

Positive Correlation: Convertible Bonds and Inflation

Dates	6 Largest Quarterly CPI Increases Since 1990	CPI at End of Quarter	Convertible Bonds' Quarterly Returns
Q4 2009	308%	2.7	6.47%
Q3 2020	133%	1.4	13.86%
Q2 2004	94%	3.3	-0.27%
Q3 2005	88%	4.7	4.66%
Q1 2021	86%	2.6	2.02%
Q1 2011	80%	2.7	5.37%
Average Quarterly Return			5.35%

Date range 1990 to 2021 YTD

*Convertible Bonds represented by the Bloomberg Barclays US Convertibles Composite TR Index

*Inflation represented by consumer price index (CPI MoM)

- Convertible bonds perform well during large quarterly increases in inflation (CPI MoM).
- Convertible bonds reflect equity-like returns and outperform during periods of rising interest rates.
- Convertible bonds remain a unique way to weather inflation and capitalize on rising interest rates.

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