

As of 28 February 2019

## 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\$ 2.3 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
- 24-year track record managing global convertibles

## Cumulative performance (%)

	I USD C shares	Index*
1M	2.65	2.43
3M	3.92	3.82
6M	-1.49	1.40
YTD	7.37	6.40
1Y	-1.36	2.07
Since inception (30 Nov 2016)	8.64	10.82

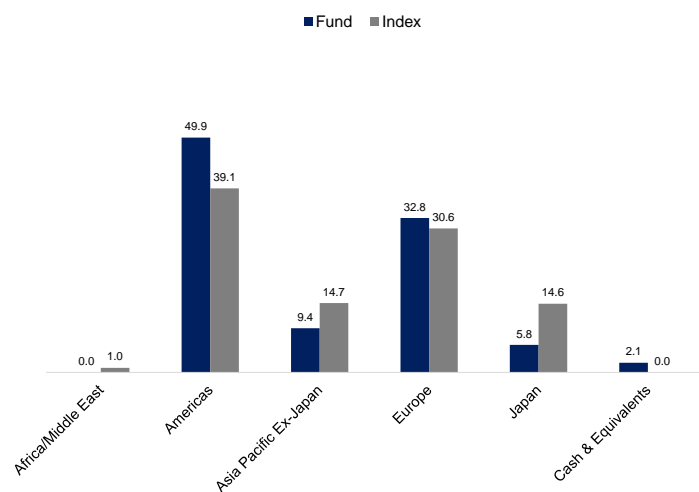
\* Index = UBS Thomson Reuters Global Focus Hedged Convertible Bond Index USD

## Portfolio characteristics

Main indicators	Fund	Index
No. of securities	66	211
Investment premium (%)	25.0	22.7
Conversion premium (%)	28.5	31.8
Delta (%)	49.0	45.0
Yield to maturity (%)	-1.7	-2.1
Current yield (%)	1.6	0.7
Convertible duration	1.6	1.9

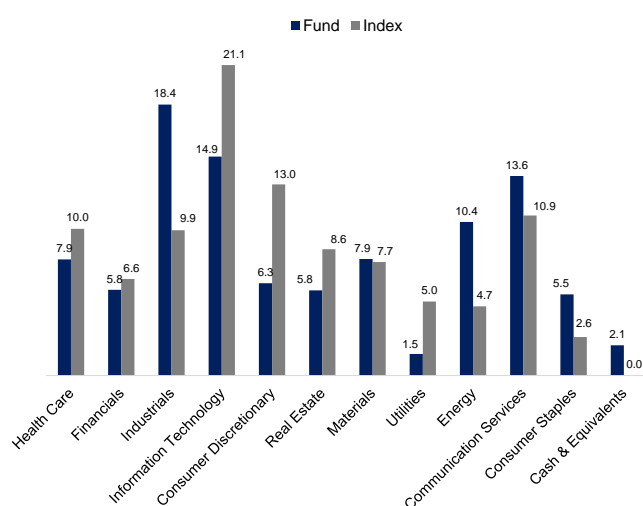
## Region breakdown (% AUM\*)

\* 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*
TOTAL SA	Energy	France	3.41
GLENCORE FUNDING LLC	Materials	Switzerland	2.87
BUNGE LTD	Consumer Staples	United States	2.77
BP CAPITAL MARKETS PLC	Energy	United Kingdom	2.74
WORKDAY INC	Information Technology	United States	2.66
TORAY INDUSTRIES INC	Materials	Japan	2.62
LIBERTY INTERACTIVE LLC	Communication Services	United States	2.61
LIBERTY MEDIA CORP	Communication Services	United States	2.56
IH MERGER SUB LLC	Real Estate	United States	2.54
AIRBUS SE	Industrials	France	2.54
			<b>27.32</b>

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

## Investment manager's commentary

Global equity markets continued to rally broadly in February on optimism regarding trade talks between the US and China and dovish signaling from central bankers. US small cap and European blue chips were the top performers. Returns in Asia and Japan were more modest. Credit spreads tightened, particularly in high yield. Convertible primary activity increased, with all the new deals coming from the US and Asia Ex-Japan.

Fund convertibles participated strongly in the rising markets, capturing the vast majority of the 3.1% return in MSCI ACWI. Nearly all sectors in the Fund advanced, led by Technology. Regionally, the Americas and Europe were the top contributors, while Japan declined modestly. The Fund outperformed Thomson Reuters Global Focus Index, driven primarily by strong returns in European convertibles that were not held in the Index. Activity focused on opportunistically adding to existing positions, initiating new positions in convertibles with attractive profiles, and selectively participating in the new issue market. Sales involved exiting positions that had become too equity-sensitive or bond-like.

## Fund facts

<b>Fund total net assets:</b>	\$37.55 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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