

# Wellesley Investment Advisors, Inc.

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**Protecting the Portfolio:** *Using Convertibles  
to Preserve and Grow Wealth*



*Limited Risk  
Investing™*

**Wellesley Investment Advisors, Inc.**

**20 William Street**

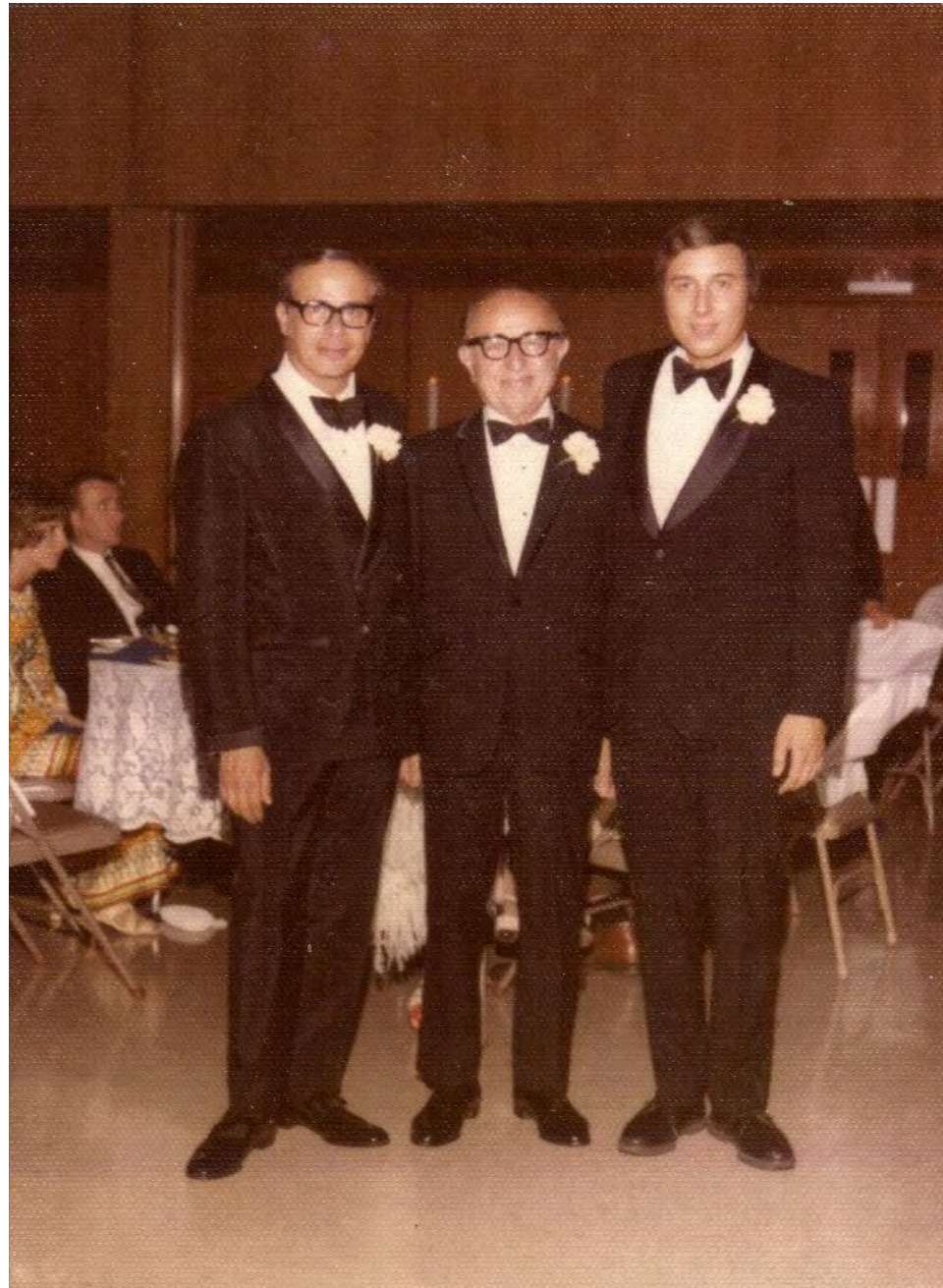
**Wellesley, MA 02481**

**(781) 416-4000**

### **Greg Miller, CPA, CEO**

- Over 30 years experience advising high net worth individuals and investment professionals





### Who is Wellesley Investment Advisors, Inc?

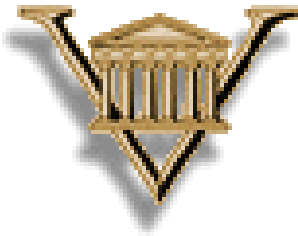
- **Wellesley** is an SEC-registered investment advisory firm serving institutions, RIA's, and other investment advisors.
- **Established in 1991**
- **Number of Professionals: 10**
- **Located:** Wellesley, Massachusetts
- **Primary Goal:** To preserve capital and generate positive returns in all market environments.
- **Investment Strategy:** Absolute return strategy deploying the use of convertible bonds.



## Historical Bear Markets: DJIA

| <u>Year</u> | <u>Number of Bear Markets</u> | <u>Percent Decline</u> |
|-------------|-------------------------------|------------------------|
| 1900s       | 3                             | 46%, 49%, 27%          |
| 1910s       | 3                             | 24%, 40%, 47%          |
| 1920s       | 1                             | 89%                    |
| 1930s       | 3                             | 23%, 49%, 41%          |
| 1940s       | 1                             | 24%                    |
| 1950s       | 1                             | 19%, S&P 500 fell 22%  |
| 1960s       | 3                             | 27%, 26%, 36%          |
| 1970s       | 2                             | 45%, 27%               |
| 1980s       | 2                             | 24%, 36%               |
| 1990s       | 1                             | 21%                    |
| 2000s       | 2                             | 38%, 53%               |

## Convertible Bond Performance



**“Surprisingly, over long periods, convertibles typically provide a better total return than stocks.”**

**“In a volatile stock market, convertibles can reduce risk without sacrificing future returns.”**

# Our Competitive Advantage

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***We are a boutique manager using both quantitative and fundamental analysis investing in a limited marketplace***

## Investing with Convertibles

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- Uncomplicated strategy
- Disciplined strategy
- Focus on absolute return and wealth protection
- Perform an extensive fundamental analysis on each company as well as a quantitative analysis on each bond
- Minimal volatility
- Annualized returns of over 10% for the last 14 years
- Only one down year in the last 14 years (2008: -11.54%)
- Convertibles can outperform both stocks and bonds over complete market cycles (6.5 years)



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## **Rule #1**

Capital Preservation is Primary Goal

## **Rule #2**

Invest for Absolute Returns Not Relative Returns

## **Rule #3**

Invest with a Time Horizon Through Complete Market Cycles

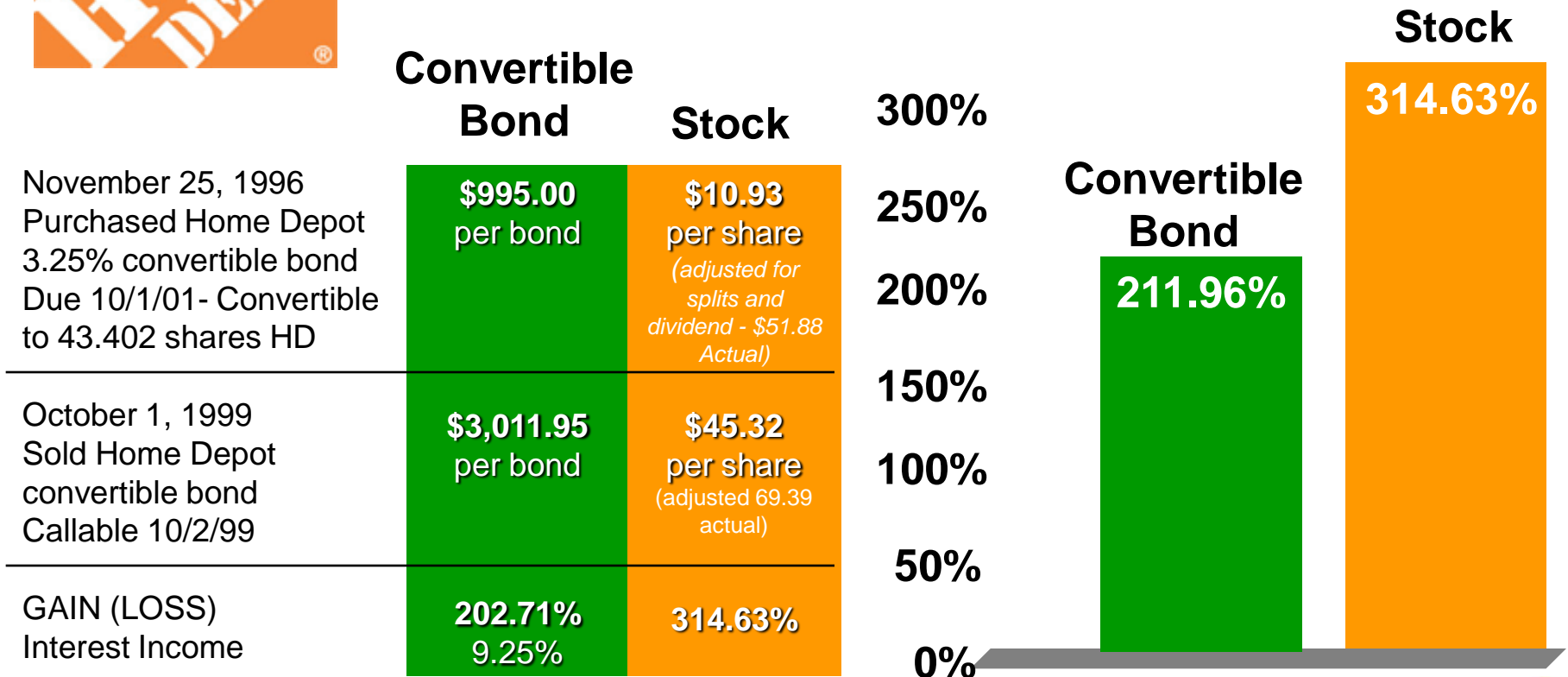


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## Hypothetical Example: Home Depot

### What Happens When the Stock Appreciates



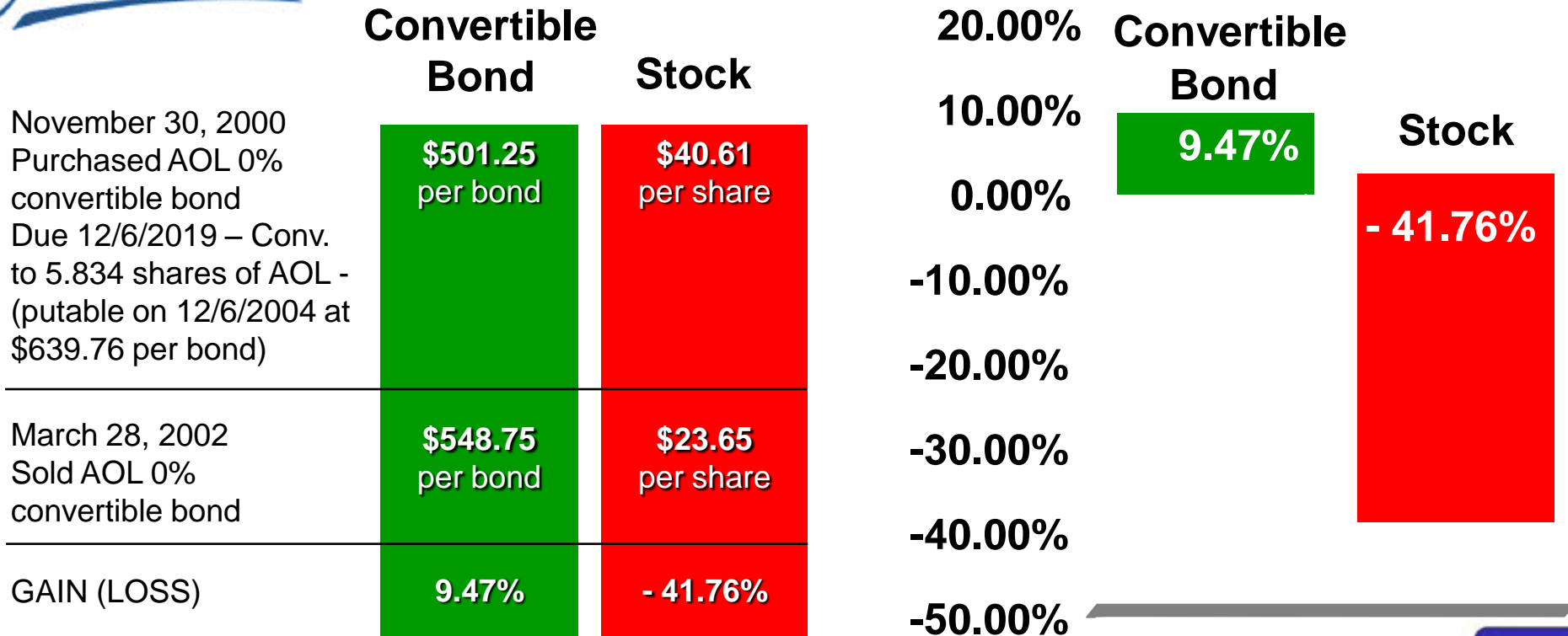
© Wellesley Investment Advisors, Inc. 2009. A complete list of securities recommended by the firm during the past year is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed. All numbers are approximate on all relevant slides.





## Hypothetical Example: AOL Time Warner

### What Happens When the Stock Depreciates



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## **Wellesley Investment Advisors**

### Three Laws of Convertible Investing for Absolute Return Investing

**1. Invest in long convertibles.**

Goal is to maximize returns & protect principal over periods of 6.5 years.

**2. Buy convertibles that have no (or minimal) loss to the next 'liquidity event.'**

A liquidity event is the next call, put or maturity.

**3. Buy convertibles with short-term liquidity events.**

A short-term liquidity event is a put or maturity of 6.5 years or less.



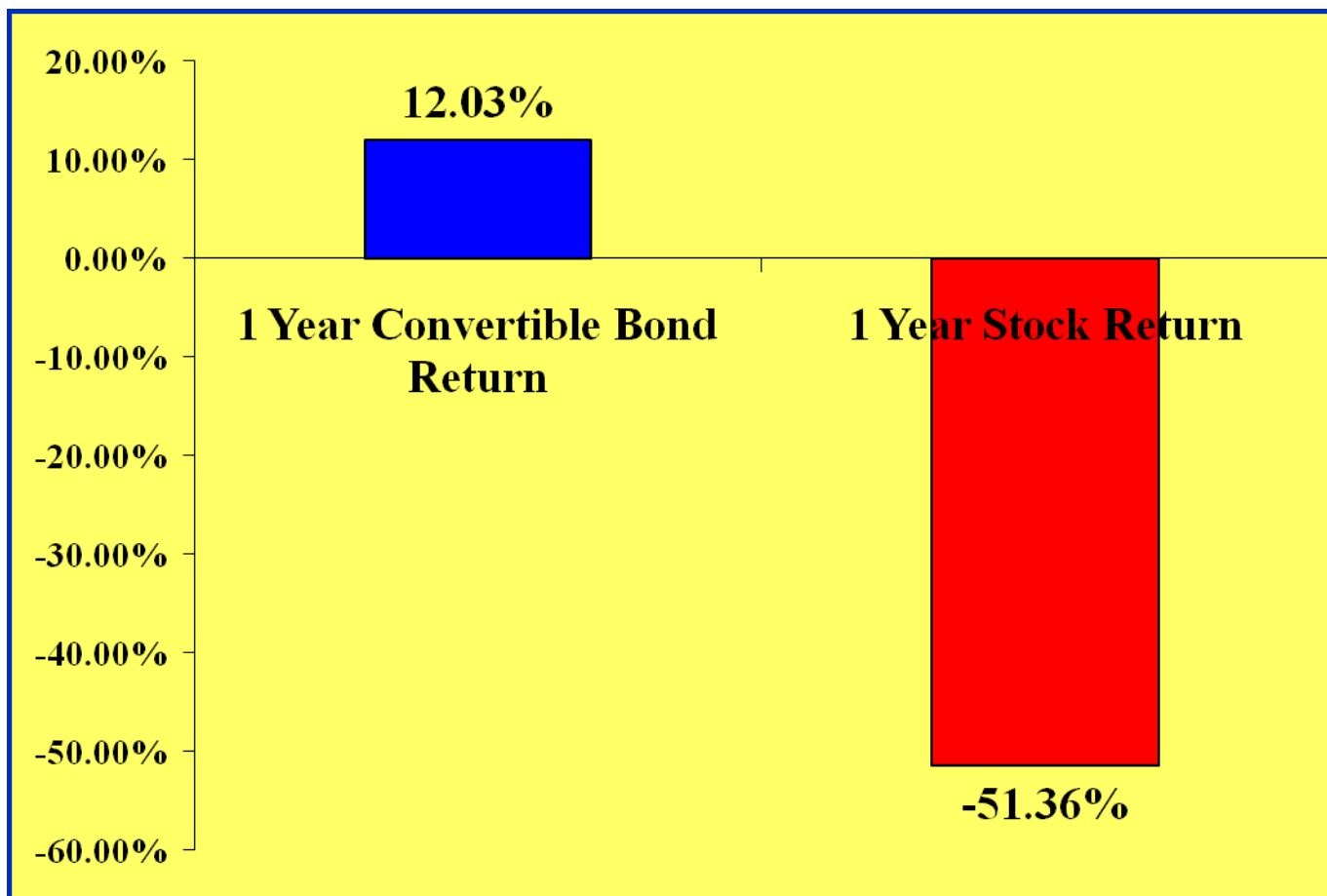
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# The Advantages of Puts in Convertible Bonds

## Wellesley Investment Advisors' Three Laws of Convertible Bond Investing for Absolute Return



Example from 2002



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# Performance Record

| Year              | <u>WIA</u>    | <u>S&amp;P 500</u> | <u>MLV0A0</u> |
|-------------------|---------------|--------------------|---------------|
| 1995              | 18.88%        | 37.58%             | 24.75%        |
| 1996              | 9.06%         | 22.96%             | 14.30%        |
| 1997              | 21.71%        | 33.36%             | 18.98%        |
| 1998              | 15.42%        | 28.58%             | 8.21%         |
| 1999              | 18.42%        | 21.04%             | 44.32%        |
| 2000              | 16.17%        | -9.10%             | -11.70%       |
| 2001              | 10.64%        | -11.93%            | -3.95%        |
| 2002              | 2.05%         | -22.06%            | -4.95%        |
| 2003              | 14.15%        | 28.68%             | 25.80%        |
| 2004              | 5.53%         | 10.88%             | 8.49%         |
| 2005              | 2.57%         | 4.91%              | -0.34%        |
| 2006              | 8.49%         | 15.80%             | 12.75%        |
| 2007              | 6.26%         | 5.49%              | 4.12%         |
| 2008              | -11.99%       | -37.00%            | -33.02%       |
| 2009              | 26.49%        | 14.97%             | 32.98%        |
| <b>Annualized</b> | <b>10.77%</b> | <b>7.53%</b>       | <b>7.86%</b>  |



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Returns are from January 1995 to August 31, 2009. Please see performance notes in appendix.

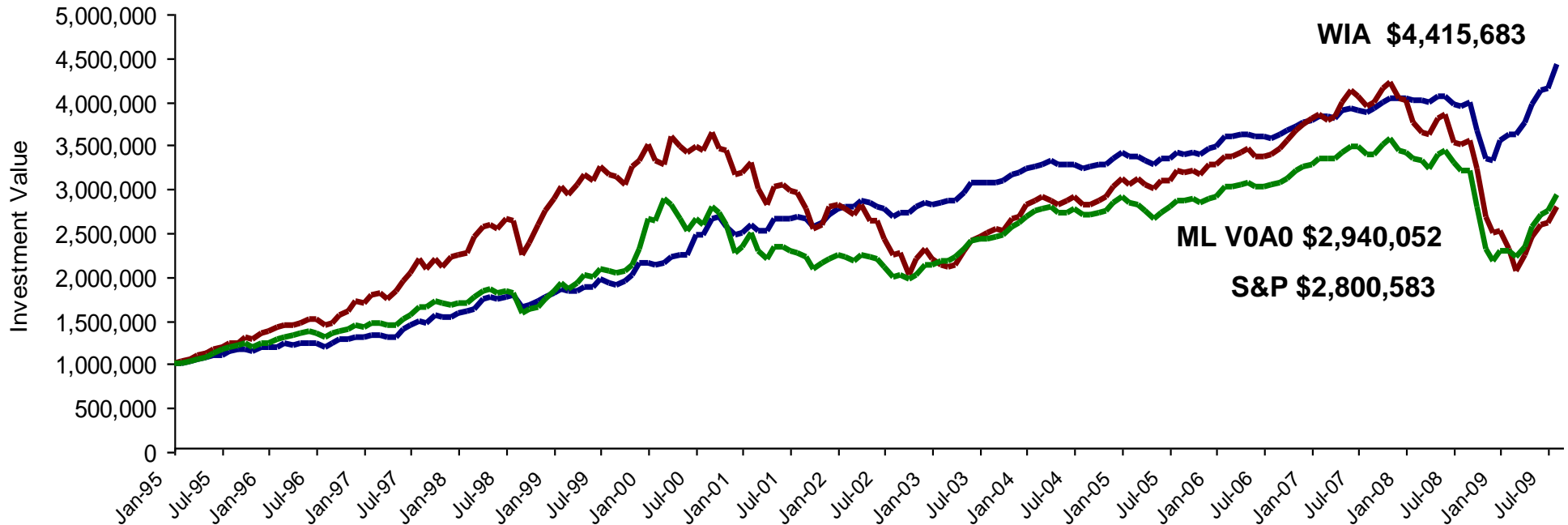
The BoA / ML V0A0 represents the US Convertible Market excluding mandatory convertibles.

© Wellesley Investment Advisors, Inc. 2009

All numbers are approximate on all relevant slides.

# Performance Record

## Growth of \$1,000,000: January 1995 – August 2009



Sources: BoA / ML VOA0 is the Bank of America / Merrill Lynch VOA0 US Convertible Index.

Please see performance notes in appendix.

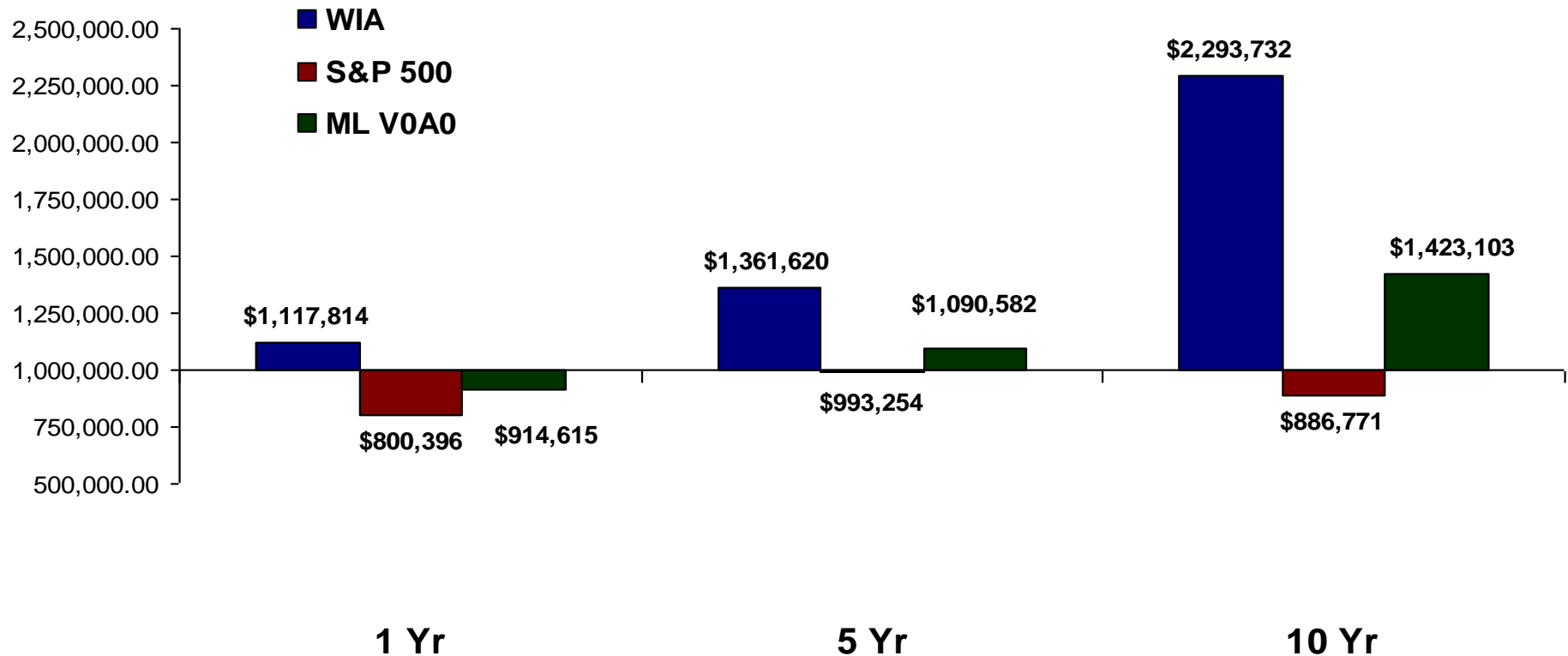
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All numbers are approximate on all relevant slides.



# Investing with Convertibles

## Growth of \$1,000,000 : August 1999 – August 2009



Sources: BoA / ML V0A0 is the Bank of America / Merrill Lynch V0A0 US Convertible Index. Please see performance notes in appendix.

© Wellesley Investment Advisors, Inc. 2009

All numbers are approximate on all relevant slides.





# Performance Record

|                          | <b>Wellesley<br/>Convertibles</b> | <b>S&amp;P 500</b> | <b>BOA/ML<br/>VOA0</b> |
|--------------------------|-----------------------------------|--------------------|------------------------|
| <b>Since Jan 1, 1995</b> | <b>10.77%</b>                     | <b>7.53%</b>       | <b>7.86%</b>           |
| <b>10 Years</b>          | <b>8.99%</b>                      | <b>-0.79%</b>      | <b>4.00%</b>           |

Returns through August 2009

Sources: BoA / VOA0 is the US Convertible Index. The S&P 500 Index is designed to be a leading indicator of US Equities.

Please see performance notes in appendix © Wellesley Investment Advisors, Inc. 2009 All numbers are approximate on all relevant slides.



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## How Are Convertible Bonds Doing in the Current Market Environment?

|                       | Wellesley | S & P 500 | BoA / V0A0 |
|-----------------------|-----------|-----------|------------|
| 8 months ended Aug 09 | 26.49%    | 14.97%    | 32.98%     |



## Barron's Cover Story July 13, 2009

### Charles Schwab states:

**“On equity-market returns: ‘ 8% to 10% is not realistic today... for at least four to five years ...you have to be thinking, on a real basis, of more like 4% to 5%.’”**



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## Investing with Convertibles

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Wellesley Investment Advisors' Long-Term Goal:

Choose convertible bonds which will earn 9% or more per year over 6.5 year periods – combining Yield + Capital Appreciation

Historically, the convertible bonds Wellesley Investment Advisors has selected

**Yield = 3%**

**Capital Appreciation = 7%**

Today, many high quality convertible bonds have

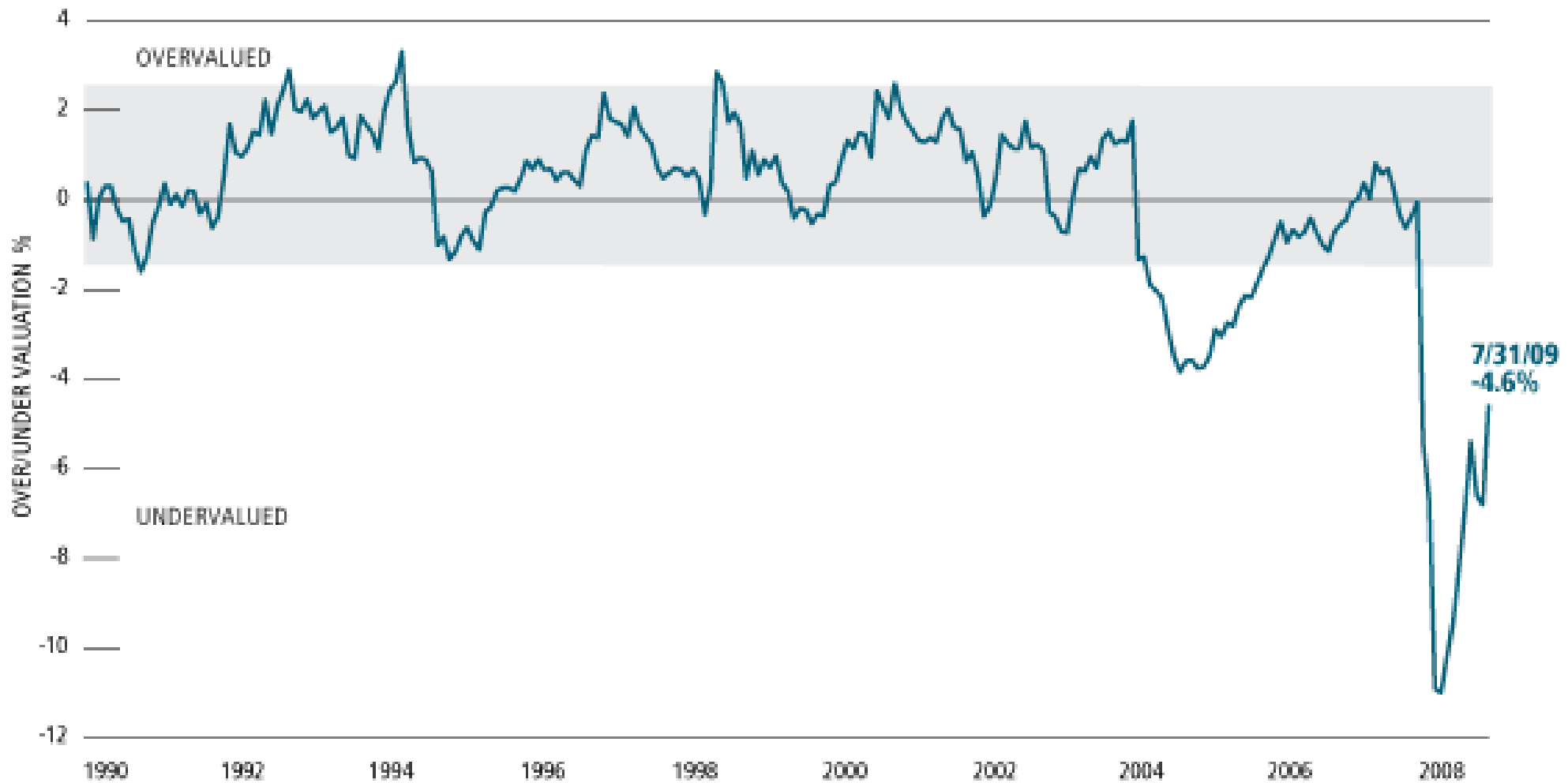
**Yield to worst of 6+%**



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All numbers are approximate. Numbers as of 6/30/2008 yield to worst will vary depending on the bond and credit quality.

# Investing with Convertibles



Source: Calamos Corporate System (CCS), Calamos Advisors LLC. 2009

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## Convertible Bond Definitions

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**Parity** – What the investor would receive if they converted the convertible now.

**Conversion Premium** – The percentage difference between the convertible price and the parity

**Yield to Put (YTP)** sometimes called **Yield to Worst (YTW)** – The interest rate that investors would receive if they held the bond until its **put** date

**Delta** – The expected price participation of a convertible bond in the movement of a 1% move in the underlying stock price.



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*Examples of Convertible Bonds for Sale  
Now*



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# Investing with Convertibles



## MMM 0% Nov 21, 2032

3M is a worldwide leading manufacturer of innovative products for industrial, consumer, transportation, safety, health care and other markets

|                           |   |            |
|---------------------------|---|------------|
| Convertible Bond Price    | = | \$83.321   |
| Investment Grade          | = | AA         |
| Yield to Worst            | = | 2.60%      |
| Time to Next Put/Maturity | = | 3.22 Years |
| Conversion Premium        | = | 25.61%     |
| Delta                     | = | 16.38      |

**Stock Price: \$70.12**

**Stock: 52 Week Range \$50.01 - \$83.22**

**EPS: Last Year = \$5.16; Current Year = \$4.21; Next Year = \$4.54**



© Wellesley Investment Advisors, Inc. 2009. 1. The bonds in these examples are not recommendations to buy. Before purchasing convertible bonds, investors should carefully review the bond prospectus and consult with a financial advisor who has experience in investing in and trading convertible bonds. Individual convertible bonds should be purchased based on risk tolerance, time horizons and other factors in concert with an investment professional. 2. All prices are approximate and as of September 1, 2009 from Kynex, Inc. 3. Current Year and Next Year EPS are from Zacks Investment Research. 4. Investment Grades are from FINRA and represent either S&P, Moody's or Fitch ratings.



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## AMGEN®

### AMGEN 0.38% Feb 1, 2013

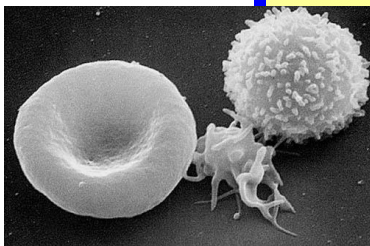
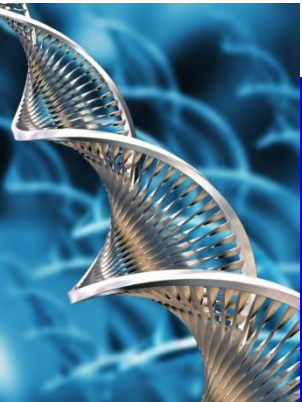
Amgen, Inc., a biotechnology company, engages in the discovery, development, manufacture, and marketing of human therapeutics based on advances in cellular and molecular biology.

|                           |   |            |
|---------------------------|---|------------|
| Convertible Bond Price    | = | \$98.68    |
| Investment Rating         | = | A+         |
| Yield to Maturity         | = | 0.77%      |
| Time to Next Put/Maturity | = | 3.42 Years |
| Conversion Premium        | = | 32.98%     |
| Delta                     | = | 36.22      |

**Stock Price: \$58.98**

**Stock: 52 Week Range \$44.96 - \$66.51**

**EPS: Last Year = \$4.48; Current Year = \$4.80; Next Year = \$5.05**



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# Investing with Convertibles



## Unisource Energy 4.5% Mar 01, 2035

UniSource Energy Corporation, through its subsidiaries, operates as an electric and gas utility in Arizona.

|                           |   |            |
|---------------------------|---|------------|
| Convertible Bond Price    | = | \$91.15    |
| Investment Rating         | = | NR         |
| Yield to Worst            | = | 6.44%      |
| Time to Next Put/Maturity | = | 5.49 Years |
| Conversion Premium        | = | 15.20%     |
| Delta                     | = | 30.70      |

**Stock Price: \$29.04**

**Stock: 52 Week Range \$21.63 - \$31.01**

**EPS: Last Year = \$0.39; Current Year = \$2.65; Next Year = \$3.06**

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# Investing with Convertibles

# Sotheby's

## Sothebys Hldgs 3.125% Jun 15, 2013

Since 1744, Sotheby's, operates as an auctioneer of fine art, antiques and decorative art, and jewelry and collectibles throughout the world.

|                           |   |            |
|---------------------------|---|------------|
| Convertible Bond Price    | = | \$83.262   |
| Investment Rating         | = | B          |
| Yield to Worst            | = | 8.39%      |
| Time to Next Put/Maturity | = | 3.77 Years |
| Conversion Premium        | = | 87.35%     |
| Delta                     | = | 20.66      |

**Stock Price: \$15.11**

**Stock: 52 Week Range \$7.29 - \$25.65**

**EPS: Last Year = \$0.52; Current Year = \$0.01; Next Year = \$0.54**



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## SonoSite, Inc. 3.750% Jul 15, 2014

SonoSite, Inc. is the world leader in hand-carried ultrasound. Through their design expertise, they can offer imaging performance of 300 pound ultrasound machines in a system weighing as much as a laptop computer.

|                           |   |            |
|---------------------------|---|------------|
| Convertible Bond Price    | = | \$90.548   |
| Investment Rating         | = | NR         |
| Yield to Maturity         | = | 6.02%      |
| Time to Next Put/Maturity | = | 4.87 Years |
| Conversion Premium        | = | 49.41%     |
| Delta                     | = | 49.12      |

**Stock Price: \$23.15**

**Stock: 52 Week Range \$15.27 - \$38.74**

**EPS: Last Year = \$0.66; Current Year = \$0.40; Next Year = \$0.83**



# Risk Reward Analysis – One Year

## SonoSite, Inc. 3.750% Due 06/15/2014

As of May 2, 2009

| Scenario | Stock Price | Credit Spread | Stk Vol | Pct Chp | Convert Price | Cy Rtn | Stk Rtn | Pt cpn | CY   | YTM   | YTP  | Conv Prem | BE  | CP  | Prem/IV | Fair Value | Invest Value | Delta 1% | Gamma1 | Rho    |
|----------|-------------|---------------|---------|---------|---------------|--------|---------|--------|------|-------|------|-----------|-----|-----|---------|------------|--------------|----------|--------|--------|
| Current  | 18.060      | 1,547         | 50      | (14.0)  | 86.476        |        |         | -      | 4.34 | 6.89  | 6.9  | 82.90     | 0.0 | 5.2 | 61.2    | 75.8       | 53.6         | 46.1     | 0.277  | (1.63) |
| -20%     | 14.448      | 2,320         | 50      | (21.1)  | 73.000        | (11.2) | (20.0)  | 56.2   | 5.14 | 12.13 | 12.1 | 93.00     | 0.0 | 4.2 | 63.4    | 60.3       | 44.7         | 44.0     | 0.330  | (1.08) |
| -10%     | 16.254      | 2,166         | 50      | (19.7)  | 78.286        | (5.1)  | (10.0)  | 51.3   | 4.79 | 10.22 | 10.2 | 83.98     | 0.0 | 4.2 | 66.1    | 65.4       | 47.1         | 46.9     | 0.320  | (1.12) |
| 0%       | 18.060      | 1,702         | 50      | (15.4)  | 86.181        | 4.0    |         | 4.0    | 4.35 | 7.65  | 7.7  | 82.28     | 0.0 | 4.2 | 55.4    | 74.7       | 55.5         | 44.2     | 0.335  | (1.40) |
| 10%      | 19.866      | 1,547         | 50      | (14.0)  | 91.516        | 10.2   | 10.0    | 101.6  | 4.10 | 6.06  | 6.1  | 75.97     | 0.0 | 4.2 | 56.1    | 80.3       | 58.6         | 46.0     | 0.329  | (1.47) |
| 20%      | 21.672      | 1,547         | 50      | (14.0)  | 95.479        | 14.7   | 20.0    | 73.7   | 3.93 | 4.95  | 5.0  | 68.29     | 0.0 | 4.2 | 62.9    | 83.7       | 58.6         | 50.0     | 0.312  | (1.41) |

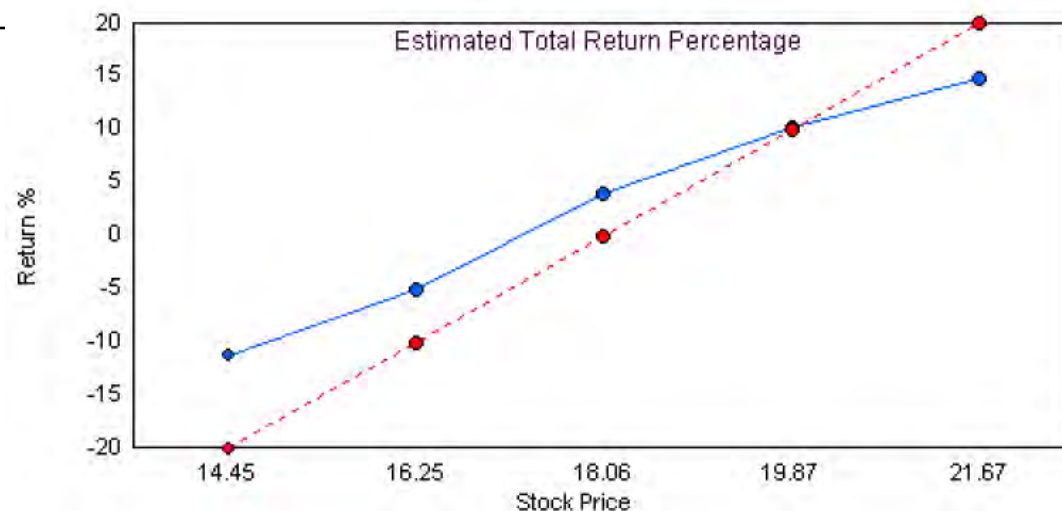
### Stock Fundamentals

| Year | Eps  | P/E   | PEGY |
|------|------|-------|------|
| FY1  | 0.80 | 22.6x | 0.8x |
| FY2  | 1.08 | 16.7x | 0.6x |

|                       |          |                          |        |
|-----------------------|----------|--------------------------|--------|
| <b>Market Cap</b>     | 0.30b    | <b>Long Term Growth</b>  | 27.33% |
| <b>From 52Wk Hi</b>   | (53.38)% | <b>Volatility 250d</b>   | 52.21% |
| <b>Volatility 90d</b> | 46.69%   | <b>Stock Dividend/Yr</b> | 0.00   |
| <b>Ratings</b>        | Nr/nr    |                          |        |

### Convertible Indicative Terms

|                              |       |                   |                |
|------------------------------|-------|-------------------|----------------|
| <b>Amount Outstanding</b>    | 120m  | <b>Frequency</b>  | Semi-Annually  |
| <b>Redemption</b>            | 100%  | <b>Industry</b>   | Bio-Technology |
| <b>Conversion Price</b>      | 38.20 | <b>Eco Sector</b> | Consumer       |
| <b>Conversion Ratio ,000</b> | 9.600 | <b>Call Date</b>  | N/A            |
| <b>Put Date</b>              | N/A   | <b>Call Price</b> | N/A            |
| <b>Put Price</b>             | N/A   | <b>Trigger</b>    |                |



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# Risk Reward Analysis – To Maturity

## SonoSite, Inc. 3.750% Due 06/15/2014

As of May 2, 2009

| Scenario | Stock Price | Credit Spread | Stk Vol | Pct Chp | Convert Price | Cv Rtn | Stk Rtn | Pt cpn | CY   | YTM  | YTP | Conv Prem | BE  | CP  | Prem/IV | Fair Value | Invest Value | Delta 1% | Gamma1 | Rho    |
|----------|-------------|---------------|---------|---------|---------------|--------|---------|--------|------|------|-----|-----------|-----|-----|---------|------------|--------------|----------|--------|--------|
| Current  | 18.060      | 1,547         | 50      | (13.9)  | 86.476        |        |         | -      | 4.34 | 6.89 | 6.9 | 82.90     | 0.0 | 5.2 | 61.2    | 75.9       | 53.6         | 46.1     | 0.275  | (1.63) |
| -50%     | 9.030       | 2,320         | 50      | 0.0     | 100.000       | 38.2   | (50.0)  | *88.2  | 3.75 |      |     | 323.02    | 0.0 |     | 0.0     | 100.0      | 100.0        | 0.0      | 0.000  | 0.00   |
| -25%     | 13.545      | 2,166         | 50      | 0.0     | 100.000       | 38.2   | (25.0)  | *63.2  | 3.75 |      |     | 182.01    | 0.0 |     | 0.0     | 100.0      | 100.0        | 0.0      | 0.000  | 0.00   |
| 0%       | 18.060      | 1,702         | 50      | 0.0     | 100.000       | 38.2   |         | *38.2  | 3.75 |      |     | 111.51    | 0.0 |     | 0.0     | 100.0      | 100.0        | 0.0      | 0.000  | 0.00   |
| 30%      | 23.478      | 1,547         | 50      | 0.0     | 100.000       | 38.2   | 30.0    | 127.2  | 3.75 |      |     | 62.70     | 0.0 |     | 0.0     | 100.0      | 100.0        | 0.0      | 0.000  | 0.00   |
| 100%     | 36.120      | 1,547         | 50      | 0.0     | 100.000       | 38.2   | 100.0   | 38.2   | 3.75 |      |     | 5.75      | 0.0 |     | 0.0     | 100.0      | 100.0        | 0.0      | 0.000  | 0.00   |
| 150%     | 45.150      | 1,547         | 50      | (13.9)  | 134.614       | 78.2   | 150.0   | 52.1   | 2.79 |      |     | 13.89     | 0.0 |     | 34.6    | 118.2      | 100.0        | 100.0    | 0.000  | 0.00   |
| 188%     | 52.013      | 1,547         | 50      | (13.9)  | 155.076       | 101.8  | 188.0   | 54.2   | 2.42 |      |     | 13.89     | 0.0 |     | 55.1    | 136.2      | 100.0        | 100.0    | 0.000  | 0.00   |
| 250%     | 63.210      | 1,547         | 50      | (13.9)  | 188.460       | 140.4  | 250.0   | 56.2   | 1.99 |      |     | 13.89     | 0.0 |     | 88.5    | 165.5      | 100.0        | 100.0    | 0.000  | 0.00   |

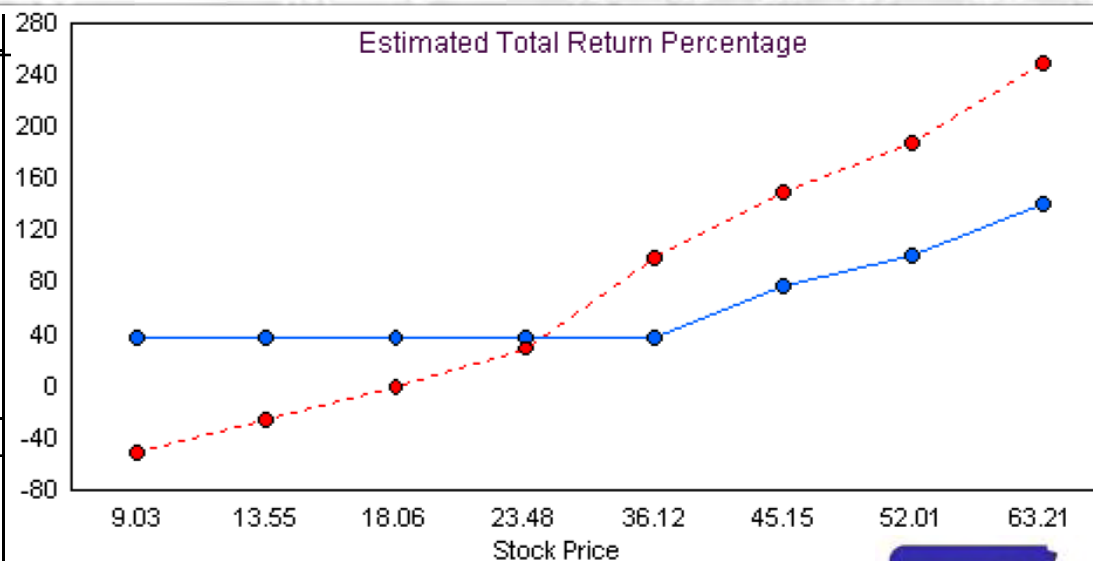
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| Year | Eps  | P/E   | PEGY |
|------|------|-------|------|
| FY1  | 0.80 | 22.6x | 0.8x |
| FY2  | 1.08 | 16.7x | 0.6x |

|                |          |                   |        |
|----------------|----------|-------------------|--------|
| Market Cap     | 0.30b    | Long Term Growth  | 27.33% |
| From 52Wk Hi   | (53.38)% | Volatility 250d   | 52.21% |
| Volatility 90d | 46.69%   | Stock Dividend/Yr | 0.00   |
| Ratings        | Nr/nr    |                   |        |

### Convertible Indicative Terms

|                       |       |            |                |
|-----------------------|-------|------------|----------------|
| Amount Outstanding    | 120m  | Frequency  | Semi-Annually  |
| Redemption            | 100%  | Industry   | Bio-Technology |
| Conversion Price      | 38.20 | Eco Sector | Consumer       |
| Conversion Ratio ,000 | 9.600 | Call Date  | N/A            |
| Put Date              | N/A   | Call Price | N/A            |
| Put Price             | N/A   | Trigger    |                |



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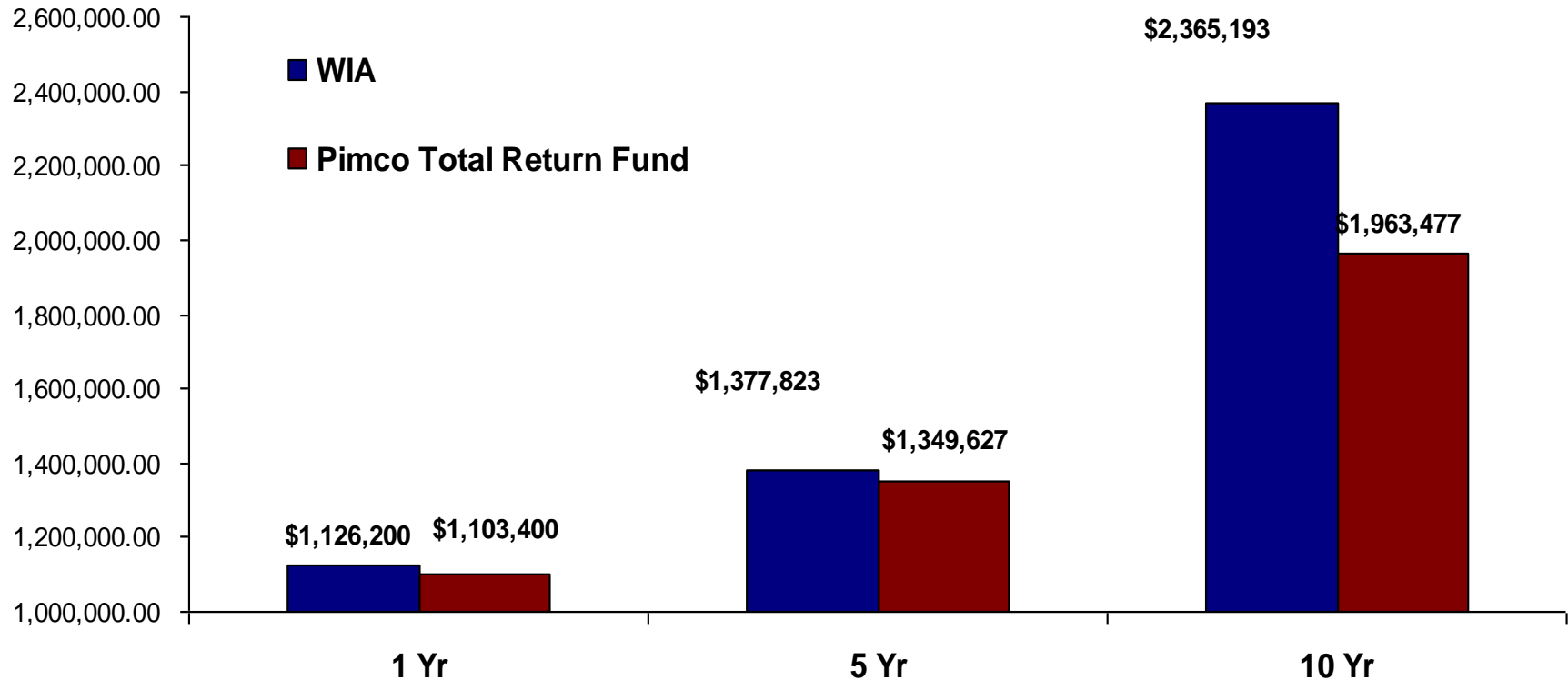
# *Convertible Bonds as a Corporate Bond Replacement Strategy*



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# Investing with Convertibles

## Growth of \$1,000,000 : August 1999 – August 2009



Sources: PIMCO Total Return Fund A – Ticker Symbol: PTTAX  
Please see performance notes in appendix.

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All numbers are approximate on all relevant slides.





# *Convertible Bonds as a Municipal Bond Replacement Strategy*



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# Problems with Municipal Bonds and Why Convertible Bonds May Be a Better Alternative

- **Problems with rating agencies**
- **Problems with insurance**
- **Problems with diversification**
- **Problems with future returns**



# Municipal Bond Returns VS WIA Convertible Bond Returns

| Average annual total returns<br>through July 31, 2009 | <b>Lipper<br/>Short-<br/>Intermediate<br/>Municipal<br/>Debt Fund<br/>Index</b> | <b>Wellesley<br/>Investment<br/>Advisors<br/>Separate<br/>Managed<br/>Accounts</b> |
|---|---|--|
| <b>One year</b>                                       | <b>4.41%</b>  | <b>11.46%</b>  |
| <b>3 years</b>  | <b>3.77%</b>  | <b>7.12%</b>   |
| <b>5 years</b>  | <b>3.24%</b>  | <b>6.31%</b>   |
| <b>10 years</b>                                       | <b>3.84%</b>  | <b>8.62%</b>   |



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### Ways to Invest in Convertibles Using an Absolute Return Strategy

Separately Managed  
Accounts for Portfolios  
\$250,000 or over

Miller Convertible Fund  
(MCFAX)

For more information please contact:

Michael Miller

Vice President

P: 781-416-4000 X 132

Or email: [info@wia.cc](mailto:info@wia.cc)



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**2008 LIPPER  
PERFORMANCE ACHIEVEMENT CERTIFICATE**

Miller Investment Trust:  
Miller Convertible Fund; Class I Shares

Ranks Number One in the  
Lipper Equity Fund Performance Analysis Service  
One Year Period Ending December 31, 2008

Investment Objective/Lipper Classification  
Convertible Securities Funds



A handwritten signature in black ink, appearing to read "Eric P. Almquist".

ERIC ALMQUIST  
CHIEF OPERATING OFFICER



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### Quote from Forbes Magazine

*“If you stay out of stocks, you might miss the rally. If you buy stocks, you might get creamed in another slump. But convertible(s)...let you have it both ways.*

*Making good selections from among convertible securities with so many variables is challenging, but very rewarding. Finding the right convertibles is like a game where you can win or, alternatively, get your money back – with interest.”*



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# QUESTIONS?







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## Wellesley Biographies

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### **Greg Miller CPA, CEO**

**(781) 416-4000 Ext.122**

**gregmiller@wia.cc**

CEO and founder of Wellesley Investment Advisors, Inc., Greg draws on over thirty years of investment and financial experience. Greg is a nationally recognized provider of investment advisory services specializing in convertible bonds. He has directed the Limited Risk Investing philosophy of Wellesley Investment Advisors for over 15 years with the primary goal of principal protection combined with investment growth. His extensive background in absolute return investing has earned the respect of Registered Investment Advisors, financial planners, and other investment professionals nationwide, many of whom are clients of the firm.

Greg has written several articles and has been written up in various investment and prominent financial publications, including Institutional Investor, The Wall Street Transcript, Investment Advisor Magazine, the National Association of Active Investment Managers, and Forbes and BusinessWeek.

Greg also serves as the firm's Chief Investment Officer of Wellesley, developing investment strategies for each client in pursuit of their individual objectives.

Wellesley Investment Advisors, Inc. launched a convertible mutual fund that Greg serves as the Fund Manager. The Fund's investment objective is to maximize total return while keeping volatility low and preserving principal. For 2008, its first complete year, the fund won the coveted Lipper Award for being ranked Number One in the Lipper Equity Fund Performance Analysis Service for the One Year Period Ending December 31, 2008.

Greg began his career with PricewaterhouseCoopers (formerly Coopers & Lybrand), an international accounting and consulting firm. Subsequently, he formed his own CPA firm, and for twenty-five years provided a broad range of financial and consulting services to established businesses, professionals, and executives. In the context of his work as a CPA, Greg has for many years advised clients on investments and financial planning. In 1991, he formed Wellesley Investment Advisors in response to increased demand for investment advice from clients.

Greg graduated from Boston University with a B.S. degree in Business Administration, and holds a Master's of Business Administration in Finance with High Distinction from Babson College. Greg lectures frequently on a broad range of investment topics to other investment professionals, institutional clients, and high net worth individuals on topics including convertible bonds and absolute return investing.

Greg has been a guest speaker at various TD Ameritrade Institutional Conferences, the National Association of Active Investment Managers conference, Family Office Conferences and other investment professional conferences. Greg has been a Director for various private companies, charities, and associations. Greg resides with his family in Weston, Massachusetts.



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## Wellesley Biographies

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**Darlene Murphy CPA, CFP®, Director**

**(781) 416-4000 x123**

Darlene M. Murphy, CPA, CFP® has worked closely with other Registered Investment Advisors and investment professionals in successfully implementing Wellesley's convertible bond strategy to their clientele. She has also help individuals, families and business owners achieve and maintain financial success for over 20 years.

Darlene is a Director, Board Member and co-founder of Wellesley Investment Advisors, Inc. She helped develop Wellesley Investment Advisors convertible bond strategy and has served both institutional and retail convertible bond clientele for over 15 years.

Darlene received a Bachelor of Arts Degree in Finance from Simmons College, where she received the Massachusetts Society of CPAs student achievement award. A CPA since 1987, Darlene also holds a Masters in Business Administration from Babson College where she was a recipient of the *Douglass Prize for Entrepreneurship*.

Darlene is also a Certified Financial Planner and the President and founder of Sudbury Wealth Management, Inc., a fee-only holistic financial planning and investment counsel firm.

Ms. Murphy is an active member of her community. She is a member of the Financial Planning Association, and volunteer with the Massachusetts Chapter of FPA. She also participates in the Metrowest Chamber of Commerce, The Commonwealth Institute, and various other business organizations. Darlene is a past board member and treasurer of the Simmons College Alumnae Association, has been an evaluator in the Babson College undergraduate business plan competition, and is an active member of her church.



## Wellesley Biographies

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### **Paul Samuels, Chief Operating Officer**

**(781) 416-4000 Ext.117**

**psamuels@wia.cc**

As Chief Operating Officer of Wellesley Investment Advisors, Paul contributes immeasurably to both the day-to-day operations of the firm and to the firm's overall investment strategy. Paul serves not only as the firm's COO, but also the CFO and the Head Investment Trader. He assists in executing the firm's investment strategies and in the creation of custom synthetic convertible products, research, and other investment policies deployed by the firm. Paul's efforts also impact both client retention and satisfaction.

Paul Samuels has over twenty-five years of financial and senior management experience. Responsible for the accounting, operational and customer service areas, Paul joined Wellesley Investment Advisors, Inc. in 2000.

A graduate of Sir George Williams University in Montreal (now known as Concordia University), Paul received his M.B.A. from The University of New Hampshire and a CA designation from the Order of Chartered Accountants of Quebec. Paul is a Past President of the Rotary Club of Wellesley.

### **Joseph M. Buscaino, Senior Vice President**

**(781) 416-4000 Ext.118**

**jbuscaino@wia.cc**

Joseph Buscaino is a Senior Vice President at Wellesley Investment Advisors, Inc. having started with the firm in 2002. Joe specializes in obtaining and retaining relationships with other Registered Investment Advisors, investment professionals and high net worth individuals. Besides being a specialist in convertible securities and Limited Risk Investing, Joe has an expert knowledge of mutual funds and mutual fund investing. Prior to joining Wellesley Investment Advisors, Joe practiced with a billion dollar RIA firm that focused solely in mutual fund investing. Joe is working with Wellesley Investment Advisors to develop and market a convertible security mutual fund to Wellesley's professional and institutional clientele. Joe graduated from Northeastern University with a Bachelor's Degree in Business Administration with a dual major in Business Management and Marketing. He has completed a Graduate Certificate in Financial Planning. Joe is also a member of the Society of Certified Senior Advisors and has passed the NASD Series 7 and Series 65 exams. He resides with his wife and daughter in the Boston area.



## Wellesley Biographies

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**Jim Wiegel, CFP®, Vice President**

**(781) 416-4000 Ext. 114**

**[jwiegel@wia.cc](mailto:jwiegel@wia.cc)**

Jim Wiegel is a Vice President at Wellesley Investment Advisors, Inc. and recently joined the firm from FundQuest, a turn-key-asset management provider. Jim specializes in consulting with financial intermediaries relative to investments employed at their firm and specifically, how the Wellesley's absolute return seeking convertibles strategy can fit into a well-diversified asset allocation strategy. He is responsible for distribution of Wellesley Investment Advisors, Inc. investment strategies in the United States focusing on financial intermediaries.

Jim brings over 30 years of investment consulting, business development, product management, and information technology experience to his post at Wellesley Investment Advisors. Prior to joining the Firm, he was accountable for distribution efforts of FundQuest's separate managed accounts in the west and southwest. During his career, Jim has served as an investment advisor representative, independent RIA, portfolio manager, and investment wholesaler.

He is a graduate of West Point with a B.S. in Engineering, George Washington University with a M.S. in Telecommunications, Babson College with an M.B.A. concentrating in Finance, and Boston University with a diploma in Financial Planning. He is a retired Colonel in the U.S. Army Reserves. Jim resides with his wife and two children in the Sudbury.

**Michael D. Miller, Vice President**

**(781) 416-4000 Ext. 132**

**[mmiller@wia.cc](mailto:mmiller@wia.cc)**

Michael Miller recently joined Wellesley Investment Advisors, Inc. as a Vice President and Senior Analyst. Michael is responsible for convertible research and product development. Additionally, he analyzes, monitors, reports and communicates performance and other portfolio and fund data. Michael also assists in constructing and analyzing client portfolios.

Previously, Michael was employed with Convergent Wealth Advisors (formerly Lydian Wealth Management), as a Senior analyst. Convergent is a firm that provides ultra-affluent investors with progressive wealth management. At Convergent, Mr. Miller worked with clients to build and monitor customized investment portfolios. Mr. Miller was also involved in the overall supervision and administration of high-level executive projects such as the implementation of a new trading platform.

Mr. Miller received his Bachelors of Science degree in Business Administration from The American University Kogod School of Business in Washington, DC., where he specialized in finance. Michael has passed the Series 65 exam and is currently a candidate for a Master's degree in Business Administration.

## Footnotes for WIA Convertible Bond Returns

1. This presentation reflects only the convertible bond portion of WIA's client accounts. Returns are based on all convertible bond positions held in accounts of all WIA clients during the periods reflected. Actual client accounts include positions other than convertible bond positions. Such other positions are not included in this performance presentation. Accordingly, the actual return of WIA client accounts is different, in some cases substantially, from the performance information presented for convertible bonds. During the periods reflected, WIA did not manage any other accounts that included convertible bonds in their portfolios.
2. Returns include a 1.00% annual management fees. WIA's standard fee schedule is included in its Form ADV Part II.
3. Past performance is not indicative of future results.
4. No representation is made that the investor will obtain similar results to those shown above. The performance presented may not be representative of investments held in any one client account or performance realized in any one client account. An investor's actual performance may differ from the performance presented above due to timing of investment, contributions and withdrawals. Performance does not reflect the effects of taxation, which result in lower returns to taxable investors.
5. This report is meant for broad discussion purposes only, and is not intended as a recommendation to buy or sell any security.
6. An investment in convertible bonds involves a risk of loss. The value of an investment in convertible bonds may decrease as well as increase.

## Footnotes for WIA Convertible Bond Returns (continued)

7. WIA's convertible returns have been calculated using the methodology set forth below. Such methodology includes several assumptions that result from systems limitations on aggregating the convertible bond portion of multiple client accounts.

Although information has been obtained from and is based on sources WIA believes to be reliable, WIA does not guarantee the accuracy

of the information, and it may be incomplete or condensed. Returns do not reflect reinvestment of interest and dividend income.

### 8. Methodology for WIA Convertible Bond Returns:

- (a) Listed the market value of all convertible bonds held on the last day of each month.
- (b) Determined the weight of each bond holding in the portfolio (individual bond value / total bond value).
- (c) Determined each bond's return for the month (monthly interest earned plus / minus monthly price change).
- (d) Assumed that a bond entered the portfolio on the first day of the month in which it was first purchased.
- (e) When a bond is completely sold out of the portfolio, its prior month end value is adjusted to reflect the final sales price.
- (f) Weighted each bond's return for the month by the bond's weight in the portfolio.
- (g) Summed each bond's weighted return for the month to get the portfolio's return for the month.
- (h) Compounded monthly returns to calculate annual return.



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