

## FIRM OVERVIEW

FIRM ASSETS UNDER MANAGEMENT: **\$3.9B**

Palisade Capital Management is a privately-held investment management firm that offers a solutions-based approach towards client portfolios. Through our fundamental, research-intensive culture, our traditional and alternative investment strategies seek to deliver attractive returns aligned with our investors' priorities. Founded in 1995, Palisade's diversified client base includes corporations, public plans, financial institutions, family offices, and individuals.

## CONVERTIBLE SECURITIES OVERVIEW

Strategy assets: **\$492M**

Benchmark: **ICE BofA U.S. Convertible**

Inception date: **March 1, 1995**

Palisade seeks to take advantage of two inefficiencies in the marketplace: mispriced stocks and mispriced convertibles. The Palisade Convertibles team seeks to identify attractive risk/reward opportunities in the convertibles market through their bottom-up fundamental analysis. The team believes that companies whose business models are not well understood are often mispriced.

## INVESTMENT TEAM

Assets Managed: **\$722M**

### William Lee

Managing Director,  
Senior Portfolio Manager,  
Convertible Strategies  
Joined Firm: 2006  
25 years investment experience

### Ray Lam, CFA

Lead Portfolio Manager,  
Short Duration Convertible Bonds;  
Senior Vice President, Analyst,  
Convertible Strategies  
Joined Firm: 2012  
30 years investment experience

### Mitchell Leung, CFA

Associate Portfolio Manager,  
Convertible Securities;  
Senior Vice President, Analyst,  
Convertible Strategies  
Joined Firm: 2011  
27 years investment experience

### Michael Chizmar

Vice President, Convertible Strategies  
Joined Firm: 2006  
21 years investment experience

## FOR MORE INFORMATION,

### CONTACT:

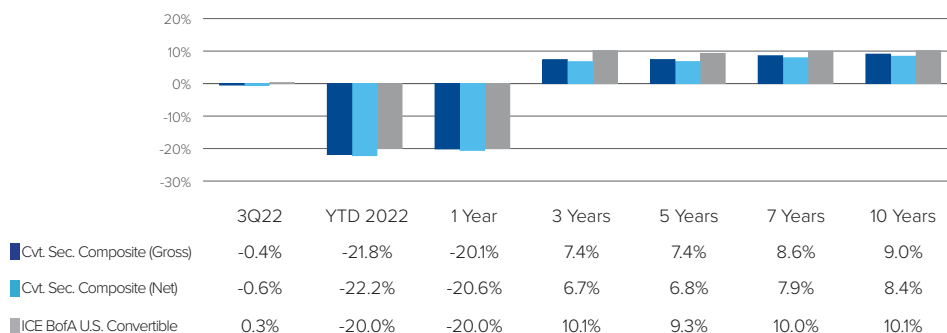
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#### Don Triveline

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## PERFORMANCE



Performance periods greater than one year are annualized.

## SECTOR ANALYSIS

	CS Composite	ICE BofA U.S. Convertible	Underweight/Overweight
Consumer Discretionary	12.5%	12.0%	0.5%
Consumer Staples	1.4%	0.8%	0.6%
Energy	0.2%	2.7%	-2.5%
Financials	7.6%	12.5%	-4.9%
Healthcare	17.9%	17.5%	0.4%
Industrials	6.7%	5.1%	1.6%
Materials	1.3%	1.5%	-0.2%
Media	8.2%	8.9%	-0.7%
Technology	33.0%	27.7%	5.3%
Telecommunications	1.2%	1.6%	-0.4%
Transportation	2.5%	2.1%	0.4%
Utilities	3.7%	6.0%	-2.3%
Cash	3.8%	1.6%	2.2%

Source: FactSet Research Systems, Inc.

## CHARACTERISTICS

	CS Composite
Delta	45.4%
Conversion Premium	69.8%
Current Yield	1.7%
No. of Securities	164
Investment Grade	13.1%
Non-Investment Grade	10.0%
Not Rated	76.9%

Source: Palisade, Bloomberg, L.P.

## STATISTICS (10 YEAR)

	CS Composite	ICE BofA U.S. Convertible
Alpha	-0.5	-
Standard Deviation	12.0	12.2
Sharpe Ratio	0.7	0.8
Upside Capture	91.9	100.0
Downside Capture	101.3	100.0

Source: FactSet Research Systems, Inc.

### TOP 10 ISSUERS BY WEIGHT

	Weight
Danaher Corporation	3.5%
Palo Alto Networks, Inc.	3.1%
Liberty Media Corp.	2.2%
Splunk Inc.	2.1%
Southwest Airlines Co.	2.1%
ON Semiconductor Corporation	2.1%
Lumentum Holdings, Inc.	1.9%
Ford Motor Company	1.9%
Block, Inc.	1.5%
Microchip Technology Incorporated	1.5%
<b>Convertible Securities Composite Total</b>	<b>21.9%</b>

Source: FactSet Research Systems, Inc.

### CALENDAR YEAR PERFORMANCE

	CS Composite Gross Return	CS Composite Net Return	ICE BofA U.S. Convertible
2021	8.4%	7.8%	6.3%
2020	34.6%	33.8%	46.2%
2019	27.2%	26.4%	23.1%
2018	-3.3%	-3.9%	0.2%
2017	15.0%	14.3%	13.7%
2016	7.2%	6.6%	10.4%
2015	-2.6%	-3.2%	-3.0%
2014	10.9%	10.2%	9.4%
2013	24.0%	23.3%	24.9%
2012	14.9%	14.2%	15.0%

### IMPORTANT INFORMATION

**Past performance is not a guarantee of future results.** No assurance can be given that the Strategy will be successful. The performance of the Strategy can be volatile and involve a high degree of risk. Investors may lose some or all of their investment.

Gross return results shown do not show the deduction of fees and expenses. Returns are presented net of management fees and include the reinvestment of all income.

Palisade Capital Management, L.L.C. ("Palisade" or the "Firm") is an SEC registered independent investment management firm established in 1995. Beginning December 31, 2007, Palisade was redefined to include private equity investments. Based in Fort Lee, NJ, Palisade manages a variety of assets for a diversified client base including institutions, foundations, endowments, pension and profit-sharing plans, retirement plans, mutual funds, private limited partnerships, family offices, and high net worth individuals. Registration with the Securities and Exchange Commission does not imply a certain level of skill or expertise.

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The Convertible Securities Composite includes all tax-exempt institutional portfolios invested in securities convertible into common stocks such as convertible bonds and convertible preferred stocks. The benchmark is the ICE BofA U.S. Convertible Index. Prior to January 1, 2005, the benchmark was the Goldman Sachs Convertible 100 Index. Prior to January 1, 2000, the benchmark was the Credit Suisse First Boston Convertible Index. The benchmark was changed on January 1, 2000, because the Credit Suisse First Boston Index was terminated. The benchmark was changed on January 1, 2005 to more accurately reflect the strategy of the composite. Presented benchmark returns represent the appropriate Index return at the end of the corresponding measurement period. The minimum account size for this composite is \$1 million. Prior to January 1, 2014, the minimum account size for this composite was \$10 million, and prior to January 1, 1997, the minimum account size for this composite was \$50 million. As of January 1, 2008, the Convertible Bond Composite has been renamed the Convertible Securities Composite. The Convertible Securities Composite was created March 1, 1995. Valuations are computed and performance results are reported in U.S. dollars. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual investment management fees. Actual investment management fees incurred by clients may vary. The full performance record is available upon request. The Firm maintains a complete list and description of composites, which is available upon request.

Holdings, sector weights, and characteristics reflect those of the Convertible Securities Composite. Holdings and weightings are subject to change at any time at Palisade's discretion. Individual portfolios may vary. It should not be assumed that any of the securities transactions or holdings shown were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities shown herein. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any security discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. Information is supplemental to the composite disclosure presentation, which is available upon request. Discussions regarding potential future events and their impact on any portfolio are based solely on historic information and Palisade's estimates and/or opinions, are provided for illustrative purposes only, and are subject to further limitations as specified elsewhere in this material. No guarantee can be made of the occurrence of such events or the actual impact such events would have on any portfolio's future performance.

Palisade is the source of all data unless otherwise noted.

The benchmark presented is the ICE BofA U.S. Convertible Index (the "Index") which is a capitalization weighted index consisting of convertible securities designed to represent the universe of U.S. corporate convertible securities. The Index data presented herein uses the most recent estimates available. Index performance is shown strictly for the purpose of comparison between the Strategy and the Index. It is not possible to invest directly in the Index. The performance and volatility of the Strategy will be different than those of the Index.

Reference to an index does not imply that any strategy will achieve returns, volatility, or other results similar to an index. No index reflects the manner in which the portfolio for any strategy is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, or volatility. Indices are unmanaged. It should not be assumed any strategy will invest in any securities that comprise the applicable benchmark, nor should it be understood to mean there is a correlation between any strategy's returns and the returns of the applicable benchmark. Benchmarks are included for informational purposes only.

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