

As of 31 December 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\$ 2.3 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
- 25-year track record managing global convertibles

Cumulative performance (%)

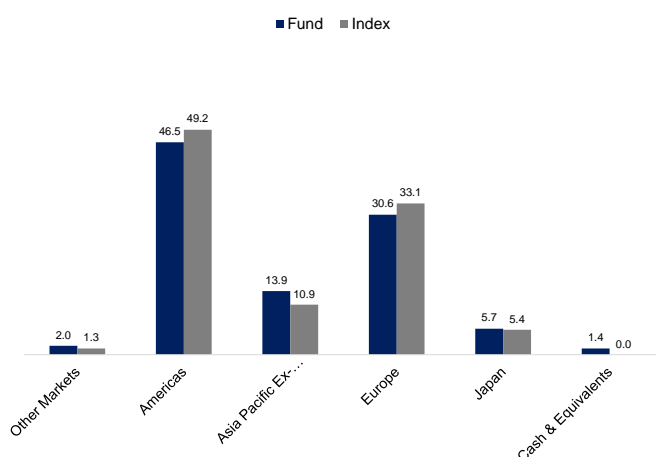
	I USD C shares	Index*
1M	3.20	3.59
3M	12.15	10.72
6M	18.35	16.83
YTD	19.93	22.84
1Y	19.93	22.84
Since inception (30 Nov 2016)	40.33	44.70
Since inception (annualized)	8.64	9.46

Portfolio characteristics

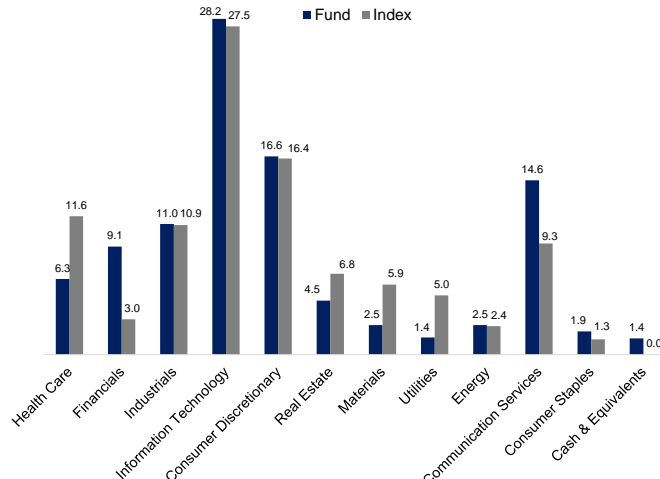
Main indicators	Fund	Index
No. of securities	73	215
Investment premium (%)	28.4	34.0
Conversion premium (%)	23.1	29.7
Delta (%)	54.0	58.0
Yield to maturity (%)	-4.8	-3.9
Current yield (%)	1.1	0.7
Convertible duration	1.8	1.9

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

Region breakdown (% AUM)



Sector breakdown (% AUM)



Top 10 issuers

Issuer	Sector	Country	% AUM
CREDIT SUISSE AG LONDON	Financials	Switzerland	3.46
BHARTI AIRTEL LTD	Communication Services	India	3.30
LIBERTY MEDIA CORP	Communication Services	United States	3.18
JP MORGAN CHASE BANK NA	Financials	United States	2.96
ADIDAS AG	Consumer Discretionary	Germany	2.92
CELLNEX TELECOM SA	Communication Services	Spain	2.51
YANDEX NV	Communication Services	Russia	2.44
GEELY SWEDEN FINANCE AB	Consumer Discretionary	China	2.31
SQUARE INC	Information Technology	United States	2.28
PALO ALTO NETWORKS	Information Technology	United States	2.23
			27.60

Investment manager's commentary

Market:

Global equity markets continued to rally in December driven by the resolution of election uncertainty in the US, prospects for additional fiscal stimulus, and the approval of multiple COVID-19 vaccines. Stocks advanced broadly across regions and sectors, with small caps outperforming. Materials and Technology were the top performing sectors, and Asia Ex-Japan led all other regions. Interest rates rose on economic optimism, particularly in the US, while credit spreads tightened. Equity volatility rose moderately from post COVID-19 lows.

Convertibles performed exceptionally well driven by outperforming underlying equities, tightening credit spreads, and improving valuations. This capped a year where convertibles outperformed most major asset classes. The US and Asia led returns in December, outperforming regional equities substantially, while Japan lagged. Healthcare and Technology were the top performing sectors.

The primary market was strong with \$12.6 Bln of new paper coming to market in December. Full-year issuance topped \$158 Bln, a 13-year high, and the global convertible market expanded by over 50% in 2020. Due to the massive rally in the second half of the year, a meaningful portion of the convertible market has become highly equity sensitive, particularly in the US Information Technology and Consumer Cyclical sectors. Fortunately, record issuance provided a diversified supply of balanced paper and large market moves provided ample opportunities for rebalancing. Although the pace of new issuance is likely to moderate in 2021, the outlook remains favorable supported by the ongoing economic recovery, M&A activity, and the need for growth capital.

Fund:

The Fund captured the vast majority of global equity market advances in December. Holdings across all regions and sectors posted positive returns, with the Americas and Healthcare as top contributors. The Fund underperformed the Benchmark modestly due to position differences in Technology. Given the continued equity rally, Fund activity primarily consisted of locking in gains in names that had become too equity-sensitive and reinvesting the proceeds in attractive balanced convertibles, including 4 new issues across multiple sectors.

Fund facts

Fund total net assets:	\$31.75 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)		
Management company:	Alma Capital Investment Management (LU)	Contacts	
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