

As of 31 January 2020

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\$ 2.5 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
- 24-year track record managing global convertibles

Cumulative performance (%)

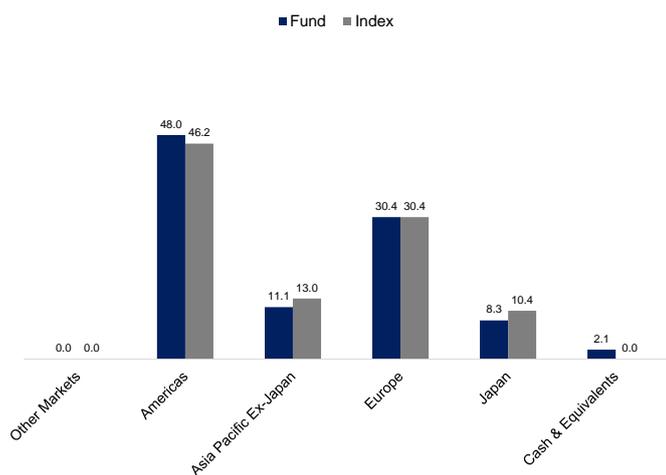
	I USD C shares	I EUR-Hedged C shares	Index*
1M	-0.37	-0.58	1.79
3M	1.60	0.87	5.70
6M	1.70	0.13	5.59
YTD	-0.37	-0.58	1.79
1Y	10.15	-	10.82
Since inception (30 Nov 2016)	16.58	-	19.89
Since inception (annualized)	4.96	-	5.89

Portfolio characteristics

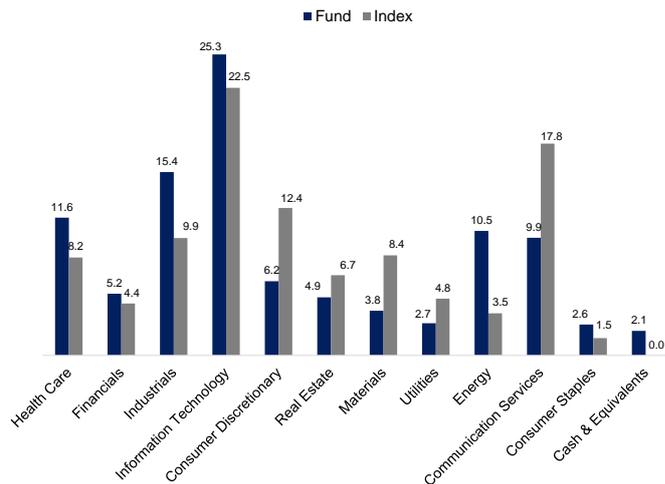
Main indicators	Fund	Index
No. of securities	53	198
Investment premium (%)	22.2	23.3
Conversion premium (%)	26.8	37.6
Delta (%)	51.0	43.0
Yield to maturity (%)	-3.2	-2.2
Current yield (%)	1.3	0.8
Convertible duration	1.8	2.1

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

Region breakdown (% AUM)



Sector breakdown (% AUM)



Top 10 issuers

Issuer	Sector	Country	% AUM
LIBERTY MEDIA CORP	Communication Services	United States	6.40
CREDIT SUISSE AG LONDON	Industrials	Switzerland	3.19
QIAGEN NV	Health Care	Netherlands	3.03
TOTAL SA	Energy	France	2.92
TORAY INDUSTRIES INC	Materials	Japan	2.84
SONY CORPORATION	Consumer Discretionary	Japan	2.81
PALO ALTO NETWORKS	Information Technology	United States	2.79
CHINA RAILWAY CONSTRUCT	Industrials	China	2.73
BP CAPITAL MARKETS PLC	Energy	United Kingdom	2.73
VINCI SA	Industrials	France	2.65
			32.10

Investment manager's commentary

Market:

Equity markets advanced at the start of the year but experienced a strong reversal toward the end of the month, as concerns mounted regarding the economic impact of the coronavirus outbreak. Asia Ex-Japan and small cap stocks were the hardest hit, while US large cap equities were more resilient. Utilities and Technology were the only sectors that gained, and Energy experienced the largest decline. Positive returns in Technology were primarily driven by US large cap names (e.g., Microsoft and Apple). Interest rates declined, leading to gains in fixed income. The convertible indices posted positive returns, buoyed by the strong performance of Tesla and Technology convertibles. The primary market was active with \$8.3Bln of new deals, nearly half of which came out of Asia.

Fund:

The Fund declined modestly in January, as its focus on broad diversification and managing around the risks in the convertible market resulted in some performance headwinds. Japan was the top performing region, while holdings in the Americas and Europe experienced moderate declines. Technology and Healthcare names outperformed, while Industrials and Energy were the largest detractors. The majority of the underperformance relative to the Index can be attributed to the Tesla convertibles, which are not held in the Fund due to their high degree of equity sensitivity and concerns regarding the stability of the bond floor. Activity focused on reducing exposure to names that had moved too far up the curve and adding attractive balanced profiles in the US and Asia.

Fund facts

Fund total net assets:	\$27.95 M	Dealing:	Each day with a 1-day notice. Cut-off time: 12 pm CET
Fund domicile:	Luxembourg	Countries where the fund is registered:	Luxembourg, France, UK
Fund type:	UCITS SICAV	Identifiers:	Institutional USD Capitalisation share class Isin: LU1494400200/ Ticker: ALZICUS LX Launch: 30 November 2016
Base currency:	USD		
Management fee:	0.80% p.a.		
Depository, Administrator, Transfer Agent:	BNP Paribas Securities Services (LU)		Institutional EUR-Hedged Capitalisation share class Isin: LU1538866879 / Ticker: ALZIECH LX Launch: 18 June 2019
Management company:	Alma Capital Investment Management (LU)	Contacts	
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