

↓ -0.10% (Net)

# Advent Global Partners UCITS Fund

July 2021

## Performance Returns

Advent Global Partners UCITS Fund returned -0.10% for the month of July resulting in a net 2021 return of +1.04% (USD Institutional Founder Pooled share class).



**ADVENT**  
CAPITAL MANAGEMENT, LLC

## The Manager

Advent Global Partners UCITS Fund (The "Fund") is managed by Advent Capital Management, LLC ("Advent"). Founded in 1995, Advent has extensive experience investing in global convertibles, credit and equities. As of July 2021, Firm assets are approximately \$11 billion.

## Fund Facts

<b>Portfolio Managers</b>	Marc Friezo Odell Lambroza
<b>Structure</b>	UCITS Fund
<b>Domicile</b>	Ireland
<b>Liquidity</b>	Daily
<b>Fund AUM</b>	\$256.2 million
<b>Strategy AUM</b>	\$676.9 million
<b>Inception</b>	July 14, 2016
<b>Managed by Advent Since September 18, 2017</b>	

## Investment Objective & Strategy

The strategy primarily employs convertible bonds, credit and equities when managing and allocating capital to the Fund's sub-strategies: Idiosyncratic Volatility, Event Driven, Credit and Short Opportunities. The strategy seeks to generate strong absolute returns over a market cycle by identifying compelling long and short opportunities that may include single name convertible bonds and equities, capital structure arbitrage and other positively asymmetric event driven opportunities. Sub-strategy allocation decisions are based on the current and expected opportunity set and all sub-strategies may not be allocated to at all times.

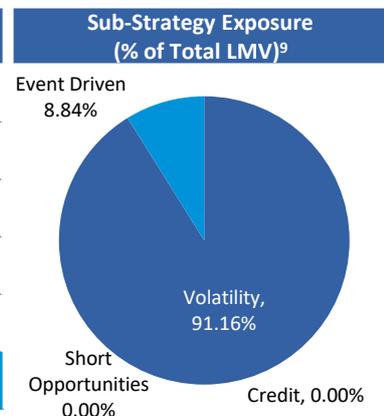
## Monthly Returns (Net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2021</b>	1.62%	2.16%	-2.54%	-0.62%	0.38%	0.20%	-0.10%						1.04%
<b>2020</b>	0.45%	-0.09%	-8.33%	5.70%	1.51%	2.89%	3.49%	2.62%	0.58%	0.66%	2.15%	2.09%	13.89%
<b>2019</b>	3.65%	2.46%	1.80%	0.94%	-0.13%	2.42%	1.67%	0.52%	-0.21%	0.45%	0.83%	1.20%	16.71%
<b>2018</b>	0.46%	0.76%	0.38%	0.72%	0.26%	1.42%	-1.36%	0.58%	0.61%	-1.91%	-1.07%	-2.19%	-1.41%
<b>2017</b>	0.35%	0.14%	-1.12%	0.88%	0.00%	0.34%	0.27%	-0.22%	-0.07% <sup>1</sup>	1.00%	0.27%	0.85%	2.71%
<b>2016</b>	-	-	-	-	-	-	0.05%	0.18%	-0.45%	0.00%	-1.24%	0.51%	-0.96%

Sub-Strategy Return Attribution (Net of Fees)	
Volatility	-0.03%
Event Driven	-0.07%
Credit	0.00%
Short Opportunities	0.00%
<b>Total</b>	<b>-0.10%</b>

## Portfolio Characteristics

Portfolio Characteristics				Top Five Positions (%NMV/AUM) <sup>7</sup>	
Long Exposure <sup>4</sup>	230.16%	Conversion Premium	25.15%	FireEye	3.71%
Short Exposure <sup>5</sup>	-136.10%	Delta	65.03%	Twitter	3.14%
Adjusted Leverage <sup>6</sup>	1.73	Gamma	0.88%	Zynga	3.08%
Number of Issuers	105	Current Yield	0.62%	Enphase Energy	2.62%
Top Ten Positions <sup>7</sup>	24.83%	Yield to Put/Maturity	0.87%	Ionis Pharmaceuticals	2.25%
Credit Quality <sup>8</sup>	BB	Years to Maturity	3.27	<b>Total</b>	<b>14.80%</b>



<sup>1</sup> The performance figures quoted above represent the net performance of the USD Institutional Founder Pooled Class since inception in July 2016. Performance after September 18, 2017 is attributable to Advent Capital Management while performance before September 18, 2017 is attributable to the Quest Global Advisors, LLC. These performance figures refer to the past and past performance is not a reliable guide to future performance. <sup>2</sup> Since Advent start date September 18, 2017. See disclosure 1. <sup>3</sup> The risk free rate used is an average of the constant maturity 3-month US Treasury Rate. <sup>4</sup> Defined as the long market value over equity. <sup>5</sup> Defined as the short market value over equity. <sup>6</sup> Adjusted Leverage excludes Convertible Bonds with less than 10% conversion premium. <sup>7</sup> Defined as net market value over equity. <sup>8</sup> This includes internal estimates for all non-rated securities. <sup>9</sup> Exposures are represented as a % of total long market value.

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## Portfolio Exposures

Asset Type	LMV/NAV <sup>1</sup>	SMV/NAV <sup>2</sup>	Geographic (% of Total LMV) <sup>3</sup>		Market Cap (% of Total LMV) <sup>3</sup>		Credit Profile (% of Total LMV) <sup>3</sup>	
Convertible Bonds	228.29%	0.00%	Asia	2.50%	Small Cap (<\$2bn)	4.65%	A or Above	5.20%
Equities/Equity Derivatives	1.31%	-119.63%	EMEA	14.76%	Mid Cap (\$2bn-\$10bn)	39.04%	BBB	6.85%
Credit	0.50%	0.00%	Japan	0.57%	Large Cap (\$10bn-\$25bn)	31.78%	BB	43.26%
Hedges/Other	0.05%	-16.46%	US	82.17%	Mega Cap (>\$25bn)	24.52%	B	41.44%
							CCC or Below	2.68%
							Hedges/Options/Other	0.58%

## Portfolio Discussion<sup>4</sup>

THE portfolio detracted -0.10% net in July. Investor sentiment was shaken by the continued spread of the highly contagious Delta variant and potential central bank policy tightening. Market anxiety led to rapid sector rotations, as cyclical sectors tanked, while stay-at-home plays surged. Amid an uncertain market backdrop, we continued to monetize robust idiosyncratic volatilities, capitalizing on gamma trading opportunities from those widely slammed consumer and travel and leisure companies. We believe our arbitrage strategy, now significantly cheap relative to realized volatility, can achieve favorable risk-adjusted returns, benefitting from a conducive macro backdrop with elevated volatility and rapid market rotation. The top monthly performers included solar power equipment maker, Enphase Energy, and U.S. low-cost airline, Spirit Airlines. The largest detractors from performance were French power company, Electricite de France (EDF), and Chinese electric vehicles maker, NIO.

We captured gamma in Enphase Energy, as the stock saw significant intra-month volatility. Enphase dropped more than 10% in the first half of the month on chip shortage concerns, only to bounce back and recover all the losses by the end of the month, as the company's strong 2Q earnings release confirmed its solid execution and eased chip supply constraints. We believe Enphase's growth story remains underappreciated, bolstered by the company's technology leadership and tailwinds from residential solar-plus-storage. We continue to hold the position at an implied volatility of 43, a discount to realized volatility of 60.

The implied volatility in the Spirit Airlines position expanded, as the ferocious spread of the Delta variant led to a significant decline in the airline's stock. Spirit has incurred heavy operating losses since the pandemic started, and the stock has declined more than 30% from its 2021 highs as Delta variant infections continued to surge. Spirit's balance sheet remains solid, due to a series of liability management transactions, such as issuing common shares, repaying high coupon bonds and regaining full revolver capacity. We continue to hold the position as a cheap call option on economic recovery.

The EDF position cheapened, as the company's strong earnings were overshadowed by a delay in French nuclear reform. Finance minister Le Maire indicated that further negotiations are needed with the European Commission. As a result, no reform bill was put through the parliament in July. Underneath all the confusion about nuclear reform timelines, we believe EDF's fundamentals have improved notably this year, driven by rising power prices and upside from renewables and hydro assets. The position is investment grade rated with a bond floor near par and is a cheap call option on any potential increase of French nuclear power pricing.

The NIO position cheapened due to the general risk-off sentiment in the Chinese market related to the increasing regulatory risk. We believe the market has ignored NIO's secular growth story. July deliveries rose 124% year-over-year. In addition, the recent launch of the ET7 model and plans to have 500 battery-swapping stations by yearend could further boost its growth. We continue to hold the position, due to its robust technological ecosystem and first mover advantage in autonomous driving and Battery-as-a-Service solution.

## Outlook

The Delta variant's transmissibility continues to unsettle markets, raising concerns of new restrictions on activity that could lead to a slowdown in economic momentum. The outlook for convertible arbitrage continues to be promising, as volatility in global markets is increasing. Dramatic intra-month moves in equity markets over the past three months have created numerous opportunities to extract value from the portfolio. We expect rising macro risks, ongoing debates about the threat of higher corporate and individual taxes, vagueness as to when central banks might pull-back their aggressive monetary support, rising inflation, increasing labor costs and supply chain bottlenecks will continue to amplify volatility. Credit market fundamentals should continue to be favorable and underpin convertible valuations. We anticipate generating alpha through relative value security selection based on our in-depth fundamental research process. We believe heightened volatility will likely remain a consistent theme throughout 2021. The fund is positioned to take advantage of the increasing opportunity set and attractive valuations.

<sup>1</sup>Exposures are represented as LMV/NAV. <sup>2</sup>Exposures are represented as SMV/NAV <sup>3</sup>Exposures are represented as a % of total long market value. <sup>4</sup>The holdings identified as top contributors to or detractors from performance do not represent all of the strategy's holdings during the period. Past performance does not guarantee future results.

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## Monthly Performance Data (%)

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Return
Advent Global Partners UCITS Fund (Net) <sup>1</sup>	1.62	2.16	-2.54	-0.62	0.38	0.20	-0.10						1.04
HFRX RV Fixed Income Convertible Arbitrage Index	1.08	1.44	-0.35	0.84	-0.08	0.57	-0.07						3.47
S&P 500 Index	-1.01	2.76	4.38	5.34	0.70	2.33	2.38						17.99
Russell 2000 Index	5.03	6.23	1.00	2.10	0.21	1.94	-3.61						13.29
Bloomberg Barclays US Aggregate Index	-0.72	-1.44	-1.25	0.79	0.33	0.70	1.12						-0.50
ICE BofA US High Yield Index	0.38	0.35	0.17	1.10	0.29	1.37	0.36						4.07
MSCI World Index	-0.75	2.68	4.27	4.09	1.32	2.15	1.74						16.46

<sup>1</sup> Since Advent start date September 18, 2017. See disclosure 1 on page 1.

## Portfolio Managers

### Marc J. Friezo

Marc joined Advent in October 2011 as a Managing Director and serves as a portfolio manager on the strategy. Before joining Advent, Marc was a Managing Director and Portfolio Manager at Lydian Asset Management. Prior to joining Lydian, Marc was a Managing Director in the Convertible Securities Group at Merrill Lynch. Mr. Friezo received a B.B.A., Cum Laude, in Finance from Texas Christian University and has over 25 years of investment experience.

### Odell Lambroza

Odell joined Advent in 2001 as a Principal and serves as a portfolio manager on the strategy. Prior to Advent, Odell was Head of Convertibles and Equity Derivatives at Société Générale. Previously, Odell managed the sales and trading departments at HSBC Securities and Bankers Trust. Odell began his career at Merrill Lynch and served as Vice President of Convertible Trading, Structured Equity Derivative Products and Asset Swaps. Odell is a graduate of Cornell University and has over 30 years of industry experience.

## Share Classes

Share Class	Inst Founder Class	Inst Class	Inst Class A	Retail Class
Currency	EUR/USD/CHF/GBP	EUR/USD/CHF/GBP	EUR/USD/CHF/GBP	EUR/USD/CHF/GBP
Management Fee	1.25%	1.00%	1.50%	2.00%
Performance Fee	15%	20%	20%	20%
Min Initial Subscription	20,000,000	5,000,000	1,000,000	10,000
ISIN Codes	EUR: IE00BD3CQZ05	EUR: IE00BNTVVH81	EUR: IE00BD3CQ612	EUR: IE00BD3CQL68
	USD: IE00BD3CR131	USD: IE00BNTVVL28	USD: IE00BD3CQ836	USD: IE00BD3CQN82
	CHF: IE00BD3CR248	CHF: IE00BNTVVK11	CHF: IE00BD3CQ943	CHF: IE00BD3CQP07
	GBP: IE00BD3CR024	GBP: IE00BNTVVJ06	GBP: IE00BD3CQ729	GBP: IE00BD3CQM75

## Contact Details

### Investor Contact

**Waystone Capital Solutions (UK) Ltd**  
2nd Floor, 20-22 Bedford Row  
Holborn, London  
T: +44 207 290 9493  
investorrelations@waystone.com

### Management Company

**Waystone Fund Management (IE) Ltd**  
3rd Floor, 76 Baggot Street Lower  
Dublin, Ireland  
T: +353 1 533 7020  
investorrelations@waystone.com

### Investment Manager

**Advent Capital Management, LLC**  
888 Seventh Avenue, 31st Floor  
New York, NY 10019  
T: +1 212 482 1600  
AdventUCITS@adventcap.com

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