

# HIGHLIGHTING SOME RECENT TRADES

Ask the PORTFOLIO MANAGER

## What opportunities do the current markets offer convertible arbitrage?

Transcript of a video recorded on November 30, 2017.

**Eli Pars, Co-CIO, Head of Alternative Strategies and Co-Head of Convertible Strategies, Senior Co-PM, explains how convertible arbitrage investors may see opportunities where long-only equity investors don't.**

We found a lot to do in recent years in the convert arb space. It's something to always to keep in mind that we're not buying the whole convertible market, we're buying selective securities that we find cheap and where we think we can isolate cheap optionality however that may be structured.

As an example, some of the recent trades we've done in the last year is, with a long equity bull market that we've had, there's a lot of in the money convertibles that the typical long-only investor wants to sell and rotate down to a bond closer to par that has a better risk-reward, skewed profile to it. But for an arbitrage investor, sometimes, those can be really attractive, cheap, synthetic puts where we're buying in the money convertible and hedging it up and make a little money if nothing happens or the stock keeps going up. But if the stock breaks, we essentially bought a put for a very big discount to its normal intrinsic value.

WATCH VIDEO



ELI PARS

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Video recorded 11/ 30/2017.

*Before investing carefully consider the fund's investment objectives, risk, charges, and expenses. Please see the prospectus and the summary prospectus containing this other information or call 1-800-583-6959. Read it carefully before investing.*

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