

## H.A.M. - Global Convertible Bond Fund

|                                      |                                     |                |                |                |
|--------------------------------------|-------------------------------------|----------------|----------------|----------------|
| Focus:                               | Global Convertibles                 |                |                |                |
| Investment Style:                    | Active, (outright, currency hedged) |                |                |                |
| Fund Currency:                       | EUR                                 | USD            | CHF            | GBP            |
| NAV:                                 | 2015.63                             | 1414.33        | 1658.34        | 1037.27        |
| Month Reported:                      | + 1.47%                             | + 1.69%        | + 1.45%        | + 1.47%        |
| <b>Year-to-date:</b>                 | <b>+ 1.47%</b>                      | <b>+ 1.69%</b> | <b>+ 1.45%</b> | <b>+ 1.47%</b> |
| Since Inception:                     | + 101.56%                           | + 41.43%       | + 65.83%       | + 3.73%        |
| Lancierungsdaten/date                | 29.03.2000                          | 11.04.2007     | 10.12.2008     | 24.05.2017     |
| Total Expense Ratio (TER) 30.06.2017 | TER1 1.39%                          | TER2 1.39%     | PTR 65.88%     |                |

Infos: [www.hvp.li](http://www.hvp.li) / [www.ifmfunds.com](http://www.ifmfunds.com) / [www.lipperleader.com](http://www.lipperleader.com) / [www.lafv.li](http://www.lafv.li)

### FUND MONTHLY REVIEW

The new year got off to an eventful start: global equity markets picked up the year-end rally and gained over 5%, before they had to give up 1.5% towards the end of the month. Government bond yields rose sharply, especially in medium and longer maturities. The 10-year US Treasury yield stands at 2.7% (highest since spring 2014) and 0.6% higher than 4 months ago, while the 5-year Bund yield reached the 0%-level for the first time since December 2015. Within a short period, duration management became increasingly important again. Major movements were also seen in currencies, especially the USD, which fell broadly by around 3%. On the political side, the US slipped for the 18th time in its history into the "administrative standstill", meanwhile coalition negotiations were started in Germany.

Primary market for convertible bonds showed exceptionally high activity with 29 issues. Especially for the US and Asia primary market activity was very strong and volumes are well above the previous year's level. Demand for US convertible bonds was particularly strong and various issues priced at lower terms than originally guided. In Asia, the Chinese real estate developer Country Garden opened the primary market door with an impressive issue size of HKD 15.6bn. Country Garden's competitors CIFI, FutureLand, Powerlong and China Evergrande followed thankfully. Within one month, the investable universe of convertible bonds from Chinese real estate developer increased from USD 1.6bn to USD 6.8bn.

Position spotlight: China Evergrande 4.25% 2023 // The Chinese real estate developer (market capitalisation USD 47bn, "B" rated by Standard & Poor's) intended to issue a convertible perpetual bond of HKD 23bn. Due to lack of demand caused by unattractive pricing (3-4% coupon, 50-60% premium), the issuing banks were forced to come up with massive improvements. The result: a 5-year convertible bond (investor put right after 3 years) of HKD 18bn issue size with a 4.25% coupon and 40% premium, giving a theoretical value of around 105%. Due to the questionable launch process, however, it only traded at around 100% in the secondary market and caused some cheapening in the Asian convertible bond market.

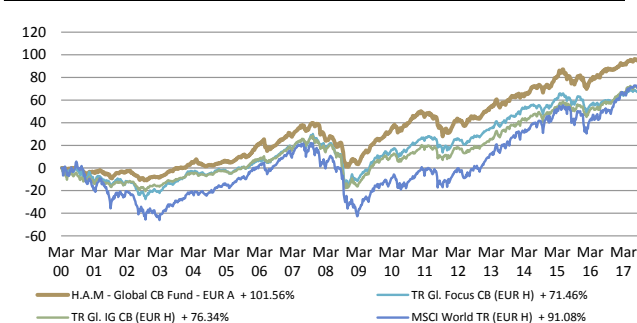
The fund (EUR-A share class) recorded an increase of +1.5% over the months. In particular, converts from the US (+0.6%), Europe (+0.5%) and Asia (+0.4%) contributed positively to performance while contribution from Japan sums up to just 0%. The fund's US underweight and lower allocation towards the Technology sector caused relative underperformance. On a single position basis, the biggest positive performance contributions came from Square, Aperam and Microchip. SMIC, Suzuki and Kunlun Energy, on the other hand, had a negative impact on absolute performance.

During the month, we made among others the following transactions: we initiated a position in Ceconomy and bought the new issues in Coupa Software, Citic Securities, Nutanix, Indorama, Polyus, China Evergrande and Western Digital. Against that, we sold Neo Solar, National Bank of Abu Dhabi, Old Republic, Haitong and reduced Astaldi after strong performance. The portfolio remains balanced with a weighted delta of 50%, an average conversion premium of 26%, an effective duration of 1.4 years, and a running yield of 1.0%. The implicit average rating remains unchanged at BBB.

## Monthly Report January 2018

|                   |   |               |              |               |
|-------------------|---|---------------|--------------|---------------|
| Data Providers    | EUR   | USD           | CHF          | GBP           |
| Reuters:          | 1040458X.CHE  | 28899778X.CHE | 4596734X.CHE | 36473725X.CHE |
| Bloomberg:        | GLCNBND LE  | GLCNBNU LE    | GLCNBNC LE   | GLCNBGA LE    |
| ISIN:             | LI0010404585  | LI0028897788  | LI0045967341 | LI0364737259  |
| Domizil:          | Liechtenstein / UCITS IV Form                         |               |              |               |
| Fund Size:        | EUR 632.2 mn  |               |              |               |
| Payment Agent CH: | Notenstein Privatbank AG Tel. +41 71 2425000          |               |              |               |
| Distribution:     | Liechtenstein, CH, Germany, Austria, UK               |               |              |               |
| Repres. in CH:    | 1741 Fund Solutions AG, St.Gallen Tel. +41 58 4584802 |               |              |               |
| Subscriber:       | LLB, Vaduz AG - Tel. +423 236 8148                    |               |              |               |

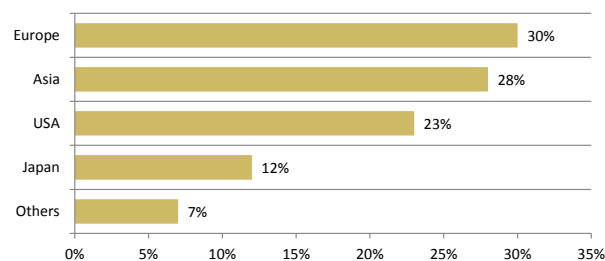
### PERFORMANCE 29/03/2000 - 31/01/2018



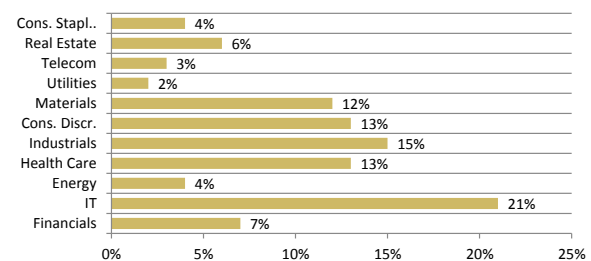
### PERFORMANCE TABLE

| PERIOD              | GCBF - EUR A | GI F CB (€ H) | GI IG CB (€ H) | MSCI W (€ H) |
|---------------------|--------------|---------------|----------------|--------------|
| Jan-2018            | 1.47%        | 1.86%         | 1.47%          | 3.53%        |
| YTD                 | 1.47%        | 1.86%         | 1.47%          | 3.53%        |
| 1 year              | 6.26%        | 5.16%         | 6.93%          | 19.30%       |
| 3 years             | 14.80%       | 9.13%         | 16.77%         | 33.06%       |
| 5 years             | 34.39%       | 28.43%        | 43.65%         | 76.26%       |
| 10 years            | 53.42%       | 41.65%        | 49.33%         | 82.30%       |
| Since inception     | 101.56%      | 71.46%        | 76.34%         | 91.08%       |
| Max. Drawdown       | -27.64%      | -35.83%       | -36.01%        | -53.16%      |
| Average Return p.a. | 4.45%        | 3.69%         | 3.81%          | 5.39%        |
| Volatility p.a.     | 5.93%        | 8.14%         | 8.07%          | 16.08%       |
| Sharpe Ratio        | 0.48         | 0.25          | 0.27           | 0.23         |
| Information Ratio   | vs.          | 0.14          | 0.11           | -0.07        |

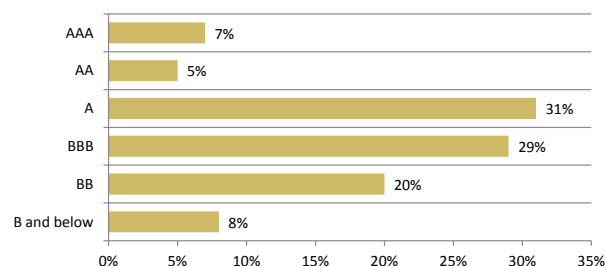
### PORTFOLIO ALLOCATION BY REGIONS



### PORTFOLIO ALLOCATION BY SECTORS



### PORTFOLIO ALLOCATION BY CREDIT



### 10 LARGEST HOLDINGS

| Issuers                    | Coupon | Rating | % of Fund |
|----------------------------|--------|--------|-----------|
| Siemens 2019               | 1.65%  | A      | 2.1%      |
| DP World 2024              | 1.75%  | BBB    | 2.0%      |
| China Railway Const. 2021  | 1.50%  | A      | 1.6%      |
| Covestro (Bayer) 2020      | 0.05%  | A      | 1.6%      |
| Bangkok Dusit Medical 2019 | 0.00%  | N.R.   | 1.5%      |
| Microchip Tech. 2025       | 1.63%  | B      | 1.5%      |
| DISH Network 2026          | 3.38%  | B      | 1.5%      |
| Toray Ind. 2021            | 0.00%  | N.R.   | 1.5%      |
| Gedeon Richter (MNV) 2019  | 3.38%  | BBB    | 1.5%      |
| American Movil 2018        | 5.50%  | A      | 1.4%      |

Average rating of all holdings: BBB

Disclaimer: Units of investment funds mentioned in this publication may not be offered, sold or delivered in the USA. The information about funds provided on this page does not constitute an offer. It is for informational purposes only. Past performance is no guarantee of future trends. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units.