

H.A.M. - Global Convertible Bond Fund

Focus:	Global Convertibles			
Investment Style:	Active, (outright, currency hedged)			
Fund Currency:	EUR	USD	CHF	GBP
NAV:	1865.95	1341.08	1527.33	967.22
Month Reported:	- 2.59%	- 2.17%	- 2.61%	- 2.54%
Year-to-date:	- 6.06%	- 3.58%	- 6.56%	- 5.39%
Since Inception:	+ 86.59%	+ 34.11%	+ 52.73%	- 3.28%
Lancierungsdaten/date	29.03.2000	11.04.2007	10.12.2008	24.05.2017
Total Expense Ratio (TER) 27.06.2018	TER1 1.38% / TER2 1.38%	PTR 48.17%		

Infos: www.hvp.li / www.ifmfunds.com / www.lipperleader.com / www.lafv.li

FUND MONTHLY REVIEW

December started promising with USA and China agreeing on 3 more months of trade negotiations. But hopes for a year-end rally were short-lived: IMF and ECB reduced global growth forecasts; Chinese economy slowed down; US yield curve inverted and the FED hiked rates again; the risk of a potential Hard Brexit increased and US government faced a shutdown. It all resulted in the worst December performance for global equities in decades. Credit spreads widened across credit qualities. Oil continued to tumble and lost another 10%. Convertible bonds were not immune to these market shake-ups and lost 2.3%.

In 2018, global bond markets lost 3.8% (Barclays GI Bond Index) and equity markets contracted by 9.4% (USA -9%, Europe -14%, Japan -16%, Asia ex Japan -11%, MSCI EUR hedged). Similar picture for convertible bonds which lost 5.5% with USA and Technology clearly outperforming. From a valuation point of view, convertible bonds on average trade below theoretical fair value for the first time since two years (USA and Europe 1%, Japan 3% and Asia ex Japan 5% cheap).

The fund (EUR-A share class) decreased by 2.6% in December. In light of weak equity markets globally (-7.6%) and wider credit spreads, contributions from all regions were negative (USA -1.0%, Europe -0.7%, Japan -0.5%, Asia -0.4%). The biggest positive performance contributions came from China Evergrande, Splunk and Palo Alto. Enscor, Toray and Supernus Pharma, on the other hand, had a negative impact on absolute performance.

During the month, we made among others the following transactions: we bought KPN, Valeo and increased 3S Bio. Against that, we sold Covestro and NXP Semiconductors.

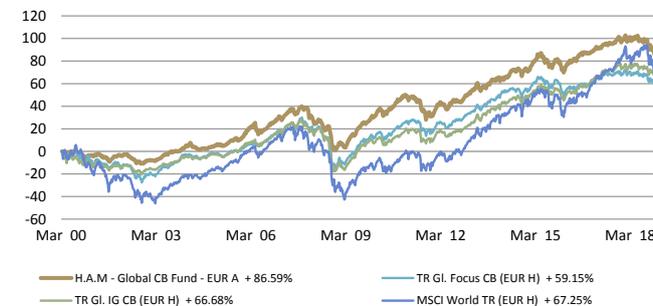
Position spotlight: Polyus 1% 2021 // Polyus is the largest gold producer in Russia and one of the top ten gold miners globally with the lowest cost position. The company enjoys a BB credit rating which reflects Polyus strong operational performance, reduction in debt levels and improved cash generation ability. In April, Polyus shares declined by 30% and the CB lost 25% due to sanctions on Russia. The equity fully recovered since then while the CB still trades below early April levels (Polyus even bought back 20% of the CB in May). With a conversion premium of only 12% combined with a 4% YtM (01/21) it offers one of the most convex profiles in the stronger sub-IG universe.

The portfolio remains balanced with a weighted delta of 37%, an average conversion premium of 55%, an effective duration of 2 years, and a running yield of 1.0%. The implicit average rating remains unchanged at BBB.

Monthly Report December 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 620.0 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			

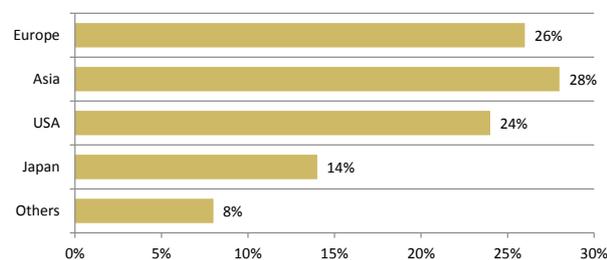
PERFORMANCE 29/03/2000 - 31/12/2018



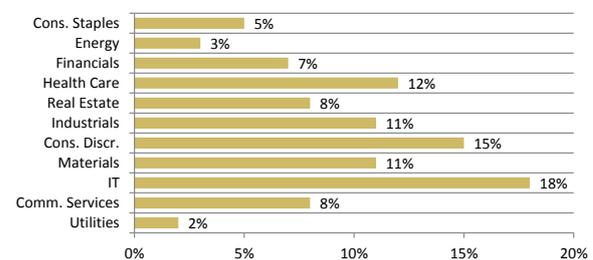
PERFORMANCE TABLE

PERIOD	GCBF - EUR A	GI F CB (€ H)	GI IG CB (€ H)	MSCI W (€ H)
Dec-2018	-2.59%	-2.31%	-2.53%	-7.62%
YTD	-6.06%	-5.45%	-4.09%	-9.38%
1 year	-6.06%	-5.45%	-4.09%	-9.38%
3 years	3.85%	-0.73%	8.19%	14.08%
5 years	13.24%	7.72%	20.08%	27.08%
10 years	75.37%	74.95%	88.93%	138.38%
Since inception	86.59%	59.15%	66.68%	67.25%
Max. Drawdown	-27.64%	-35.83%	-36.01%	-53.16%
Average Return p.a.	3.90%	3.18%	3.39%	4.37%
Volatility p.a.	5.99%	8.09%	8.02%	15.96%
Sharpe Ratio	0.39	0.20	0.23	0.18
Information Ratio	vs.	0.13	0.09	-0.04

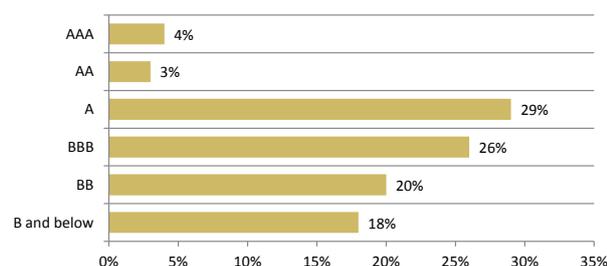
PORTFOLIO ALLOCATION BY REGIONS



PORTFOLIO ALLOCATION BY SECTORS



PORTFOLIO ALLOCATION BY CREDIT



10 LARGEST HOLDINGS

Coupon	Issuers	Rating	% of Fund
1.75%	DP World 2024	BBB	1.9%
1.65%	Siemens 2019	A	1.8%
1.50%	China Railway Const. 2021	A	1.7%
4.25%	China Evergrande 2023	N.R.	1.6%
1.63%	Microchip Tech 2025	B	1.6%
0.00%	Bangkok Dusit Medical 2019	N.R.	1.6%
0.00%	Toray 0% 2021	N.R.	1.5%
3.25%	Intel Corp. Floating '39	A	1.5%
0.00%	Haier (Qingdao) 2022	N.R.	1.4%
0.63%	Aperam 2021	BBB	1.4%

Average rating of all holdings: BBB

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