



# Alma Zazove Global Convertible Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 31 August 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
- 22-year track record managing global convertibles

## Cumulative performance (%)

	I USD C shares	Index*
1M	0.18	1.15
3M	0.15	0.68
6M	0.13	0.66
YTD	0.65	1.78
1Y	3.06	2.81
Since inception (30 Nov 2016)	10.28	9.29

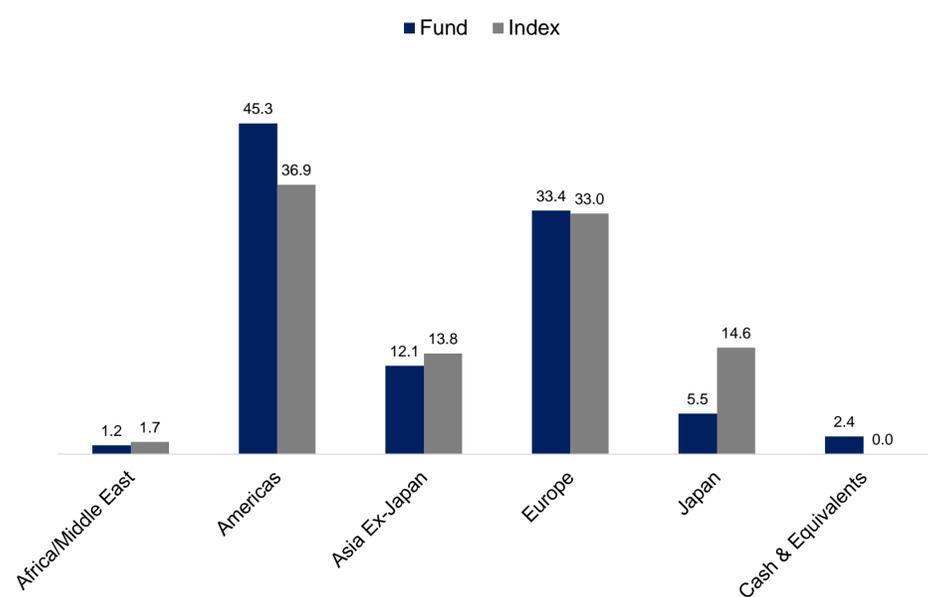
\* Index = UBS Thomson Reuters Global Focus Hedged Convertible Bond Index USD

## Portfolio characteristics

Main indicators	Fund	Index
No. of securities	63	234
Investment premium (%)	23.4	18.4
Conversion premium (%)	25.2	35.0
Delta (%)	51.0	44.0
Yield to maturity (%)	-1.0	-1.8
Current yield (%)	1.7	0.7
Convertible duration	2.0	1.9

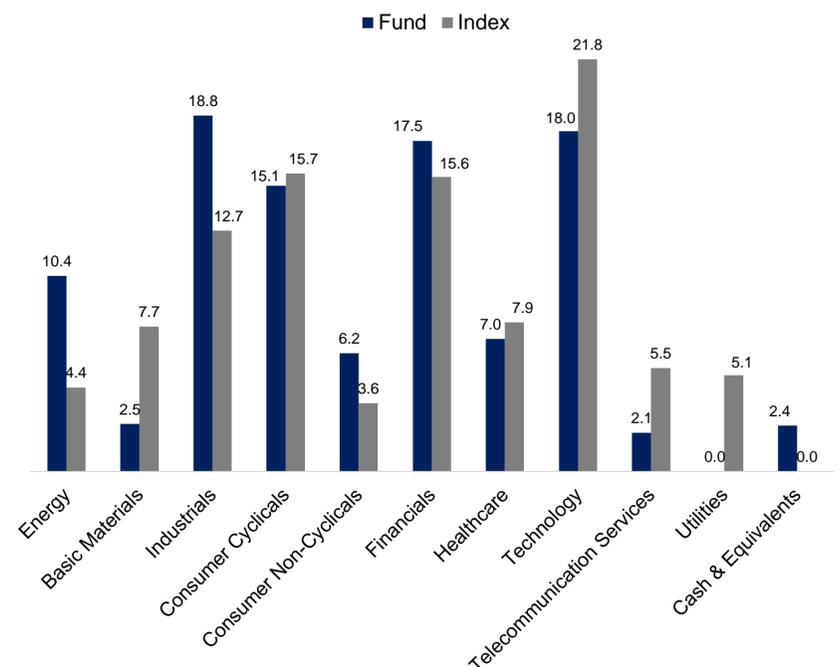
## Region breakdown (% AUM\*)

\* 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*
BUNGE LTD	Consumer Non-Cyclicals	United States	3.37
TOTAL SA	Energy	France	3.31
WORKDAY INC	Technology	United States	3.05
LIBERTY MEDIA CORP	Consumer Cyclical	United States	2.95
WEIBO CORP	Technology	China	2.95
LIBERTY INTERACTIVE LLC	Consumer Cyclical	United States	2.80
TORAY INDUSTRIES INC	Industrials	Japan	2.80
CTRIIP.COM INTL LTD	Technology	China	2.80
VINCI SA	Industrials	France	2.53
AMG CAPITAL TRUST II	Financials	United States	2.51
			<b>29.08</b>

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



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## Investment manager's commentary

The Fund posted modestly positive returns in August, buoyed by the strong performance of the US stock market. Europe was the primary detractor, weighed down by relatively weak equity returns, particularly in blue-chip names. Asia Ex-Japan and Africa/Middle East did not have a meaningful impact on returns despite the underperformance of emerging markets. From a sector perspective, Technology and Healthcare were the top performers, driven by US issuers, while Industrials declined as European and Japanese issuers lagged.

The Fund underperformed the Benchmark in August despite a relatively higher exposure to the US market. The differential was primarily due to underperformance of holdings in BP, Bunge, Siemens and Total. In addition, the Fund was less concentrated in the outperforming Technology sector and was relatively overweight Asian issuers within the sector that declined on trade-related concerns.

Activity focused on improving the risk/reward profile of the Fund and maintaining diversification. A strong new issuance calendar year-to-date and certain macro factors have had a favorable impact on convertible market valuations creating significant buying opportunities. The Fund added several names with attractive balanced structures across regions and sectors during the month. Sales focused on US names that had moved too far up the curve and no longer offered sufficient downside protection.

## Fund facts

<b>Fund total net assets:</b>	\$33.34 M	<b>Identifiers:</b>	Institutional USD Capitalisation share class Isin: LU1494400200 Ticker: ALZICUS LX
<b>Fund domicile:</b>	Luxembourg	<b>Base currency:</b>	USD
<b>Fund type:</b>	UCITS SICAV	<b>Management fee:</b>	0.80% p.a.
<b>Depository, Administrator, Transfer Agent:</b>	BNP Paribas Securities Services (LU)		
<b>Dealing:</b>	Each day with a 1-day notice. Cut-off time: 12 pm CET		
<b>Management company:</b>	Alma Capital Investment Management (LU)		
<b>Investment manager:</b>	Zazove Associates, LLC (U.S.A.)		
<b>Fund manager:</b>	Greg Shorin, JD, CFA		
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