HOLINGER ASSET MANAGEMENT AG

H.A.M. Global Convertible Bond Fund
Review 2024

Summary

- *Artificial Intelligence as a Disruptor*: This technology shaped stock markets throughout the year in terms of both performance and structure.
- *US Presidential Elections*: Donald Trump's election victory led to increased uncertainty regarding domestic and foreign policies, while creating new upward momentum for growth sectors.
- *Bitcoin*: With Trump's re-election, the cryptocurrency gained a prominent supporter, leading Bitcoin to reach record highs in December.
- *Narrow Market Breadth*: The AI trend strongly benefited selected technology companies, while the broader market experienced a highly varied year depending on regions and sectors.
- *Central Banks*: The European Central Bank and the Swiss National Bank lowered interest rates for the first time in the first half of 2024, with the US Federal Reserve joining in September. The Japanese central bank raised its key interest rate out of the negative range and implemented further hikes.
- *Interest Rates & Credit Spreads*: Concerns about inflation and solid economic indicators led to higher interest rate levels in the first half of 2024. However, weak US economic data in the summer caused interest rates to hit lows, only to return close to peak levels later. Risk premiums steadily decreased, though they slightly rose in the high-yield segment toward the end of the year.
- **Global balanced convertible bonds** achieved an annual return of 6.94% in 2024, despite the first half closing with -0.18%. A significant portion of this performance can be indirectly attributed to Bitcoin. (Page 4)
- **The H.A.M. Global Convertible Bond Fund** achieved a performance of +4.09% (EUR-A, net) through balanced regional diversification and careful stock selection, with the first half of 2024 closing at +1.44%. (Page 7)
- All share classes posted value gains in 2024:

	No. of Units	Net Asset Value		Perf. net
		31.12.2023	31.12.2024	
EUR-A-	37'227	2'223.88	2'314.91	+4.09%
CHF-A-	55'293	1'761.64	1'793.80	+1.83%
USD-A-	13'782	1'772.84	1'871.03	+5.54%
GBP-A-	2'450	1'199.94	1'263.25	+5.28%
EUR-D-	105'811	1'222.60	1'276.42	+4.40%
CHF-D-	219'678	1'171.68	1'195.17	+2.01%
USD-D-	10'239	1'420.93	1'504.86	+5.91%

- The net fund assets amounted to a total of EUR 650.3 million as of December 31, 2024.

Market Review

The year 2024 continued the positive momentum of the global markets from the previous year and was characterized by specific themes such as Artificial Intelligence (AI), the value chain in the semiconductor industry, US companies from the «Magnificent 7» club, the cryptocurrency Bitcoin, and political events such as the US presidential elections.

After reaching new highs in the US and Japan, the euphoria was abruptly halted in mid-July, followed by a summer marked by increased volatility. The previously unshakable large-cap US companies came under pressure, triggering a rotation into smaller and mid-sized companies. Additionally, the reporting season for the first half of the year began, with many overly optimistic expectations being disappointed.

The assassination attempt on Donald Trump in mid-July and Joe Biden's withdrawal from the US presidential race increased market uncertainty. This was compounded in early August by weak US labor market data, which sparked fears of a recession and triggered a global stock market crash. On that day, US stock markets lost up to -8%, European stocks corrected by -6%, while stocks in Hong Kong fared relatively better with -4%. The Japanese stock market, already hit by the strong yen, suffered the most, declining by -12%. These effects were offset the following week by better-than-expected US economic data, which eased fears of a hard landing in the US, allowing global stock markets to resume their upward trend.

In mid-September, the long-awaited and much-discussed interest rate pivot finally occurred in the US. Following interest rate hikes totaling 5.25% since March 2022, a significant reduction of 50bp was implemented.

In China, the most comprehensive economic stimulus package to date was unveiled at the end of September to support the economy. While these measures initially provided strong tailwinds for the Chinese stock market, they failed to prevent subsequent disappointment due to the lack of effective solutions for the labor and real estate markets.

Investor risk appetite waned in the fall due to growing fatigue around AI and looming event risks. Donald Trump's election victory on November 5th subsequently provided strong momentum for US growth stocks and Bitcoin, while other regions suffered losses. Due to cautious signals from the Fed regarding future interest rate cuts, stock markets corrected significantly again toward the end of the year, with the volatility index (VIX) reaching its second-highest level in 2024.

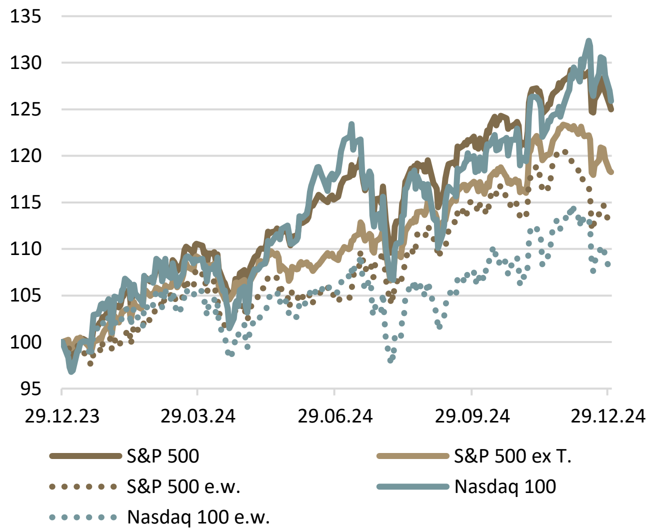
Overview Asset Classes

The year 2024 initially appeared positive for ***stock markets***. However, upon closer examination, it becomes clear that not all regions or sectors benefited from significant value appreciation. As in the previous year, a few companies and trends dominated the landscape, with market breadth narrowing significantly, particularly toward the end of the year.

In the first half of 2024 (1H2024), markets were primarily driven by expectations around Artificial Intelligence (AI), which particularly benefited select US technology companies and their suppliers. These companies contributed the lion's share of *US stock market* performance. For instance, heavyweights such as NVIDIA Corp., Microsoft Corp., Alphabet Inc., Amazon.com Inc., Meta Platforms Inc., and Apple Inc. were responsible for two-thirds of the S&P 500's +25% growth.

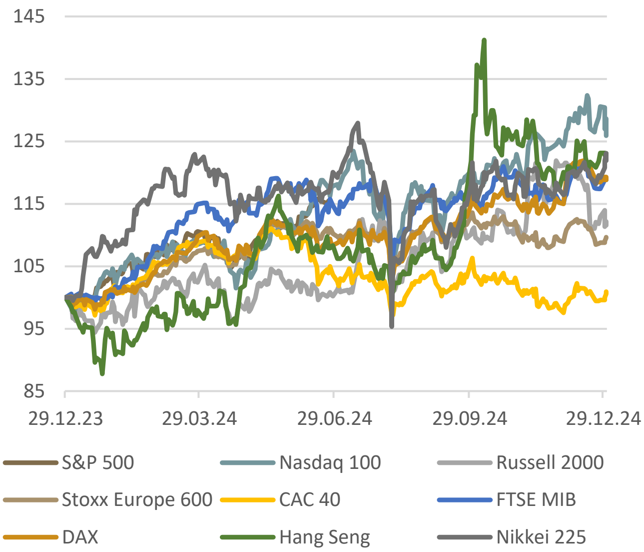
A notable setback occurred in early August, when unexpectedly weak US economic data triggered a sell-off in the stock markets. However, this was quickly smoothed over, thanks to further signs of resilience in the US economy and a diminishing risk of a hard landing. With the US Federal Reserve's decision in September to lower interest rates for the first time and Donald Trump's re-election as US president in November, the stock markets received further strong tailwinds, especially growth sectors. Tesla shares, in particular, doubled in the second half of 2024 (2H2024), supported by Elon Musk's close relationship with President Trump, after declining 20% in 1H2024. This also reinvigorated the «Magnificent 7» trend: these companies posted a strong annual gain of +51%, contributing over half of the S&P 500's performance while accounting for one-third of the index's weight.

The concentration on growth and technology stocks is illustrated in the following graphic. When the S&P 500 is calculated using an equal-weighted (e.w.) method instead of market-weighted or excluding the technology sector (ex T.), significant differences become apparent: instead of +25%, the growth drops to +13% or +18%, respectively. The same applies to the Nasdaq 100 compared to the equal-weighted Nasdaq 100: instead of +26%, the increase is much smaller at +7%.



Source: Bloomberg, 31.12.2024

That 2024 primarily benefited «Big Tech» is also evident within the US looking at the small- and mid-cap stock index Russell 2000. This index closed the first half of the year flat and only gained investor favor following the US presidential election, achieving an annual performance of +12%, which is relatively lower by comparison.



Source: Bloomberg, 31.12.2024 / Performance in Lokalwährungen

European stock markets also delivered positive results in 2024 (Stoxx Europe 600: +10%), but there were regional differences due to varying political and economic conditions. For instance, Italian (FTSE MIB) and German (DAX) stocks outperformed the broader market with gains of +19% each, while the French stock market remained almost unchanged, closing with a gain of just under 1%. Similar to the US, Germany also experienced increased concentration, with Siemens Energy AG, Rheinmetall AG, and SAP SE driving the DAX to record highs, despite the state of the German economy.

The *Hong Kong stock market* managed to catch up strongly with other regions just before mid-year, though this momentum tapered off during the summer months. In September, the Chinese central bank introduced the most extensive monetary measures to date to support the economy and real estate sector. This provided the needed boost, with Chinese stocks climbing as much as 35% in the following weeks. Although these peak levels could not be fully sustained, the Hang Seng Index (HSI) achieved an annual performance of +23%, making it the second-best performing region after the US.

In the first half of the year, the Japanese yen (JPY) steadily weakened against the US dollar, which, combined with the end of decades-long deflation, helped the *Japanese stock market* reach record highs in July not seen since 1989. However, due to diverging interest rate policies, the yen appreciated significantly starting mid-September, which weighed on Japanese stocks. Furthermore, the Nikkei 225 experienced the steepest correction during the global sell-off in early August and could not fully recover, partly due to the stronger yen. Nevertheless, Japan posted a strong annual performance of +22% (in JPY), supported by companies in the technology and communications sectors, as well as renewed global investor interest driven by a newly emphasized focus on shareholder value.

In terms of *global sector performance*, sectors associated with the «Magnificent 7» stood out: communication, technology, and consumer discretionary led the rankings. Financials also performed relatively well, thanks to higher interest rate levels. At the bottom of the list was the materials sector, the only sector to post a negative result, weighed down by

China's economic uncertainties and declining demand. Healthcare, energy, real estate, and consumer staples posted single-digit gains, while sectors like utilities and industrials fell in the middle of the pack.

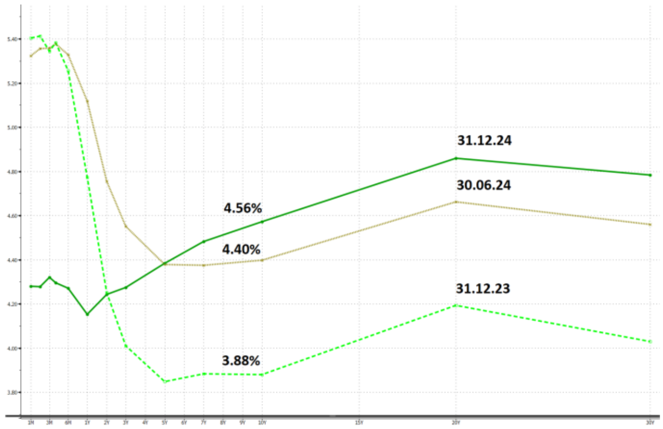
	FY2024	1H2024	2H2024
Communications	+34.97%	+21.45%	+11.13%
Technology	+31.59%	+22.07%	+7.80%
Financials	+28.49%	+12.42%	+14.30%
Cons. Discretionary	+21.37%	+4.47%	+16.18%
Utilities	+14.93%	+5.49%	+8.96%
Industrials	+13.81%	+6.83%	+6.53%
Cons. Staples	+6.85%	+4.47%	+2.28%
Real Estate	+4.25%	-2.11%	+6.50%
Energy	+2.46%	+8.22%	-5.32%
Health Care	+1.67%	+8.84%	-6.59%
Materials	-4.39%	+0.35%	-4.72%

Source: Bloomberg, 31.12.2024

The ***bond markets*** in 1H2024 were characterized by rising interest rates amid emerging inflation concerns in the US and Europe, as well as continued strong US economic indicators. Investors' expectations for rate cuts were adjusted downward, from an anticipated six cuts at the beginning of the year to just two by mid-year. This adjustment led to a shift in the yield curve toward higher yields in the first half of the year, which weighed on the performance of fixed-income bonds. The yield curve remained inverted since July 2022, marking the longest inversion period on record.

With the widespread risk aversion in early September, the structure of the yield curve began to change for the first time. This led to the normalization of the US yield curve inversion after over 500 days, driven by sharply declining short-term yields. Furthermore, on September 18, 2024, the Federal Reserve implemented the long-awaited and much-discussed pivot in US interest rates. Two additional rate cuts followed by the end of the year. Fears that the Fed had waited too long to begin cutting rates, potentially triggering a hard landing for the US economy, did not materialize.

Concerns about increased inflation, driven by Trump's planned global trade tariffs and the robust US economy, caused medium- and long-term yields to remain elevated. Combined with the Fed's ongoing easing and lower short-term interest rates, this resulted in the yield curve no longer being inverted as of December. For the first time in over two years, the difference between the 10-year and 3-month yields turned positive. The accompanying chart illustrates this effect by comparing the yield curves at the end of 2023, mid-2024, and the end of 2024.



Source: Bloomberg, 31.12.2024

Earlier than the US, the European Central Bank (ECB) announced its first rate cuts in June and subsequently adjusted them downward three more times. The Swiss National Bank (SNB) eased its interest rate policy as early as mid-March, also implementing three additional reductions.

Risk premiums for corporate bonds steadily declined throughout the year, reaching historic lows for both investment-grade and high-yield credit qualities. This development was driven by robust corporate earnings, general debt reduction, and unrelenting demand from investors.

Bitcoin began 2024 with tailwinds from regulatory support: the US Securities and Exchange Commission (SEC) approved the first ETFs based on the spot price of Bitcoin. Previously, only funds tied to Bitcoin futures were available. This marked a turning point in broad market access to Bitcoin and gained backing from heavyweight institutional investors like BlackRock and Fidelity. As a result, Bitcoin became legitimized and was increasingly considered in investor allocations. Additionally, there were growing calls for Bitcoin to be used as a strategic reserve for central banks.

The decisive catalyst for Bitcoin's sharp rise, however, was the re-election of Donald Trump as US President in early November. Over the years, Trump evolved from a skeptic to a proponent of Bitcoin and announced plans to adopt Bitcoin as a strategic reserve on a national level. This development propelled Bitcoin’s price into new realms, surpassing the symbolic USD 100’000 threshold in mid-December. At the beginning of the year, the price of one Bitcoin was USD 40’000, with an average price of USD 64’000 up to the presidential election.

Bitcoin's rally also benefited a number of companies in the crypto sector, including those mining Bitcoin digitally, operating trading platforms, or converting all available resources into Bitcoin and acquiring the cryptocurrency on a large scale. The most prominent example of this strategy is MicroStrategy Inc. Founded in 1989, the US software company became the largest commercial investor in Bitcoin by the end of 2024, holding 447’470 Bitcoins. It now has six convertible bonds with a total volume exceeding USD 7 billion.

Commodities showed mixed performance in 2024: Industrial metals such as iron ore and steel remained under pressure from weak demand in China, ending the year down -9% and -11%, respectively. At times, prices dropped as much as -23%

and -17%. Copper and tin, on the other hand, benefited from expectations related to renewable energy. While copper rose up to +27% during the year but ended with a modest +2% gain, tin surged as much as +40% and closed with a solid +14% gain. Uncertainty surrounding US fiscal policy drove strong demand for gold, which increased by +27%. Silver followed closely with a gain of +22%. Crude oil ended the year unchanged: although prices rose during the first half of 2024 due to support measures by OPEC, they mostly returned to prior-year levels during the final quarter.

Volatility at the index level was unremarkable in the first half of the year, but in early August, the VIX spiked sharply from 16.4 to 38.6 points during the intense global correction. Market nervousness subsided afterward but remained higher than at the start of the year, with another notable increase in volatility observed towards December.

Convertible Bonds Universe

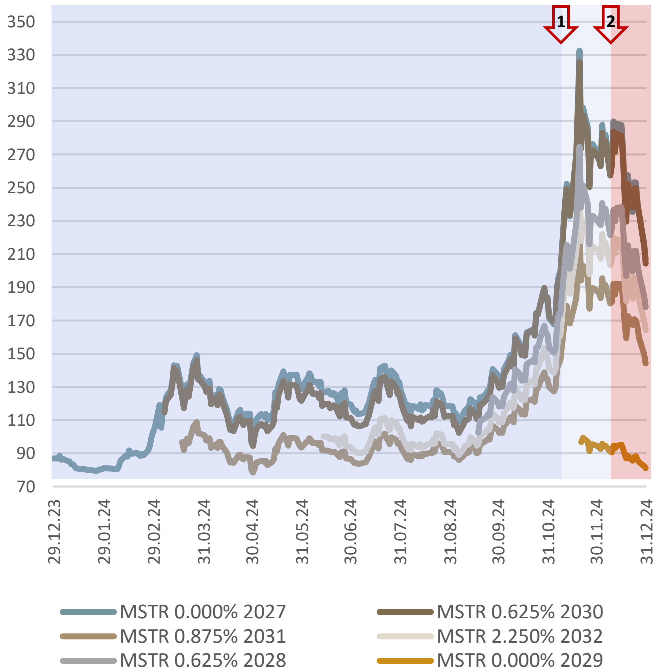
Stock markets performed strongly in 2024 as measured by the major benchmark indices. However, as highlighted on page 2, this performance was driven by a concentrated number of companies. None of the «Magnificent 7» companies currently have outstanding convertible bonds, although companies like NVIDIA Corp. and Tesla Inc. have used these instruments to raise capital in the past. As a result, the universe of stocks underlying convertible bonds could not benefit to the same extent from the megatrend surrounding Artificial Intelligence.

In general, the convertible bond universe is known for its clear focus on growth companies and new technologies. Consequently, Bitcoin's record-breaking year in 2024 also had a significant impact. As noted on page 3, MicroStrategy Inc. not only holds the world's largest Bitcoin reserve but is also the issuer of six convertible bonds. The US company shifted its focus in 2020 after nearly 30 years from business intelligence software to Bitcoin, beginning to invest all free cash into the cryptocurrency. This strategy led the company to issue its first convertible bond in February 2021, followed by five more between March and November 2024, with the designated goal of acquiring more Bitcoin. In parallel, equity capital increases were undertaken for the same investment purpose. These actions were based on a plan announced at the end of October to raise a record USD 42 billion in fresh capital (USD 21 billion via equity and USD 21 billion via convertible bonds) to purchase additional Bitcoin.

The global balanced convertible bond index included up to five of MicroStrategy's (MSTR) six outstanding convertible bonds during 2024, which accounted for significant weightings in the index due to their combined issuance volume exceeding USD 7 billion.

As reported, Bitcoin experienced a rapid price increase from October to mid-December, fueled not only by the favorable regulatory environment and Donald Trump's re-election but also by MicroStrategy itself. In the fourth quarter, the company purchased 195,250 BTC for a total of USD 18 billion. Consequently, MicroStrategy's convertible bonds also surged in value - for example, the 2027 bond was trading at 79% at the start of the year and rose to as high as 335% by November. The index directly benefited from the strong performance of this leveraged buy-and-hold strategy for Bitcoin.

The accompanying chart illustrates the development of MicroStrategy's convertible bond prices in 2024, highlighting the periods relevant (blue) and irrelevant (red) to the index performance.



Source: H.A.M., 31.12.2024

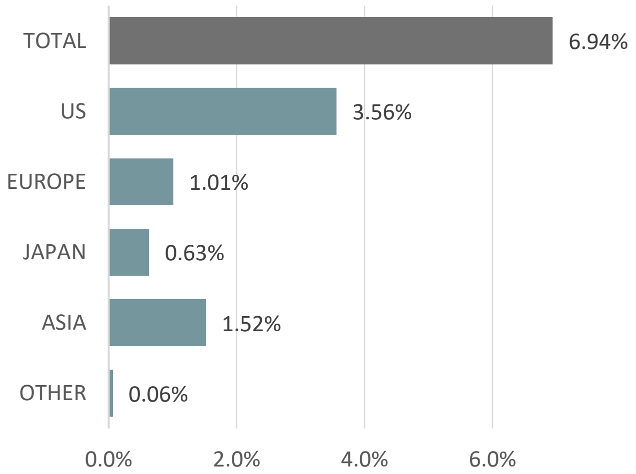
Arrow 1: Index drop of MSTR 0.00% 2027 / MSTR 0.625% 2028 / MSTR 0.625% 2030	*Arrow 2:* Index drop of MSTR 0.875% 2031 / MSTR 2.250% 2032
Blue Shadings: MSTR-convertible bonds represented in the index; significant contributions to index performance	*Red Shading:* MSTR-convertible bonds no longer in the index; no negative performance impact on the index

Due to the rebalancing mechanism and the selection periods for the balanced index, as well as the rapid price increase of Bitcoin and MSTR convertible bonds, nearly the entire upward movement was fully captured in the index.

However, the correction that began in mid-December had no performance impact on the index in relation to MicroStrategy, as the corresponding securities were no longer included in the index by that time. The last two positions were removed during the mid-December rebalancing, while three others had already been excluded in mid-November. The MSTR convertible bond issued in November with a volume of USD 3 billion did not qualify for inclusion in the index in December, as the convertible premium had become too high due to the sharp downward movement of the stock.

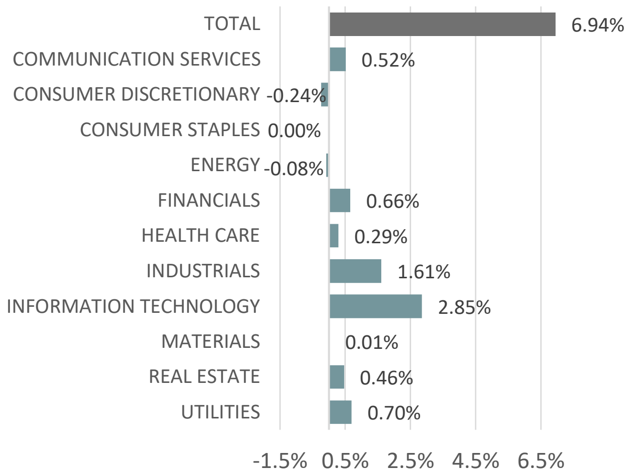
The 1H2024 ended in negative territory *for global balanced convertible bonds*, with a return of -0.18%, and for the underlying equities, with -2.40%. The second half of the year received strong support from Bitcoin issuers and select Chinese companies (Ping An Insurance Group, Alibaba Group Holding, Trip.com Group), resulting in convertible bonds gaining +7.13% and the corresponding equities rising by +9.63%. Overall, global balanced convertible bonds achieved an annual performance of +6.94% in 2024, while the underlying equities increased by +7.00%.

That the US was the key driver for convertible bonds, as it was for global stock markets, is evident in the regional distribution of performance. All regions posted gains, led by the US, followed by Asia and Europe. The Japan region now accounts for only 5% of the index weighting for global balanced convertible bonds, which explains why the contribution from this otherwise strong region in 2024 was not more significant.



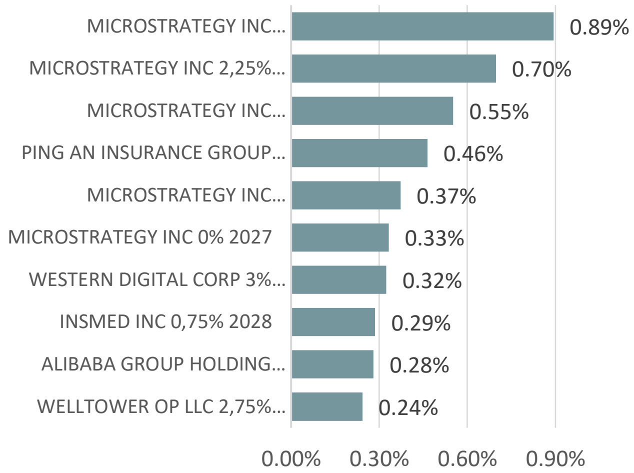
Source: H.A.M., 31.12.2024

The «Magnificent 7» were not investable via convertible bonds in 2024. However, within the AI value chain, there are other companies represented in the convertible bond universe. This resulted in the technology sector delivering the largest performance contributions, followed by industrials, financials, and communication services. Only consumer discretionary and energy sectors ended the year in negative territory.



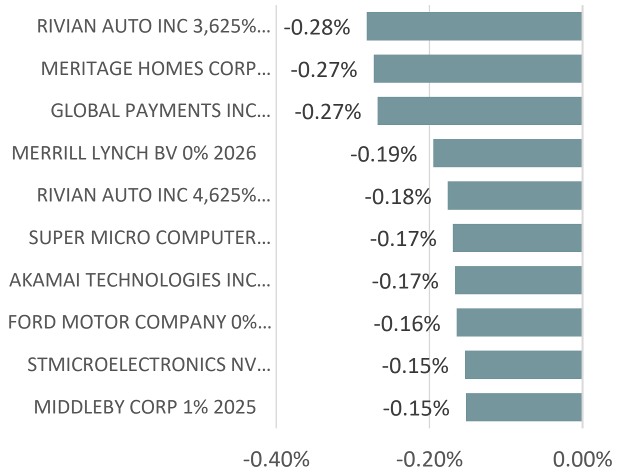
Source: H.A.M., 31.12.2024

At the *security level*, five MSTR bonds were among the top 10 convertible bonds and contributed a total of +2.85%, accounting for approximately 41% of the total index performance, which was therefore highly concentrated in 2024. Additionally, the insurance company Ping An Insurance Group, semiconductor producer Western Digital Corp., biopharma company Insmed Inc., e-commerce giant Alibaba Group Holding, and Welltower Inc., a healthcare-focused REIT, made significant contributions to the results. The top 10 securities achieved a combined return of +4.43%.



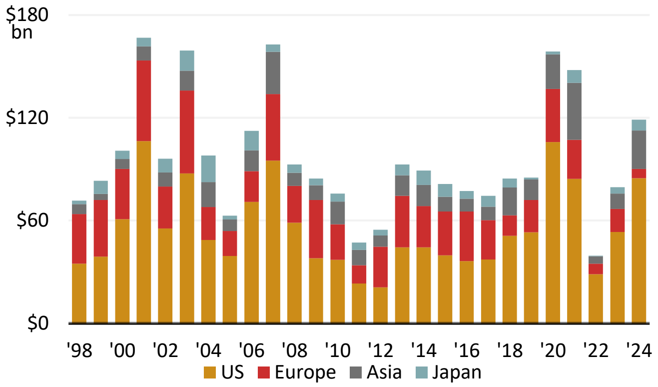
Source: H.A.M., 31.12.2024

Among the ten weakest global convertible bonds, three are associated with the electric vehicle sector. Aside from that, the selection is relatively diversified, including companies from the REIT, financials, technology, and industrials sectors. Altogether, these securities detracted -1.99% from performance.



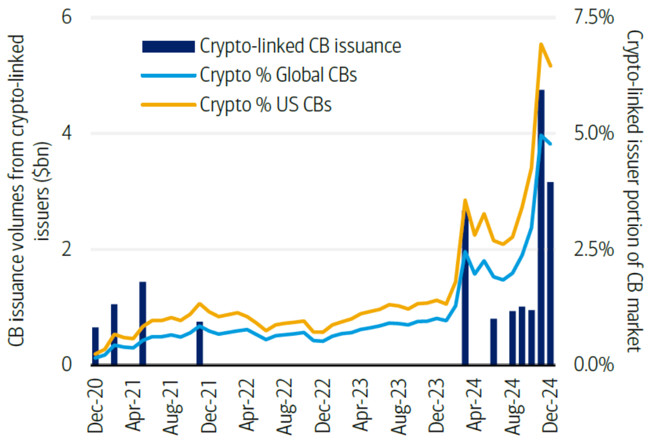
Source: H.A.M., 31.12.2024

The ***primary market*** was very active as early as the first half of 2024, highlighted by the new issuance from Alibaba Group Holding Ltd. in May, which amounted to over USD 5 billion-the largest single transaction in the history of the asset class. The encouragingly high number of new issuances continued into the second half of the year, resulting in an annual total volume of nearly USD 120 billion. While this is lower than the pandemic-driven record years of 2020 and 2021, it is approximately 25% higher than the average of the past 25 years.



Source: BofA Global Research, 31.12.2024

In the final quarter, there was a significant increase in companies from the crypto sector, which notably shaped the convertible bond universe. The share of crypto now accounts for approximately 5% of outstanding global convertible bonds, matching the total volume of the entire Japan region and surpassing the sector weights of energy, materials, and consumer staples.



Source: BofA Global Research, 31.12.2024

The US primary market grew by approximately 30% in 2024, while Asia saw a remarkable increase of +170%, regaining the interest of global investors thanks to the return of large and relevant issuers. In stark contrast, Europe contracted for the third consecutive year, reaching its lowest volume since 1998. The reasons for this are varied: the Eurozone faced declining inflation earlier, which led to interest rate cuts and prompted companies to increasingly opt for traditional bonds. Additionally, M&A activity and the associated capital needs were subdued, and the performance of European stock markets was relatively weaker, as sought-after investment themes like AI or crypto were less represented.

A significant number of companies extended existing convertible bonds further into the future to address the upcoming «maturity wall» in 2025/2026. Refinancings, along with general corporate purposes, accounted for more than one-third of transactions, while approximately 15% of new issuances were undertaken for share buybacks. Despite these early refinancings, around 35% of the total convertible bond volume is still set to mature over the next two years, 70% of which has a bond-like profile. This means the call option is out-of-the-money, making conversion into the underlying stocks unlikely.

Convertible bonds were once again highly sought after as a capital-raising instrument in 2024, thanks to the strong stock markets. Additionally, the elevated USD interest rate environment and the resulting increase in financing costs contributed to companies opting to issue convertible bonds instead of traditional bonds. The table illustrates the average interest savings for a USD-denominated issuance.

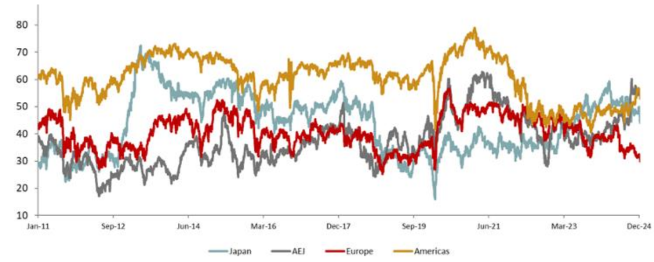
Straight Debt Yield	Straight Debt OAS (coupon - 5y swap)	Convert Vol	Convert Premium	Implied Coupon for par convert	Coupon Saving
5.00%	130bps	35%	30%	0.78%	4.22%
6.00%	230bps	38%	30%	1.00%	5.00%
7.00%	330bps	40%	30%	1.38%	5.63%
8.00%	430bps	40%	30%	2.06%	5.94%
9.00%	530bps	42%	30%	2.42%	6.58%
10.00%	630bps	42%	30%	3.08%	6.93%
11.00%	730bps	42%	30%	3.73%	7.28%

Source: Barclays Research, 31.12.2024

Due to the increased supply of new issuances, pricing for investors improved significantly, returning to pre-pandemic levels. The credit quality of issuers remains similar to the previous year and higher than the 10-year average, despite a lower share of companies from the utilities sector. One contributing factor is the reduced share of young issuers, i.e., companies listed for three years or less or issuing convertible bonds for the first time. These fell clearly below the long-term average.

The global convertible bond universe experienced a regional *convergence in equity sensitivity (delta)* in 2024. In recent years, US securities had a noticeably higher Delta, approaching the upper end of convexity. This normalized at the beginning of the year and remained balanced before rising again in the third quarter, driven by strong effects from AI and crypto. Japanese securities exhibited significantly more balanced profiles compared to previous years, when they tended to have lower equity sensitivity. Similarly, Asian convertible bonds moved clearly back into the convex range, supported by new issuances and strong equity markets in the summer.

Only the European region diverged from this trend, continuing its move toward lower deltas. This development reflects the relatively weaker equity market, which, combined with low new issuance volumes, resulted in about half of European convertible bonds now exhibiting low or no delta at all.



Source: Nomura, 31.12.2024

The *valuation* of convertible bonds is generally fair to attractive, with the US region continuing to trade slightly more expensively due to the attractiveness of the underlying stock markets and the resulting increased demand.

The temporary outlier in the Japanese region can be explained by the significant sell-off in Japanese stock markets on August 5, 2024, where a six-standard-deviation move was recorded. The drastic rise in realized volatility, coupled with a simultaneous decline in implied volatility due to selling pressure, significantly reduced valuations. The accompanying chart is based on a three-month average, which is why this relatively isolated effect was balanced out by year-end, and valuations returned to normalized levels.

Source: Nomura, 31.12.2024

H.A.M. Global Convertible Bond Fund 2024

The strategy invested globally diversified throughout the year, selecting the most attractive opportunities in the convertible bond market with a bottom-up focus, taking all profiles into account.

The ***H.A.M. GCBF (EUR-A Class)*** achieved a net gain of *+4.09%* during the reporting period, underperforming the global balanced convertible bond market return of +6.94%. This result is composed of a relatively stronger performance in 1H2024, where the strategy gained +1.62% (+1.44% vs. -0.18%), and a second half where relative underperformance cost -4.52% (+2.61% vs. +7.13%).

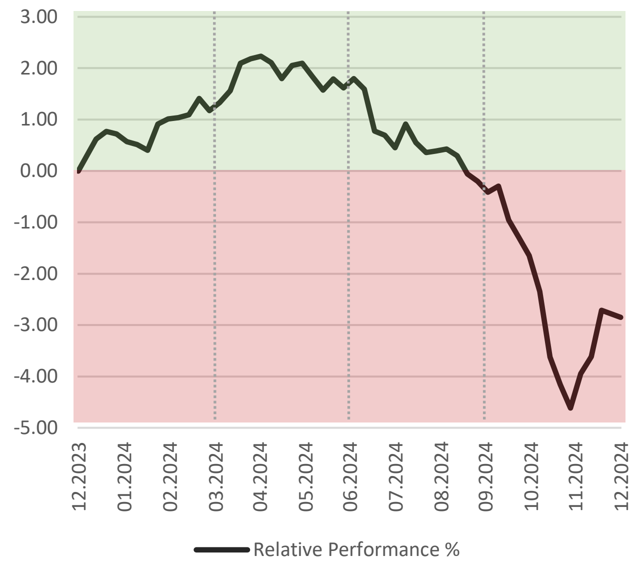
The strong alpha in the first half of the year was driven by regional diversification, with higher allocations to Asian and Japanese convertible bonds, and consistent security selection.

In the second half, however, the balanced global positioning weighed on performance. This was due to the strategy's lower strategic allocation to the US region (33% as of December 31, 2024) compared to the global balanced convertible bond index (59%). Additionally, the decision not to include MicroStrategy convertible bonds in the portfolio, due to ESG and risk considerations, had a significant impact on relative performance.

Holinger Asset Management had the opportunity in mid-November to engage with Michael J. Saylor, the founder, former CEO, and current Chairman of MicroStrategy, during an investor conference. In this web call, we gained firsthand insights into the company's radical vision and strategy, which informed our analysis. Our assessment led to the decision not to hold any MicroStrategy (MSTR) convertible bonds in the portfolio, as these represent a leveraged bet on Bitcoin's future trajectory. Furthermore, the company's credit quality is essentially tied to Bitcoin's price.

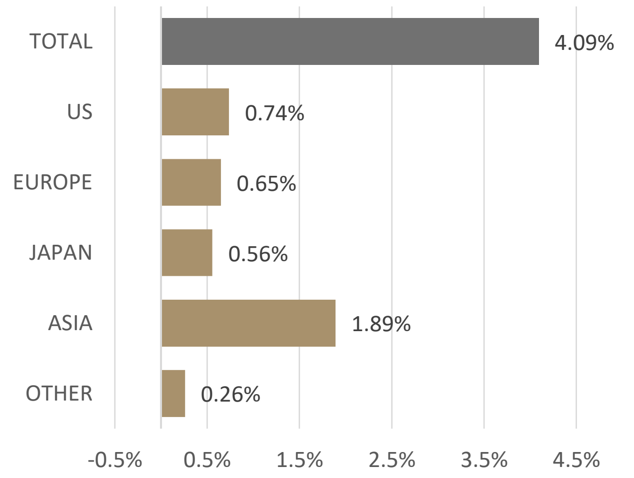
The investment strategy of the H.A.M. Global Convertible Bond Fund follows an absolute approach and is not benchmark oriented. Therefore, the strategy is not compelled to neutralize index weights.

The negative impact of MSTR convertible bonds on relative performance in 2024 amounted to -2.85%. The accompanying chart illustrates the performance of the H.A.M. GCBF (EUR-A Class, net) compared to the index throughout the year. The strategy outperformed in nearly three of the four quarters before the Bitcoin rally and the subsequent surge in MicroStrategy began.



Source: H.A.M., 31.12.2024

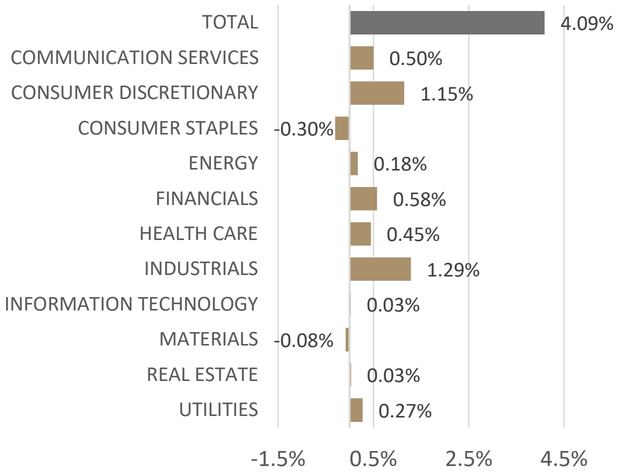
The regional contributions also reveal that the performance drivers from the US were lower, while Asia achieved a higher contribution:



Source: H.A.M., 31.12.2024

The following contribution analysis shows that nearly all sectors made a positive contribution, led by industrials (renewable energy technology) and consumer goods (primarily from Asia and Japan).

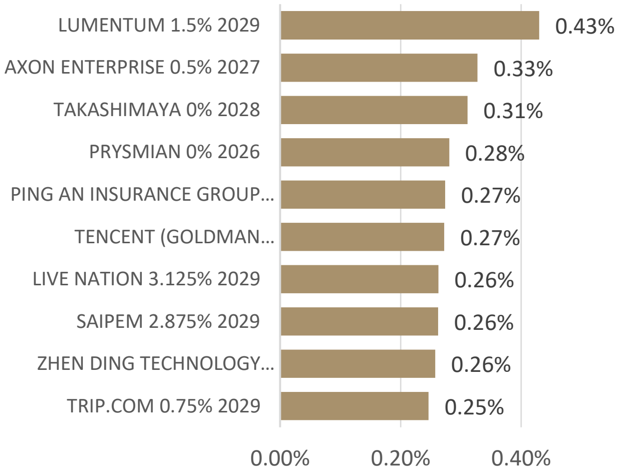
Aside from consumer staples (negative in Europe, positive in the US), no significant losses were recorded from individual industries.



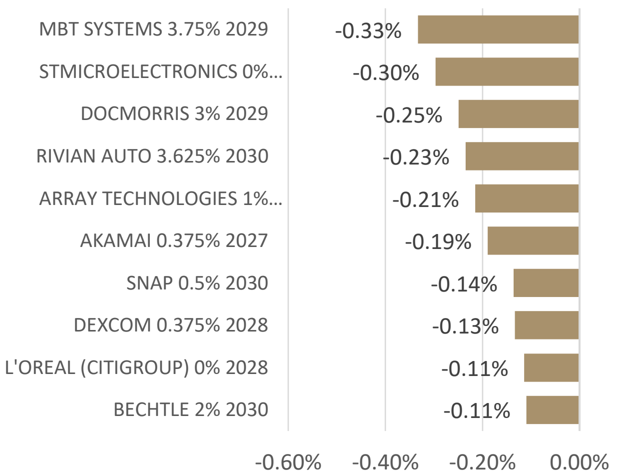
Source: H.A.M., 31.12.2024

The broad-based allocation in the portfolio is also evident at the *security level*. Both the top 10 best-performing and the 10 worst-performing convertible bonds are diversified across regions and sectors.

The top 10 securities contributed a total of +2.92% to performance, while the 10 weakest securities, on the other hand, detracted a total of -2.00%.



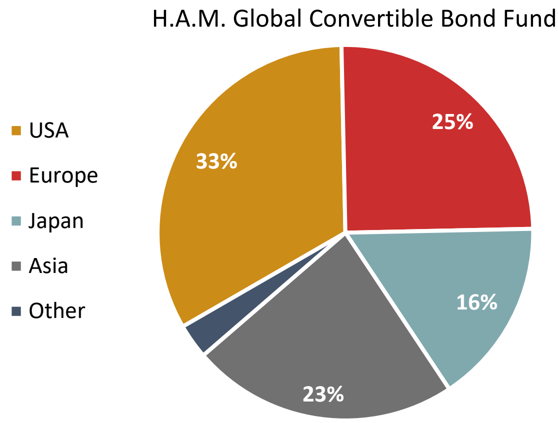
Source: H.A.M., 31.12.2024



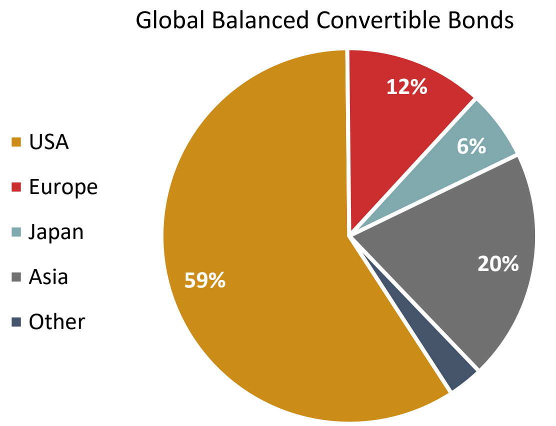
Source: H.A.M., 31.12.2024

The ***positioning*** of the H.A.M. Global Convertible Bond Fund remains balanced as of the end of 2024, aiming to maintain a diversified portfolio of global convertible bonds. The fund includes selected securities that convince us with their risk/return characteristics.

The strategy thus remains clearly more broadly diversified than the global balanced convertible bond universe.



Source: H.A.M., 31.12.2024



Source: H.A.M., 31.12.2024

Holinger Asset Management AG

Zurich, in January 2025

Key Risks

Developments that could adversely affect the fund's value, in descending order of impact, include:

Stock Price Losses
High correlation with the fund's assets.

Widening Credit Spreads
Negative impact on the bond floor.

Currency Risks
The fund's assets are currently over 95% hedged against foreign currencies. A weakening against the fund's currency could negatively impact the assets.

Liquidity Risks
Increased risk aversion in financial markets can significantly reduce the liquidity and marketability of individual securities, adversely affecting price formation.

Interest Rate Risks
With a portfolio duration of around 2 years, interest rate changes should not pose a major risk.

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