

As of 30 November 2018

Fund description

- The investment objective of the Fund is to provide global equity-like returns with significantly less risk
- The objective is achieved by seeking to capture the majority of stock market advances while simultaneously providing downside protection during market declines
- Statistical focus on convertible structure is used to create a balanced, diversified portfolio that optimizes the asymmetrical risk/reward characteristics of convertibles
- The investment approach is not reliant on forecasting or market timing
- The Fund targets a consistent risk/reward profile at all times

Investment manager: Zazove Associates, LLC (US)

- Zazove Associates, LLC (US) is an SEC-regulated investment advisor that has specialized in the management of convertible securities since 1971
- The firm manages US\$ 3 bn for global institutional investors
- The firm is independent and 100% employee owned
- Zazove has expertise across all segments of the market: US, global, and high yield (“busted”) convertibles
- 23-year track record managing global convertibles

Cumulative performance (%)

	I USD C shares	Index*
1M	-0.56	0.58
3M	-5.20	-2.33
6M	-5.07	-1.67
YTD	-4.59	-0.59
1Y	-5.14	-1.44
Since inception (30 Nov 2016)	4.54	6.74

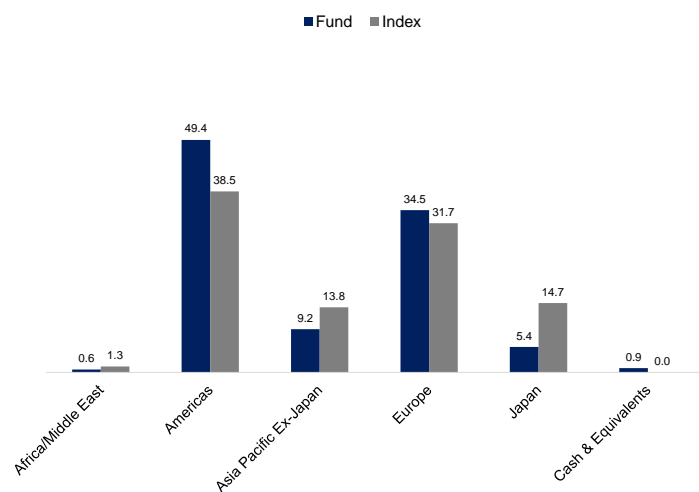
* Index = UBS Thomson Reuters Global Focus Hedged Convertible Bond Index USD

Portfolio characteristics

Main indicators	Fund	Index
No. of securities	68	218
Investment premium (%)	20.8	15.1
Conversion premium (%)	35.2	37.7
Delta (%)	46.0	41.0
Yield to maturity (%)	-0.3	-1.0
Current yield (%)	1.8	0.7
Convertible duration	2.1	2.0

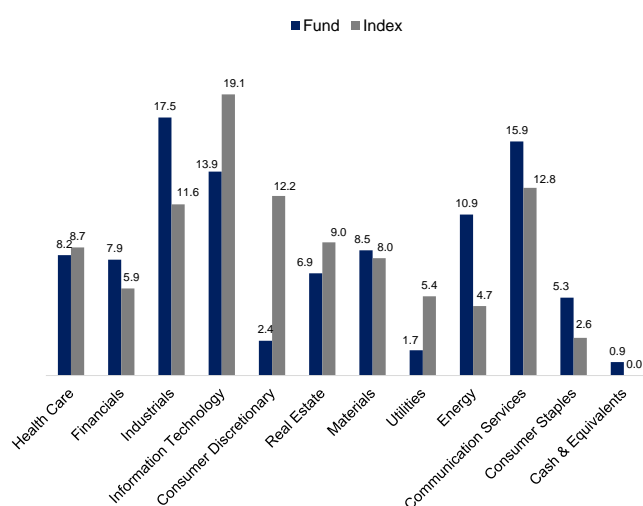
Region breakdown (% AUM*)

* AUM ex. unrealised p/l of share class hedging FX forwards



Sector breakdown (% AUM*)

* AUM ex. unrealised p/l of share class hedging FX forwards



Top 10 issuers

Issuer	Sector	Country	% AUM*
WORKDAY INC	Information Technology	United States	3.41
BUNGE LTD	Consumer Staples	United States	3.39
TOTAL SA	Energy	France	3.34
LIBERTY INTERACTIVE LLC	Communication Services	United States	3.01
TORAY INDUSTRIES INC	Materials	Japan	2.95
WEIBO CORP	Communication Services	China	2.95
LIBERTY MEDIA CORP	Communication Services	United States	2.76
VINCI SA	Industrials	France	2.67
STMICROELECTRONICS NV	Information Technology	Switzerland	2.59
APERAM	Materials	Luxembourg	2.59
			29.68

* AUM ex. unrealised p/l of share class hedging FX forwards

Investment manager's commentary

Global equity markets rebounded in November, led primarily by the US. In contrast, European equity markets declined. The Technology sector was the top performer, while Energy stocks exhibited continued weakness. Fund returns were modestly negative as the underlying equities of convertible holdings underperformed the broader markets. Convertibles exceeded the projected level of downside protection. Mirroring the themes in the broader equity markets, Technology and the Americas were the top contributors and Energy and Europe were the primary detractors. Underperformance relative to the Thomson Reuters Global Focus Index was driven by differences in underlying equity exposures.

Market conditions provided substantial opportunities to diversify and improve the risk/return profile of the Fund. Sales involved core positions that had become too bond-like or equity like during the period. Proceeds were invested in two primary issues that came to market on favorable terms. The Fund also added convertibles from the secondary market in Europe, the US, and Japan that had become more balanced on underlying equity declines. In addition, the Fund completed a swap between convertibles from the same issuer, moving into the more favorable structure.

Fund facts

Fund total net assets:	\$30.85 M	Identifiers:	Institutional USD Capitalisation share class Isin: LU1494400200 Ticker: ALZICUS LX
Fund domicile:	Luxembourg	Base currency:	USD
Fund type:	UCITS SICAV	Management fee:	0.80% p.a.
Depository, Administrator, Transfer Agent:	BNP Paribas Securities Services (LU)		
Dealing:	Each day with a 1-day notice. Cut-off time: 12 pm CET		
Management company:	Alma Capital Investment Management (LU)		
Investment manager:	Zazove Associates, LLC (U.S.A.)		
Fund manager:	Greg Shorin, JD, CFA		
		Fund registered in:	Luxembourg, France, UK
		Contacts	
		Nick Stoop (UK)	+44 77 8980 0397
		Stephen Fordham (UK)	+44 20 3709 3609
		Andreas Lehmann (UK)	+44 20 7389 1338
		Hervé Rietzler (FR / CH / LU / IT)	+352 28 84 54 19
		Dirk Tödte (DE / AT)	+352 28 84 54 16
		Louis de Vulpillières (FR)	+33 1 56 88 36 58
		Baptiste Fabre (FR)	+33 1 56 88 36 55
		info.investors@almacapital.com	

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