

SSI Convertible Income Strategy

Year	Conv Inc Gross Return	Conv Inc Net Return	90 Day T-Bills	Conv Inc 3-Yr Std Dev	90 Day T-Bills 3-Yr Std Dev	Number of Portfolios	Internal Dispersion	Composite Assets (\$MM)	Firm Assets (\$MM) ¹	% of non-fee paying portfolios
1995	15.74%	14.64%	5.75%	—	—	1	*	\$1	\$295	100%
1996	10.41%	9.35%	5.25%	—	—	1	*	\$1	\$330	100%
1997	9.05%	8.00%	5.25%	1.92%	0.08%	1	*	\$1	\$350	100%
1998	-0.59%	-1.59%	5.06%	2.61%	0.06%	1	*	\$1	\$488	100%
1999	5.08%	4.07%	4.74%	2.56%	0.09%	2	*	\$11	\$458	10%
2000	9.42%	8.50%	5.96%	2.55%	0.17%	3	*	\$51	\$609	2%
2001	12.47%	11.64%	4.09%	1.82%	0.30%	3	*	\$43	\$693	3%
2002	9.95%	9.14%	1.70%	1.88%	0.53%	2	*	\$22	\$931	7%
2003	6.31%	5.61%	1.07%	2.53%	0.41%	3	*	\$22	\$1,514	7%
2004	2.90%	2.13%	1.24%	2.53%	0.10%	5	*	\$154	\$1,448	1%
2005	-1.72%	-2.27%	3.00%	2.82%	0.27%	3	*	\$80	\$1,161	1%
2006	11.14%	10.47%	4.76%	2.59%	0.42%	1	*	\$1	\$1,307	100%
2007	5.87%	4.86%	4.74%	2.55%	0.27%	2	*	\$68	\$1,111	1%
2008	-5.07%	-6.13%	1.80%	4.44%	0.42%	3	*	\$161	\$1,120	1%
2009	25.71%	24.45%	0.16%	5.63%	0.55%	3	*	\$283	\$1,183	0.4%
2010	9.56%	8.43%	0.13%	5.86%	0.25%	3	*	\$373	\$1,405	0.3%
2011	2.14%	1.09%	0.08%	4.11%	0.02%	4	*	\$392	\$1,394	0.3%
2012	7.49%	6.41%	0.07%	2.73%	0.01%	6	0.16%	\$468	\$1,476	0.2%
2013	3.93%	2.91%	0.05%	2.09%	0.01%	6	0.18%	\$612	\$1,689	0.2%
2014	0.50%	-0.46%	0.03%	1.93%	0.01%	4	*	\$514	\$1,593	0.2%
2015	-0.69%	-1.67%	0.03%	1.97%	0.01%	4	*	\$440	\$1,291	0.3%

The disclosures on the following pages are an integral part of the composite presentation.

Compliance Statement

SSI Investment Management, Inc. ("SSI") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSI has been independently verified for the periods January 1, 2000 through December 31, 2015 by The Spaulding Group. The verification report(s) is/are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

SSI was established in 1973 and is a Registered Investment Advisor based in Los Angeles, CA. SSI manages assets in domestic and global capital markets. SSI acquired the assets of Frolely, Revy Investment Co., Inc. ("Frolely Revy") and its composites as of March 1, 2009. SSI is 100% employee owned and is not affiliated with any parent organization nor does SSI have any subsidiaries. SSI applies quantitative disciplines and fundamental research in its management of alternative and traditional portfolios for institutional and high net-worth investors. SSI manages separate accounts, limited partnerships and acts as sub-advisor to both onshore and offshore funds.

Policies

SSI's policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.

The Composite & Benchmark

The SSI Convertible Income Strategy (composite created January 1, 1995) invests long in a diversified portfolio of convertible bonds/preferreds and short the underlying common stocks to attempt to achieve an absolute return. The composite contains fully discretionary accounts including those no longer with the firm. With interest rebates on short sales and coupon interest on convertible bonds comprising a consistent and important component of the return of the SSI Convertible Income Strategy, SSI believes a performance comparison versus the 90-Day Treasury Bill is appropriate. The volatility of this strategy is expected to be greater than the volatility of the 90-Day Treasury Bill due to the inclusion of convertible and equity positions. The return, if any, above the 90-Day Treasury Bill is dependent upon higher interest income available in the convertible market and SSI's discretionary management. Any other indices shown are not necessarily comparable to SSI's Convertible Income Strategy. These are widely recognized market indices that are shown for informational purposes only. The composite name was formally known as SSI Hedged Convertible Income Strategy from 1/11/1995 – 6/30/2008 and on 7/1/2008 the new composite name became the SSI Convertible Income Strategy.

Use of Leverage, Derivatives, and Shorts

Leverage is not used in SSI's Convertible Income Strategy and the use of derivatives is not material. The Strategy is generally fully hedged and involves buying a convertible bond/preferred and shorting the underlying common stock in order to reduce the equity exposure. Every long position is hedged with an offsetting short.

Investment Management Fees

Returns are presented gross and net of management fee. Actual results of an individual account may be materially different from the performance shown herein because of differences in inception date, transaction and related costs, restrictions, fees and other factors. All performance is based in U.S. dollars and reflect, on a percentage basis for each of the periods indicated: (a) the net increase (decrease) of all SSI Convertible Income Strategy portfolios, dollar-weighted, including adjustments for unrealized gains and losses, the reinvestment of dividends and other earnings, the deduction of investment costs, the deduction of limited partnership and/or mutual fund costs (if any), time-weighted to adjust for additions and withdrawals, and (b) the net increase (decrease) of the 90-Day Treasury bill.

Net performance is reduced by SSI's actual investment management fees and model fees (1995-2015). 1% annual fee is used for any model fees. Gross performance does not include deduction of SSI's investment management fees.

If performance is gross of management fees, client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment advisory account. See SSI's Form ADV, Part 2A for a complete description of the investment advisory fees customarily charged by SSI. As an example, an account with an initial \$1,000,000 investment on January 1, 2003, earning a recurring 5% semi-annual gross return (10.25% annualized), and paying a .5% semi-annual management fee (1% annual fee) would have grown to \$1,340,096 on a gross of fees basis and \$1,300,392 on a net of fees basis by December 31, 2005 (3 years).

The disclosures on the following pages are an integral part of the composite presentation.

List of Composites

A list of the Firm's composite descriptions is available upon request.

Fee Schedule

SSI Convertible Income Strategy charges a 1% fee annually based on equity at the beginning of the billing period.

Internal Dispersion

Internal dispersion is calculated using the equal-weighted (prior to 2010) and asset-weighted (2010-present) standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented.

Additional Disclosure

*5 or less portfolios in composite for entire year

¹Firm assets prior to 2009 do not include the composite assets from Frolely Revy.

3 Year annualized ex-post standard deviation is not presented for 1995-1996 because 3 year annualized returns are not available.

Performance prior to January 1, 2000 does not comply with the GIPS standards.

SSI acquired Frolely Revy and its composites as of March 1, 2009. Prior to the acquisition, Frolely Revy claimed GIPS compliance for the periods of 1983-2008 and was independently verified by Ashland Partners & Co.

Investors must assess the suitability of any particular investment opportunity and carry out any due diligence that they require in relation to the strategy or investments or individual holdings of the strategies that SSI manages. In doing this, investors should seek separate advice. It should not be assumed that recommendations made will be profitable and any investment is at risk of loss. This summary represents the views of the portfolio managers as of the date noted at the beginning of this document. Any holdings mentioned in the accompanying summary are from its stated strategy. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. The information in this article is not intended to be personalized recommendations to buy, hold or sell investments. The information, statements, views and opinions included in this article are based on sources (both internal and external sources) considered to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Such information, statements, views and opinions are expressed as of the date of this article, are subject to change without further notice and do not constitute a solicitation for the purchase or sale of any investment referenced in the article.

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