



## More Than A Trade.

The convertible bond market has experienced a notable resurgence as companies take advantage of attractive financing levels to diversify capital profiles.

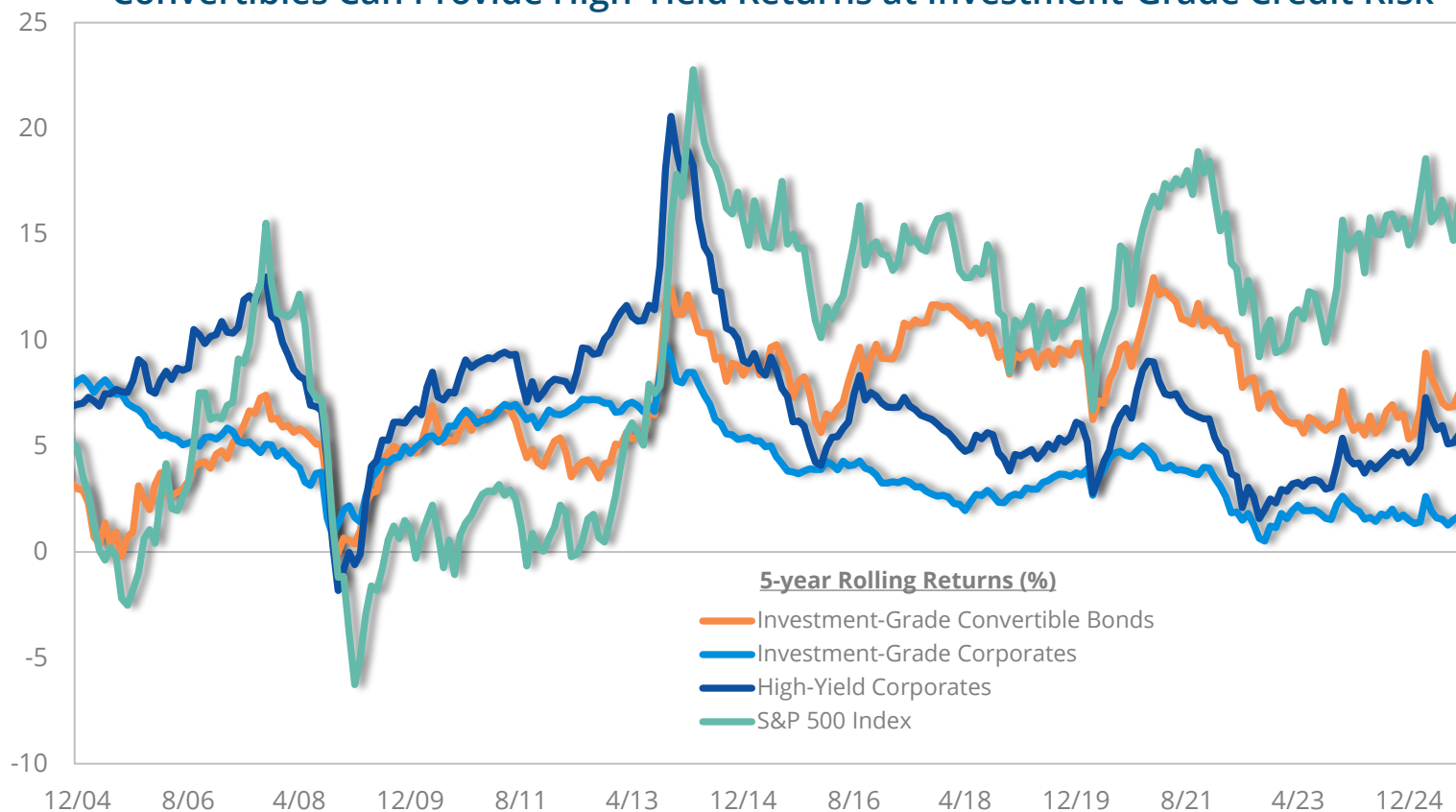
Utility issuance in particular has picked up and could be a precursor for other capex heavy issuers to do the same, such as those involved in artificial intelligence (AI).

Changes to accounting standards have simplified and reduced the cost of reporting convertible debt on corporate balance sheets, providing an additional incentive for companies to issue convertible bonds.

With renewed interest from issuers and investors, we think the asset class's consistent long-term return profile argues for inclusion as a strategic – rather than tactical – component within diversified asset allocations.

Annualized  
Return (%)

### Convertibles Can Provide High-Yield Returns at Investment-Grade Credit Risk



Source: Bloomberg and ICE BofA as of 9/30/25. Investment-grade converts = ICE BofA Investment Grade US Convertible Excl Mandatory & Preferred Index (V0S1) from 12/31/04 to 12/29/11. From 12/29/11 to 9/30/25, based on the ICE BofA Investment Grade US Convertible Excl Mandatory & Preferred 5% Issuer Constrained Index (V55C). 12/29/11 is the inception date of the V55C Index. IG Corporate = Bloomberg Intermediate Corporate Index. HY Corporate = Bloomberg US High Yield Index. The views contained in this report are those of Income Research + Management ("IR+M") and are based on information obtained by IR+M from sources that are believed to be reliable but IR+M makes no guarantee as to the accuracy or completeness of the underlying third-party data used to form IR+M's views and opinions. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research + Management. Source ICE Data Indices, LLC ("ICE Data"), is used with permission. ICE Data, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE Data, its affiliates nor their respective third party providers shall be subject to any damages or liability with respect to the adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and your use is at your own risk. ICE Data, its affiliates and their respective third party suppliers do not sponsor, endorse, or recommend IR+M, or any of its products or services. "Bloomberg®" and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any IR+M product.