



Alken Fund - Global Convertible

Fund Factsheet as at 30 August 2019

Class SEUh Acc

Fund information for professional investors use only

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide capital growth by investing primarily in a diversified portfolio of Convertibles securities globally. It seeks to outperform the Thomson Reuters Global Focus Hedged Convertible Index (EUR).

The Sub-Fund will invest at least 67% of its net assets in convertible securities. These securities may consist and are not limited to warrants or various type of convertible securities. Issuers of these securities may be located in any country, including emerging markets. The Sub-Fund intends to have no currency exposures.

Monthly Comment

The Alken Fund Global Convertible was down 1% in August and up +6.1% year-to-date.

In August, politics dominated the headlines with escalating trade war worries, the G7 meeting in Biarritz, the Jackson Hole symposium headed by Powell and Boris Johnson's decision to suspend the UK parliament. As a result, equity indices turned negative (-1.8% on average across the globe), while credit indices posted positive total returns mainly thanks to yield curve compression both in Europe and the US. The global convertible bond market was down -1.4%, with valuations deteriorating by -0.5% on average.

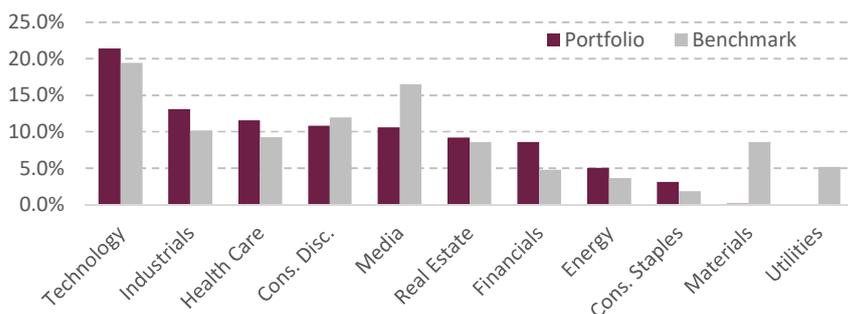
In the context of a general risk reversal, the fund suffered across regions, credit rating segments and sectors, with the exception of Healthcare and Financials. In Europe, our position in Dassault (Airbus) 0% 2021 and Takeaway.com 2024 generated positive returns. In Germany, Deliveroo, owned by Amazon, announced it was pulling out from the country, paving the way for its competitor Delivery Hero, recently acquired by Takeaway.com.

In the US, we suffered from two positions in particular: Square 0.5% 2023 and Pluralsight 0.375% 2024. Both companies released solid results that were accompanied by "disappointing" guidance for the next quarter. The market reaction was overstated in our view, and current equity and convertible bond valuations suggest maintaining the position in both cases. We will closely monitor Pluralsight developments as it is still too early to identify a shift in the growth story.

Elsewhere, we benefited from a positive contribution from NMC Health 1.875% 2025. The hospital and medical centres company released solid results and reiterated its FY19 guidance. We suffered from our Japanese holdings such as Yaoko 0% 2024 or Relo group 0% 2021. Yaoko's recent results were disappointing due to the increasingly competitive retail industry. However, Yaoko benefits from an excellent strategy in our view and the valuation remains attractive enough to maintain our position intact.

The primary market in August was muted in Europe and Japan but exceptional in the US where it recorded the greatest monthly issuance since 2015. However, given the adverse environment in August, we stayed on the sidelines and continue to closely monitor the opportunities arising from the market sell-off.

Sector Breakdown (Nominal weight % NAV - Underlying equity)



Portfolio: % of the invested portfolio | Benchmark: Alken calculation methodology applied to align with the Fund statistics
All Fund Factsheet Data sources: Bloomberg, Monis, Thomson Reuters, Alken AM

Portfolio Managers

Antony Vallée

Head of Fixed Income



Robin Dunmall

Portfolio Manager



Performance	Share Class ¹	Bench ²
Aug 2019	1.03%	0.83%
1H 2019	5.07%	6.31%
YTD 2019	6.15%	7.19%
Cumul since inception ³	3.06%	3.96%

(1) S EUR Hedged Accumulation | (2) Benchmark: Thomson Reuters Global Focus Hedged Convertible Index (EUR) | (3) Inception date: 09 Nov 2018

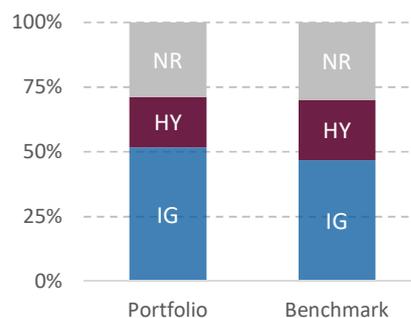
Past performance is not reliable of future performance

Portfolio Statistics	Fund	Bench ²
Equity Sensitivity (%)	31.6	30.9
Convertible Price (% par) ¹	106.8	106.3
Parity (%) ¹	77.9	76.3
Premium (%) ¹	36.2	41.3
Bond Floor (%) ¹	95.1	93.6
Rating ³	BBB	BBB-
Yield (%) USD ⁴	0.7%	1.0%
Coupon Yields (%) USD	1.7	1.7
Duration (Years)	2.3	2.1
Number of holdings	63	201
Active Share (%)	76%	-
Cash holding (%)	6.1%	-

(1) Invested portfolio, excluding cash | (2) Alken calculation methodology applied to align with the Fund statistics |

(3) Alken internal rating for non-rated securities or issuers & cash assumed with a AAA rating equivalent | (4) Yield to maturity/Put or to Parity when the bond trades above the redemption prices

Official Rating Breakdown ¹ (% NAV)



(1) Rating on either the convertible security, the issuer, the parent company or the guarantor from 6 rating agencies



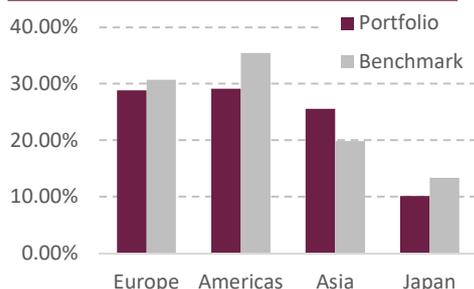
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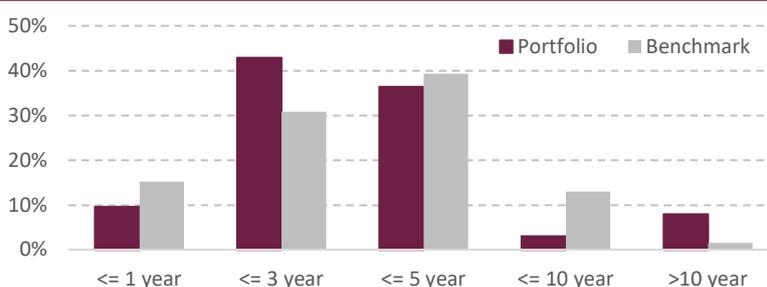
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Top 5 Holdings	Fund	Bench		Fund	Bench
Vishay Technology 2.25% Jun 2025	4.1%	0.4%	Top 10 Holdings	33%	16%
Tencent (JP Morgan) 0% Aug 2022	3.9%	0.0%	Top 20 Holdings	53%	25%
Volvo (Geely) 0% Jun 2024	3.9%	0.3%			
Palo Alto Networks 0.75% Jul 2023	3.6%	1.3%			
Haier Electronics (Qingdao Haier) 0% Nov 2022	3.3%	0.8%			

Regional Portfolio Breakdown (% NAV)



Maturity/Put Portfolio schedule (% NAV)



Exposure calculated on the underlying equity country risk

All Data sources: Bloomberg, Monis, Thomson Reuters, Alken AM

Fund Facts

Benchmark	Thomson Reuters Global Focus Hedged Convertible Index		
Base currency	USD	Fund manager	Alken Asset Management
Legal Status	SICAV Part I of the 2010 Law	Custodian	Pictet & Cie (Europe) S.A.
Domicile	Luxembourg	Min Investment	None
Management Fee	0.45% (Share Class S)	Settlement	T+4
Total Expense Ratio	0.60% (Share Class S)	Dealing Frequency	Daily - Cut off 16:00 CET

Share Class	Currency	Launch date	ISIN	Bloomberg	NAV	as at	Assets under Management
SUS	USD	09-Nov-18	LU1864133001	AGCSUSD LX	103.68	30-Aug-19	Fund (USD) 52.9 m
SEUh	EUR	09-Nov-18	LU1864133423	AGCSEUH LX	101.18	30-Aug-19	
SGBh	GBP	N.A.	LU1864133936	AGCSGBH LX	N.A.		
SCHh	CHF	-	-	-	-		
SYh	JPY	-	-	-	-		

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