:

Advent Capital Management, LLC (Advent) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Advent is an independent, privately held limited liability company. Advent Capital Management UK Limited, a wholly-owned subsidiary of Advent located in London, is authorized and regulated by the U.K. Financial Conduct Authority. Advent specializes in global and domestic convertible, high yield, and event-driven strategies based on a credit focused investment process with offices in New York and London. Advent has approximately \$9 billion in assets under management (as of 6/30/2022). We manage institutional assets across long-only, hedge fund and closed end fund strategies. Lists of composite descriptions, limited distribution pooled funds, and broad distribution funds are available upon request.

Advent claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Advent has been independently verified for the period 9/30/95 – 12/31/21. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. Performance reflects the reinvestment of dividends and other earnings. Policies for valuing portfolios, calculating performance, and preparing GIPS Reports are available upon request.

Balanced Convertible Income Institutional Composite

Year	Total Return Gross of Fees %	Total Return Net of Fees %	ICE BofA All Convertible Index %	Number of Portfolios	Dispersion %	Total Composite Assets End of Period (\$MM)	Total Firm Assets End of Period (\$MM)
2012	13.70	13.18	14.96	10	0.10	963.7	6,092.1
2013	23.47	22.91	24.92	13	0.13	1,472.0	7,591.3
2014	7.91	7.43	9.44	13	0.27	1,614.9	8,427.9
2015	-1.58	-2.02	-2.99	16	0.34	1,630.6	8,563.3
2016	7.26	6.77	10.43	15	0.16	1,581.4	8,835.2
2017	13.96	13.46	13.70	14	0.10	1,615.4	9,350.1
2018	-1.70	-2.17	0.15	15	0.08	1,647.1	8,479.6
2019	23.23	22.64	23.15	16	0.22	1,221.5	9,300.1
2020	41.50	40.80	46.22	17	2.05	1,518.8	10,940.3
2021	5.11	4.58	6.34	22	1.01	1,657.6	10,467.9

Composite Characteristics:

1.) Advent's Balanced Convertible Institutional Composite (Composite) consists of the following:

- Advent's Balanced Convertible Institutional Composite (Composite) consists of the following:
- Inception of the Composite was October 1, 1995 and the creation of the Composite was October 1, 1995.
- Periods presented represent only institutional accounts.
- Accounts in the Composite invest in balanced convertible securities that seek to participate in 75-85% of the equity upside and only 50% of the downside.
- As of 12/31/12, the 3-year ex-post standard deviation for the Composite was 11.49%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 10.86%.
- As of 12/31/13, the 3-year ex-post standard deviation for the Composite was 9.87%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 9.67%.
- As of 12/31/14, the 3-year ex-post standard deviation for the Composite was 7.76%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 7.68%.
- As of 12/31/15, the 3-year ex-post standard deviation for the Composite was 8.40%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 8.26%.
- As of 12/31/16, the 3-year ex-post standard deviation for the Composite was 8.85%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 8.81%.
- As of 12/31/17, the 3-year ex-post standard deviation for the Composite was 7.92%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 7.84%.
- As of 12/31/18, the 3-year ex-post standard deviation for the Composite was 8.26%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 8.17%.
- As of 12/31/19, the 3-year ex-post standard deviation for the Composite was 8.97%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 8.28%.
- As of 12/31/20, the 3-year ex-post standard deviation for the Composite was 15.77%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 16.71%.
- As of 12/31/21, the 3-year ex-post standard deviation for the Composite was 15.17%. The ICE BofA All Convertible Index (VXA0) 3-year ex-post standard deviation was 16.31%.

2.) The following is the criteria for inclusion in the Advent Balanced Convertible Institutional Composite:

- Through 3/31/11, all accounts must have had an initial account value of at least \$5,000,000. As of 04/01/11, all accounts must have an initial account value of at least \$3,000,000.
- The Composite will be composed of all accounts that meet the criteria to invest in Rule 144A securities. Advent changed its composite criteria to Rule 144A eligible accounts in July of 1997. The decision was made to assure the Composite was more representative of the overall convertible market.
- The current Composite does not include non-QIB accounts due to their inability to invest in Rule 144A securities.

3.) The following pertains to performance results:

- All performance is presented in U.S. Dollars.
- Returns are presented both gross of fees and net of actual management fees paid by the Advent accounts but not expenses paid by the clients. The Balanced Convertible Strategy advertised fee schedule is 0.80% on the first 25 million, 0.65% on the next 25 million, 0.55% on the next 50 million, and 0.50% on over 100 million. The management fees are described in Part 2 Advent's Form ADV. Returns presented on a gross basis are substantially higher than returns presented on a net basis because gross returns do not reflect the deduction of investment advisory fees and other expenses that would be incurred by a client. Investment advisory fees have a compounding effect in reducing the value of a client portfolio over time.
- Past performance is not necessarily indicative of future results.

4.) Benchmark Information:

- The Composite is benchmarked to the ICE BofA All Convertible Index.
- The ICE BofA All Convertible Index is comprised of U.S. Convertible Securities and is a rule-driven index with a goal to create an unbiased proxy for the broad U.S. convertible market.
- Benchmark returns are not covered by the report of the independent verifiers.

Calculation Methodology:

The dispersion measure is the asset-weighted standard deviation for accounts in the composite for the entire year. Presented composite risk measures are calculated using gross of fee returns.

Issued and approved by Advent Capital Management UK Limited (Advent Capital), which is Authorized and Regulated by the Financial Conduct Authority. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. It is not, under any circumstances, intended for distribution to the general public. The Funds that may be referred to in this document are unregulated collective investment schemes for the purposes of Section 238 of the Financial Services and Markets Act 2000. Accordingly, this document may only be issued in the United Kingdom to persons to whom unregulated collective investment schemes are permitted to be promoted by virtue of Section 238 of the FSMA and COBS 4.12 of the new Conduct of Business Sourcebook.

No part of this document may be reproduced in any manner without the written permission of Advent Capital. We do not represent that this information, including any third party information, is accurate or complete and it should not be relied upon as such. Opinions expressed herein reflect the opinion of Advent Capital and are subject to change without notice.

IMPORTANT INFORMATION ABOUT THIS DOCUMENT:

This document is approved for publication by Advent Capital Management, LLC (Advent) and Advent Capital Management UK Limited (Advent UK) and includes information about an Advent investment strategy and/or an Advent-managed separate account or collective investment vehicle (collectively, an Account). Advent is registered with the U.S. Securities and Exchange Commission as an investment adviser. Advent UK is a wholly-owned subsidiary of Advent and is Authorized and Regulated by the UK Financial Conduct Authority. The information in this document is intended exclusively for current investors in an Advent investment strategy or Account and is for informational purposes only and in particular may not be used in making any investment decision. This document is not, under any circumstances, intended for distribution to the general public. This document is confidential and may not be reproduced (in whole or in part) in any manner without the written permission of Advent. No investment advice, financial advice, tax advice, or legal advice is provided through this document, and no person is authorized to use this document for those purposes. Therefore, this document is not a recommendation to invest in any Advent investment strategy or buy or sell units or interests (Interests) in an Account. Any discussion or information herein relating to investment processes, portfolio characteristics or other matters relating to Advent or an Advent investment strategy or Account is subject to change over time. Opinions and any forecasts of future events, returns or results expressed in this document reflect the opinion of Advent, are subject to change without notice, do not reflect actual investment results, are not guarantees of future events, returns or results and are not intended to provide financial planning, investment advice, legal advice or tax advice. Although this document, including any third party information, has been prepared using sources, models and data that Advent believes to be reasonably reliable, its accuracy, completeness or suitability cannot be guaranteed and should not be relied upon as such by any person. Neither Advent nor any of its affiliates is under any obligation to update or keep current the information contained in this document and any opinions expressed in this document are subject to change without notice. Any views contained herein are based on financial, economic, market and other conditions prevailing as of the date of this document. The information contained in this document does not purport to cover all matters that may be relevant for the purposes of considering whether or not to make any prospective investment. Prospective investors should conduct their own investigations in relation to the matters referred to in this document and are recommended to consult their own advisers in relation to such matters. No responsibility or liability is accepted by Advent or any of its officers, agents or advisors as to the accuracy, sufficiency or completeness of any of the information or opinions, or for any errors, omissions or misstatements, negligent or otherwise, contained in or excluded from this document (except to the extent that such liability arises out of fraud or fraudulent misrepresentation). Therefore, the information in this document is supplied on an "AS IS" basis and NO WARRANTY IS MADE AS TO ITS ACCURACY, COMPLETENESS, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

DISTRIBUTION RESTRICTIONS:

Information in this document must not be used in any jurisdiction where prohibited by law and must not be used in a way that would be contrary to local law or legislation. The information in this document does not constitute an offer to sell or a solicitation of an offer to buy an interest in Units or any other security that may be referenced herein. Persons receiving a copy of this document in any jurisdiction may not treat this document as constituting an offer, invitation or solicitation to them to subscribe for Units notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. Any entity responsible for forwarding this material to other parties takes responsibility for ensuring compliance with applicable securities laws. It is the responsibility of any persons in possession of this document and persons wishing to apply for Units to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Unless otherwise indicated, no regulator or government authority has reviewed this document or the merits of an Advent investment strategy or Account.

GENERAL RISK WARNINGS:

Past performance and hypothetical performance does not guarantee, and is not a reliable indicator of, future results and the performance of the Account may be substantially different. Current performance may be lower or higher than performance shown. The performance of an Advent investment strategy or Account may be volatile, and an investor could lose all or a substantial portion of any investment made in an Advent investment strategy or Account. No representation is given that an Advent investment strategy or Account is suitable for any particular investor. Market conditions can fluctuate and vary widely over time and can result in a loss of portfolio value. It should not be assumed that results for historic or hypothetical portfolio investments or investment strategies will be achieved for other investments in the future. No guarantee or representation is made that any Advent investment strategy or Account will achieve its investment objective or have positive returns. Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Furthermore, the value of investments may be adversely affected by fluctuations in exchange rates between the investor's reference currency and the base currency of the investments. Investments in derivative investments carry certain inherent risks such as the risk of counterparty default and before investing you should ensure you fully understand these risks. Use of leverage may also magnify losses as well as gains. Returns presented on a gross basis are substantially higher than returns presented on a net basis because gross returns do not reflect the deduction of investment advisory fees and other expenses that would be incurred by a client. The returns of a client investment in any investment strategy will be reduced by the advisory fees and any other expenses it may incur in the management of its account. Advisory fees have a compounded effect in reducing account performance over time. Investing in financial markets involves a substantial degree of risk and there can be no guarantee that the investment objectives of an Advent investment strategy or Account will be achieved. Investment losses may occur, and investors could lose some or all of their investment. This document may contain certain forward-looking statements. In some cases forward looking statements can be identified by the use of terms such as "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or variations thereof, or by discussions of strategy, plans, objectives, goals, future events or intentions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-thinking statements. The success or achievement of various results, targets and objectives is dependent upon a multitude of factors, many of which are beyond the control of Advent. No representations are made as to the accuracy of such estimates or projections or that such estimates or projections will be realized. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed.

REFERENCED INDEXES:

Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto. All information contained herein is proprietary and is protected under copyright law.