

## H.A.M. Global Convertible Bond Fund Review 2025

- **Global balanced convertible Bonds** gained +11.40% in 2025, consisting of 1Q25: +2.27% / 2Q25: +3.26% / 3Q25: +6.72% / 4Q25: -1.15% ([Page 1](#))
- The **H.A.M. Global Convertible Bond Fund** delivered a performance of **+11.39%** (EUR-A, net), supported by a balanced regional allocation and convex security selection. The result breaks down into 1Q25: +3.33% / 2Q25: +1.86% / 3Q25: +4.97% / 4Q25: +0.82% ([Page 5](#))

- All share classes recorded a strong increase in value during 2025:

	No. of Units	Net Asset Value		Perf. net
		31.12.2024	31.12.2025	
<b>EUR-A-</b>	31'460	2'314.91	2'578.51	+11.39%
<b>CHF-A-</b>	52'149	1'793.80	1'959.27	+9.22%
<b>USD-A-</b>	13'697	1'871.03	2'130.80	+13.88%
<b>GBP-A-</b>	2'545	1'263.25	1'433.55	+13.48%
<b>EUR-D-</b>	98'551	1'276.42	1'425.76	+11.70%
<b>CHF-D-</b>	215'408	1'195.17	1'308.30	+9.47%
<b>USD-D-</b>	9'392	1'504.86	1'721.66	+14.41%

- As of 31 December 2025, the net fund assets amounted to a total of EUR 685.0 million.

### Convertible Bonds Universe

Over a one-year period, global balanced convertible bonds (hedged into EUR) gained +11.40%, while the underlying equities rose by +18.14%.

In the first half of the year, global equity markets reflected the sharp and often unpredictable direction of U.S. foreign policy, particularly with regard to geopolitical relations and the newly reshaped global trade environment, which Donald Trump upended through erratic tariff measures. «Liberation Day» in early April thus emerged as the defining event of 1H25. Against this backdrop of heightened volatility and intense selling pressure, convertible bonds were able to demonstrate their convex characteristics. Global balanced convertible bonds gained +5.60% in the first half of the year (hedged into EUR).

Supported by successful trade agreements with the United States (the «policy put») and the ongoing, far-reaching boom in artificial intelligence (AI), a strong equity rally began in June 2025. This rally more than offset the dislocations seen in April and culminated in record highs in October. In November, a sharp but contained correction followed, again linked to AI, as doubts emerged about the sustainability and profitability of the massive investments in the sector. While November's losses were partially recovered by year-end, prior peak levels were not regained.

A similar pattern was observed in global balanced convertible bonds. Performance also peaked in late October, followed by setbacks that were partially recouped by the end of the year.

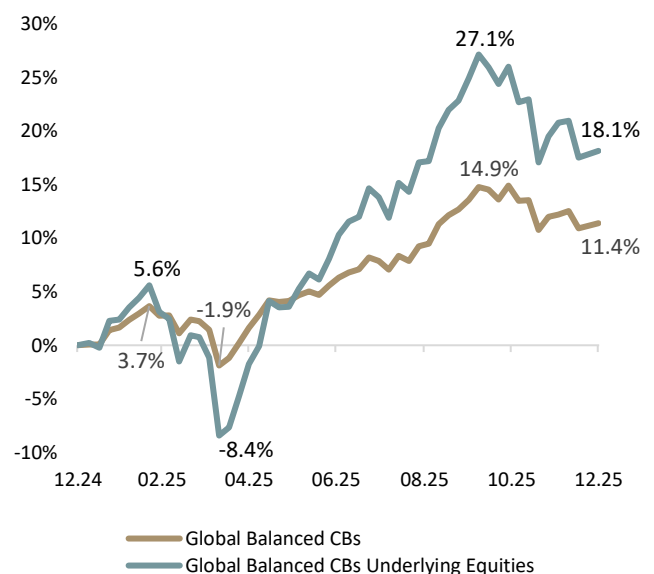
In the second half of the year, global balanced convertible bonds advanced by +5.50% (hedged into EUR).

Looking at the entire convertible bond universe, the asset class delivered outperformance in 2025 when compared directly with the major equity markets. The broad global convertible bond index, which encompasses both bond-like and equity-like profiles, rose by +21.39% in 2025, thereby outperforming global equities (+21.09%), the Nasdaq 100 (+20.17%) and the S&P 500 (+16.39%), while achieving this with significantly lower volatility (all figures hedged into USD).

Convertible bonds also clearly outperformed traditional fixed income, with U.S. high-yield bonds returning +8.5% and U.S. investment-grade bonds +7.8%. The fact that convertible bonds emerged as the strongest-performing instrument across regions and credit qualities, relative to other asset classes such as equities or bonds, was last observed during the pandemic year of 2020.

Despite global trade conflicts, political uncertainty and escalating geopolitical tensions, convertible bonds delivered a strong result in 2025, supported by several key drivers. On the one hand, global equity markets had already returned to positive territory by mid-year following a pronounced correction in April 2025. On the other hand, convertible bonds benefited from generally declining interest rate levels, with the exception of Japan, and from stable credit spreads.

It is also worth highlighting that the convertible bond universe provides direct access to the most important investment themes. These include, among others, the value chain surrounding artificial intelligence, exposure to crypto-related activities, nuclear energy, equities with high short interest, and, more broadly, high-beta growth companies.



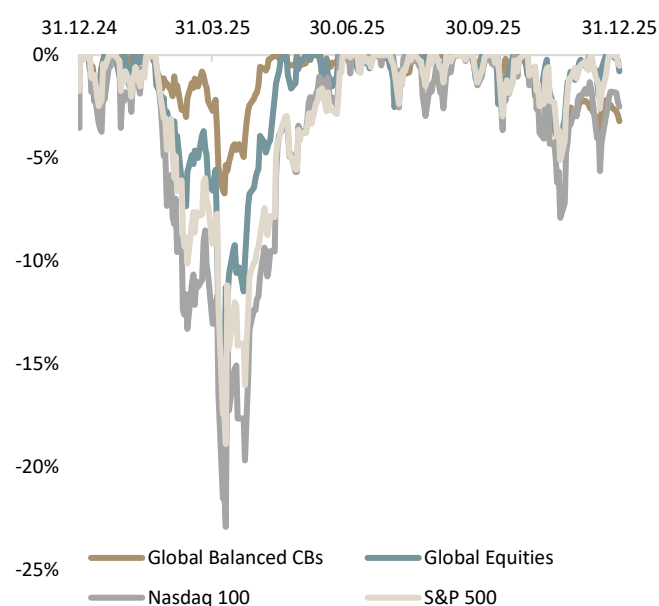
Source: H.A.M., 31.12.2025

In addition to the strong performance in 2025, the chart illustrates the unique convex characteristics of convertible bonds. Following Trump's «Liberation Day», the underlying equities fell by -8.4%, while convertible bonds recorded a peak drawdown of only -1.9%, clearly demonstrating their downside protection during periods of market dislocation.

Subsequently, the recovery that began in 3Q25 and the rally that continued through the second half of 2025 lifted the underlying equities to +27.1%. Over the same period, global balanced convertible bonds rose by +14.9%, as expected given their lower equity sensitivity. This performance underscores their asymmetric risk-return profile even in rising markets.

The combination of downside protection and participation in rising markets is clearly demonstrated by the drawdown comparison with leading equity indices. In 2025, the maximum drawdown of global balanced convertible bonds amounted to -6.72%, which was not only significantly lower than that of equities, but was also accompanied by a markedly shorter recovery period of 24 days.

The chart also highlights the correction in November, which proved considerably less severe for convertible bonds than for equities:



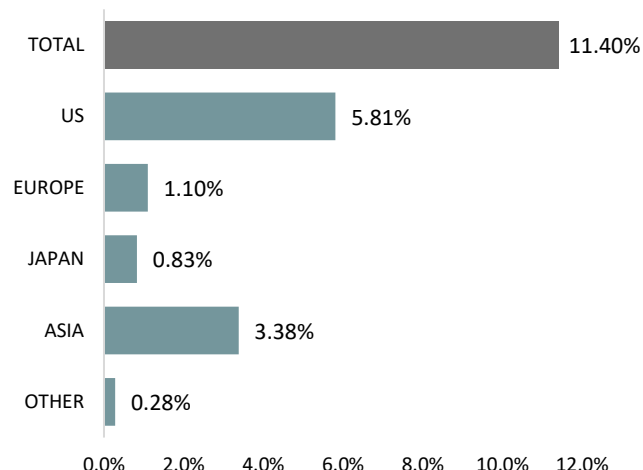
Source: H.A.M., 31.12.2025

	Max. Drawdown	Recovery Period
Global Balanced CBs	-6.72%	24 Days
Global Equities	-16.3%	41 Days
Nasdaq 100	-22.9%	52 Days
S&P 500	-18.9%	55 Days

In the first half of 2025, *global balanced convertible bonds* rose by +5.60%, while the underlying equities advanced by +8.23%. Convertible bond performance stood at +2.27% over the first three months and was held back by the U.S. region. U.S. convertible bonds were the only regional segment to finish the first quarter in negative territory, whereas issues from Asia and Europe posted strong gains. In 2Q25, global balanced convertible bonds also benefited from the rapid recovery of U.S. equity markets, advancing by +3.26% over the quarter.

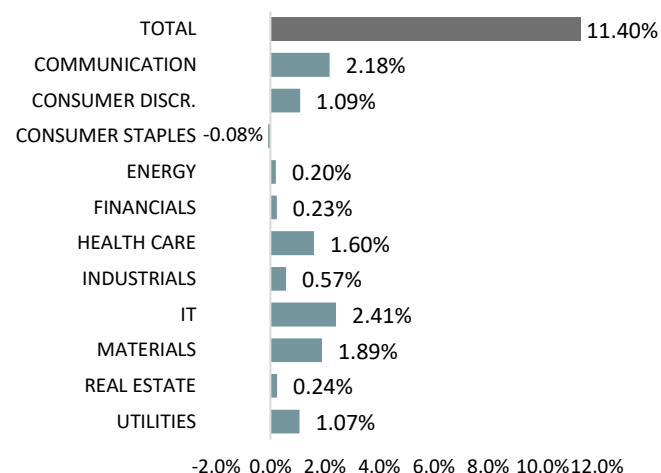
In the second half of the year, global balanced convertible bonds gained a further +5.50%, while the corresponding equity markets rose by +9.15%. During the very strong 3Q25, convertible bonds advanced by +6.72%, led by the U.S. and Asian regions. The final quarter of the year marked the first negative result of the reporting period, with a decline of -1.15%, driven by a weak November. During that month, the previously strongest regions, the U.S. and Asia, came under pressure, while Japan and Europe provided only limited off-setting support.

Despite the temporary correction in November, the U.S. region once again delivered the strongest contributions on a full-year basis, closely followed by Asia. Europe, Japan and other regions also finished the year in positive territory.



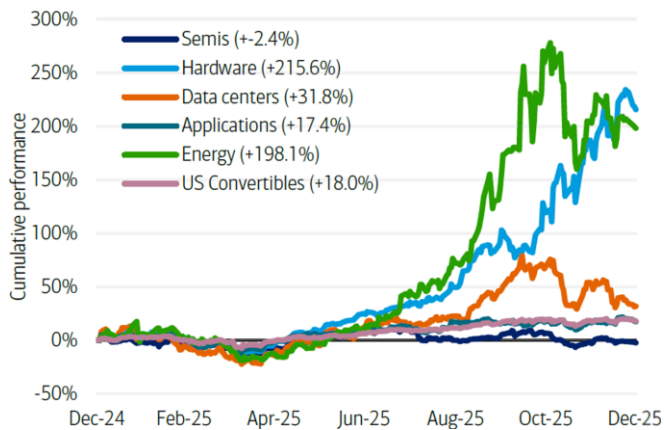
Source: H.A.M., 31.12.2025

With the exception of the consumer staples sector, all *sectors* finished the year in positive territory. By a wide margin, the technology sector led the performance rankings, despite recording pronounced losses in both 1Q25 and 4Q25. It was followed by communication services, materials and health-care. Sector performance therefore reflected key investment themes, including artificial intelligence and its upstream and downstream value chain, the pronounced momentum in precious and industrial metal prices during 2H25, and strong price moves during the 3Q25 earnings season.



Source: H.A.M., 31.12.2025

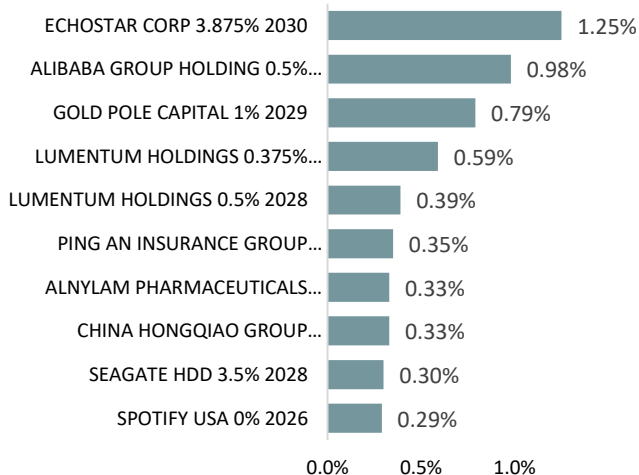
The following chart illustrates, with a focus on U.S. convertible bonds, both the extent to which the AI theme influenced performance and the divergent developments within this landscape.



Source: BofA Global Research, 31.12.2025

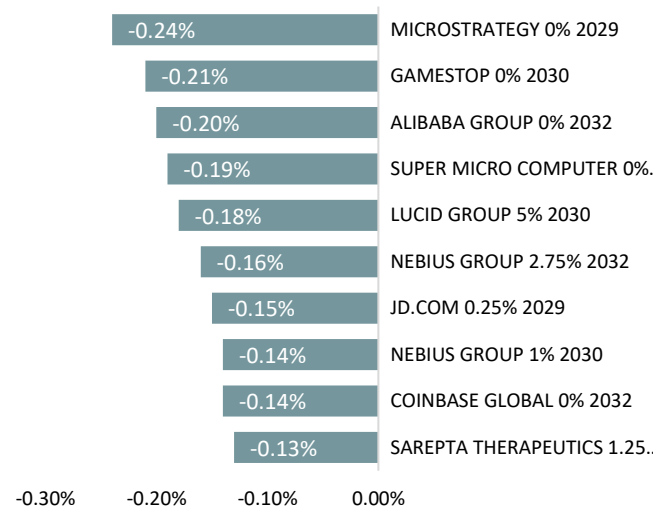
In 2H25, convertible bonds issued by companies in the hardware segment, such as optical modules and networking equipment, as well as utilities, benefited in particular, reflecting the immense power demand of AI data centers. By contrast, data center-related securities were unable to return to their previous highs following the correction that began at the end of October. Developers of AI software posted gains only slightly below those of the broader U.S. convertible bond market, while more general, non-AI-specific semiconductor producers significantly underperformed by comparison.

The *top 10 holdings* contributed a combined +5.6% to overall performance in 2025. Particularly noteworthy was the U.S. communications company EchoStar. Its equity price tripled in 2H25, driven by the significant sale of spectrum assets to AT&T, subsequent debt reduction (with credit quality nevertheless remaining at B / Caa1), and a strategic repositioning of the business model, including a strategic partnership with and an exclusive stake in SpaceX. Also worth mentioning is the Chinese issuance by Gold Pole Capital Co., convertible into Zijin Mining Group Co., one of the world's largest gold and copper producers. This security benefited from sharply rising commodity prices. In 1H25, Spotify reported exceptional subscriber growth, a marked improvement in profitability, and a credible adoption of AI. This propelled the share price to record highs in the first half of the year, before the security was excluded from the global balanced convertible bond index as part of a rebalancing. As a result, the subsequent price correction was not reflected in the index.



Source: H.A.M., 31.12.2025

The *bottom 10 holdings* accounted for a combined negative contribution of -1.74% and were markedly more diversified. Alibaba Group appears among both the top 10 and the bottom 10 contributors, as the 0.5% 2031 bond was issued as early as May 2024 and therefore benefited from the strong performance over the first three quarters of the year. By contrast, the 0% 2032 bond was issued only in July 2025 and added to the global balanced convertible bond index in mid-August 2025; measured from that point onward, the security ended the year at a lower level. Beyond this, the bottom 10 names can largely be attributed to themes such as crypto and Bitcoin (MicroStrategy, Coinbase), electric vehicles (Lucid), or less successful AI-related subsegments (Super Micro Computer, Nebius). In addition, GameStop and JD.com stem from the consumer discretionary sector, while healthcare and biotechnology are represented by Sarepta Therapeutics.

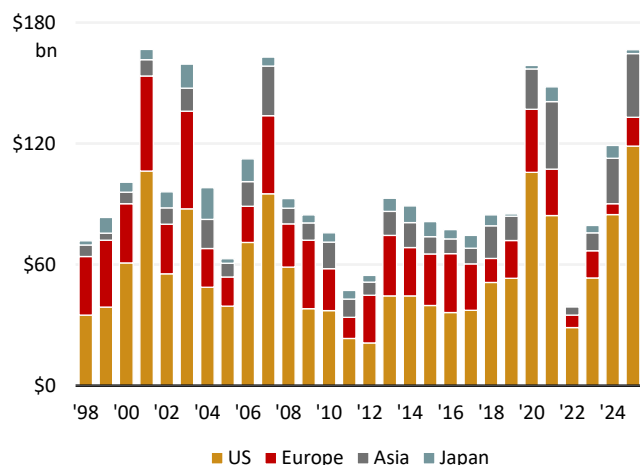


Source: H.A.M., 31.12.2025

Following an active March and May, a renewed acceleration in the *primary market* was observed toward the end of 1H25. Easing tensions surrounding global trade tariffs, alongside low risk premia and strengthening equity markets, supported the issuance of convertible bonds. This environment led in some cases to early refinancings of upcoming maturities, as well as broader balance sheet optimisations. This momentum continued into 2H25. Backed by a sustained equity market rally, rising corporate valuations and ambitious investment plans, issuance activity remained robust. Both existing and new issuers took advantage of the favourable conditions to raise capital on an opportunistic basis.

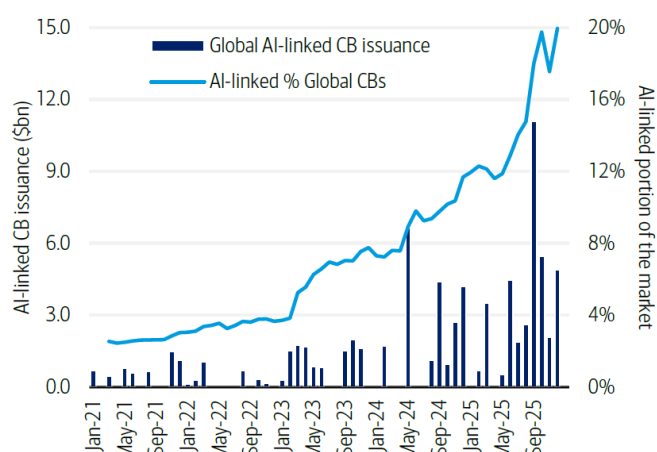
Over the reporting period, a record issuance volume of approximately USD 166 billion was recorded. This represents an increase of +40% compared with the previous year and marks the highest level since 2001.

At 71%, the U.S. region continued to account for the lion's share of issuance, followed by Asia at 19%, Europe with just 9%, and, at a considerable distance, Japan with approximately 1.2%. This clearly shows that the AI race between the United States and China is also being reflected in the primary market:



Source: BofA Global Research, 31.12.2025

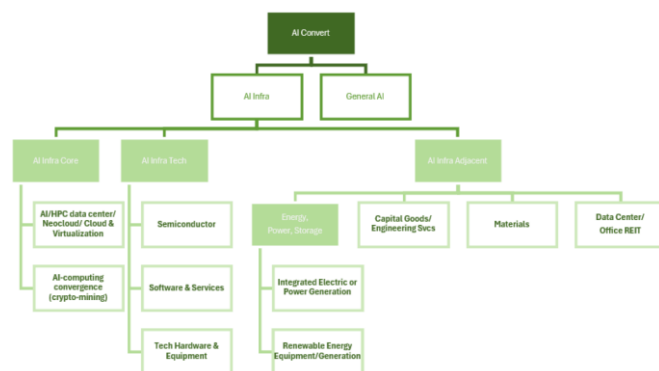
While in previous years and up to 1H25 issuers from the crypto sector increasingly turned to convertible bonds as a financing instrument, 2025 as a whole was primarily driven by companies operating in the field of artificial intelligence. Overall, these issuers accounted for approximately 23% of new issuance volume and already represent around 20% of the current convertible bond universe. This is more than twice the share recorded a year ago and five times the volume seen at the beginning of 2023.



Source: BofA Global Research, 31.12.2025

This development not only reflects the capital markets' strong focus on AI, but also highlights the substantial investment costs and budgets required across the value chain, and thus the significant demand for fresh capital. In addition, numerous companies that originally operated in crypto mining have undertaken a strategic shift toward running AI data centers, as existing infrastructure and extensive computing capacity can be deployed with higher margins. Nevertheless, convertible bonds linked to the crypto sector still account for just under 8% of the U.S. convertible bond universe and therefore remain a meaningful segment.

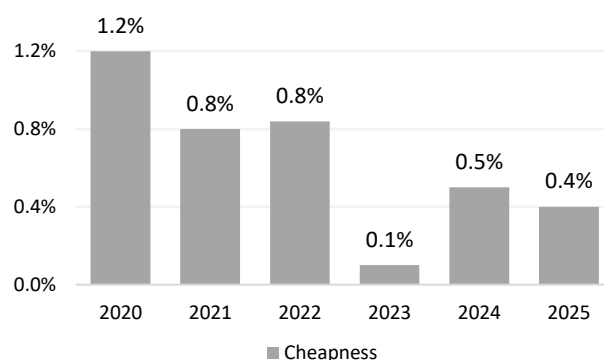
While BofA Global Research attributes around 23% of 2025 new issuance to AI, Barclays Research applies a broader definition of companies with AI exposure and allocates up to 70% either directly or indirectly to the theme of artificial intelligence. Only 30% of the convertible bonds issued during the reporting year showed no exposure to the AI value chain. Of this 70%, roughly two thirds are attributable to AI infrastructure, while one third relates to more general AI business segments. The following segmentation is used by Barclays Research:



Source: Barclays Research, 15.12.2025

Demand for new issues remained robust throughout 2025 despite the record level of supply. Attractive transactions were repeatedly oversubscribed over the course of the year and subsequently traded higher in the secondary market. According to BofA Global Research, newly issued convertible bonds gained an average of +2.4% globally on the launch day, compared with +1.8% in the previous year.

Pricing in the primary market remained favourable for investors, with new convertible bonds issued on average at -0.4% below their theoretical value:

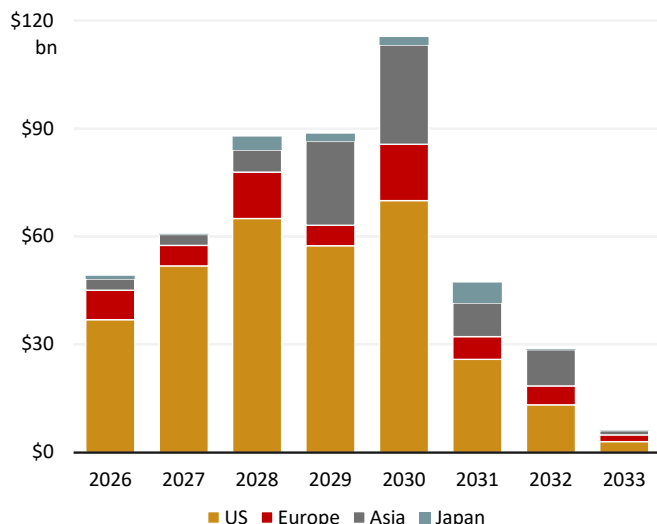


Source: BofA Global Research, 31.12.2025

It is also worth noting that the market was able to absorb the high volume of new issuance without directly impairing the secondary market or putting pressure on the valuations of existing convertible bonds. This underscores the strong depth of demand, which is driven by new market participants from the hedge fund space, available cash balances within strategies, and a relatively large volume of upcoming maturities. The latter has given rise to a so-called «maturity wall», resulting from the record issuance activity in the post-Covid period.

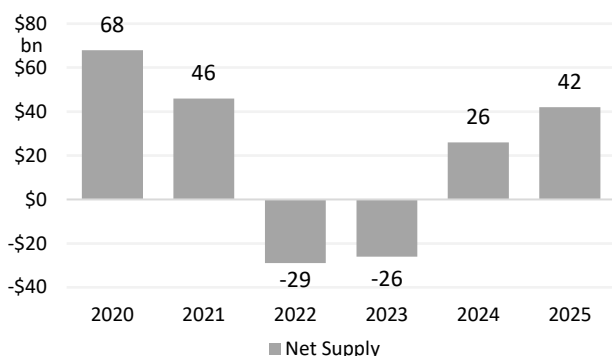
This clustering of maturities had already been addressed in the previous year and was further eased in 2025. The emerging concentration of maturities was pushed further into the future through early refinancings or repayments by issuers. Together with the exceptionally active primary market, this shifted the bulk of maturities toward 2028, 2029 and 2030:





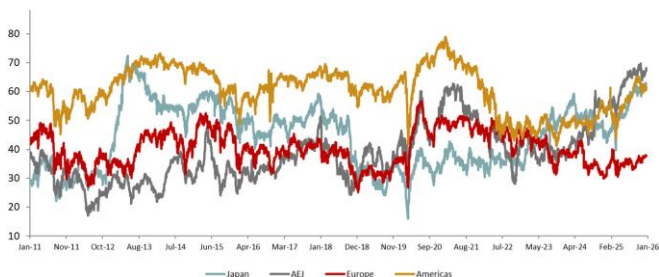
Source: BofA Global Research, 31.12.2025

Thanks to the record level of new issuance, net growth measured across the U.S. convertible bond universe remained positive:



Source: Barclays Research, 12.11.2025

After the global convertible bond universe experienced a convergence in *equity sensitivity (delta)* across regions in the previous year, the dispersion widened again in 2025. The delta of Chinese convertible bonds increased significantly, supported by the above-average performance of Chinese equity markets, which in turn was fuelled by progress in artificial intelligence. The equity sensitivity of Japanese and U.S. convertible bonds also rose, albeit to a lesser extent. On the other side, European convertible bonds likewise built up delta compared with the start of the year, but did so to a markedly smaller degree than other regions, despite solid equity market performance.



Source: Nomura, 31.12.2025

The impact of «Liberation Day» can also be observed in convertible bond *valuations*. Asian and Japanese issues in particular traded at more attractive levels following the event than at the end of 1Q25, with European securities also becoming

cheaper, albeit to a lesser extent. These effects were largely reversed at the peak of the equity market rally in October, when strong demand drove valuations higher again. U.S. convertible bonds continue to trade at a valuation premium relative to other regions, while Asian convertibles remain priced at a clear discount. Overall, convertible bonds are therefore valued from inexpensive to fair.



Source: Nomura, 31.12.2025

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

The strategy celebrated its **25th anniversary** in March 2025 and has since remained unchanged in its approach, investing globally, diversified and without constraints across the convertible bond market. The clear focus is on bottom-up security selection, with the objective of generating attractive absolute returns.

In addition, Holinger Asset Management was awarded the SCOPE Award for the third consecutive year in November 2025, in the category **«Best Asset Manager Convertible Bonds DACH»**, for its strategy «H.A.M. Global Convertible Bond Fund».

Consistent rebalancing was continued within the strategy in order to preserve its asymmetric risk-return profile. The capital released in this process was efficiently reinvested thanks to the active primary market, allowing for the selective build-up of new positions.

Over the reporting period, the **H.A.M. Global Convertible Bond Fund (EUR-A share class)** generated a net return of +11.39% after costs, reaching a new all-time high, four years after the previous peak. The equities underlying the strategy rose by +24.45% over the same period. With this performance, the fund matched the development of the global balanced convertible bond market, which closed 2025 with a gain of +11.40%. The underlying equities of that market advanced by +18.14%.

On a semi-annual basis, the H.A.M. Global Convertible Bond Fund (EUR-A share class, net) slightly underperformed in 1H25, posting a return of +5.25% versus +5.60% for the market. In 2H25, however, the fund outperformed with a gain of +5.83% compared with +5.50%, fully offsetting the shortfall from the first six months and closing the year with a remaining gap of just 1 basis point.

An analysis of the underlying equities shows that the strategy was positioned in the more successful companies in terms of share price performance in both halves of the year. In 1H25, the underlying equities rose by +10.01% compared with +8.23% for the benchmark, and in 2H25 by +13.13% versus

+9.15%. This exposure was achieved via convertible bonds, thereby delivering a higher degree of asymmetry than that of the reference index.

The outperformance in the first quarter (+3.33% vs. +2.27%) can be attributed to higher allocations to the strong regions of Asia and Europe, with Japan also making a positive contribution. As a result, the strategy outperformed in all three months of the quarter.

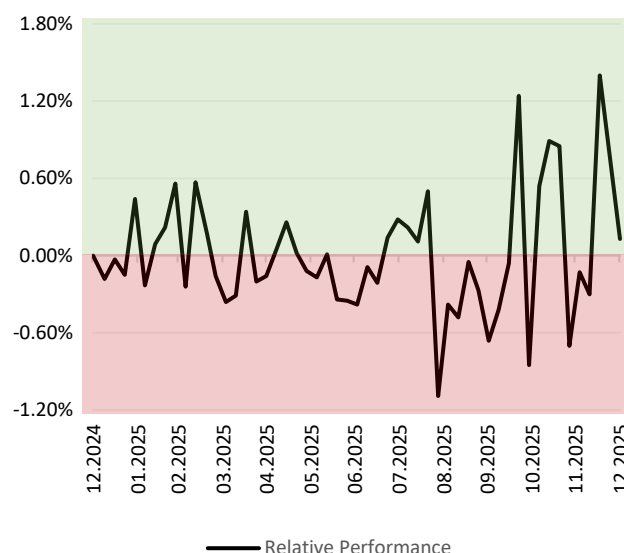
However, the more balanced regional allocation subsequently led to underperformance in the second quarter, particularly in April and June, with a return of +1.86% versus +3.26%. Around «Liberation Day», China was by far the weakest-performing region, while Japan and the U.S. recorded only modest monthly losses. The higher allocation to China therefore detracted from relative performance. In June, the strategically lower weighting in the U.S. meant that the fund was unable to keep pace during a month that was particularly strong for U.S. securities. Nevertheless, the strategy did achieve outperformance in May, benefiting from the pronounced rebound in global markets.

In the third quarter of 2025, global markets reached record highs, and the convertible bond universe also advanced strongly, led by the U.S. region. As a result, 3Q25 represented the fund's weakest quarter in relative terms, with a return of +4.97% compared with +6.72% for the market. Nevertheless, this underperformance was consciously accepted in order to maintain a regionally diversified allocation in line with the strategy. Asian markets also gathered significant momentum and helped offset part of the shortfall; however, September stands out as the relatively weakest period.

With respect to the relative performance of the H.A.M. Global Convertible Bond Fund, the final quarter deserves particular attention. While October initially extended the momentum from the previous quarter, with the U.S. region benefiting disproportionately due to its high sensitivity to the AI value chain, the strategy was unable to keep pace on the upside. In November and December, however, the global balanced convertible bond market corrected by a total of -3.06%. During this counter-move, the strategy declined by only -0.39%, delivering an outperformance of +2.66%. This performance demonstrated the fund's resilience in a pronounced downturn, supported by regional diversification and careful security selection with regard to asymmetry and credit quality across both the U.S. and Europe.

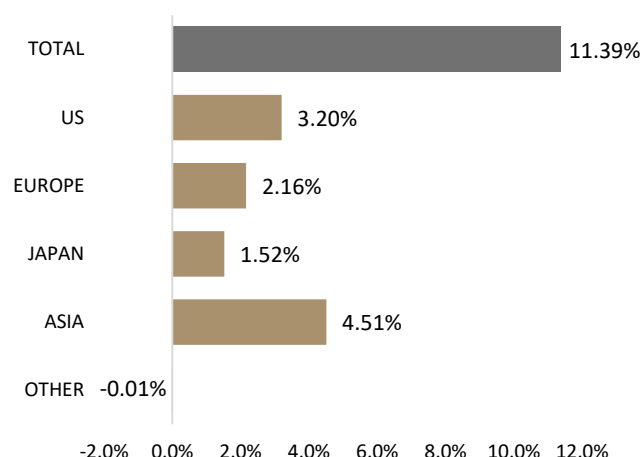
In summary, following a year that was turbulent and challenging beneath the surface for convertible bonds, the strategy delivered a net performance after costs of +11.39%, effectively in line with the benchmark at +11.40%.

The following chart illustrates the relative performance on a weekly basis over the reporting year, thereby highlighting the turbulent period:



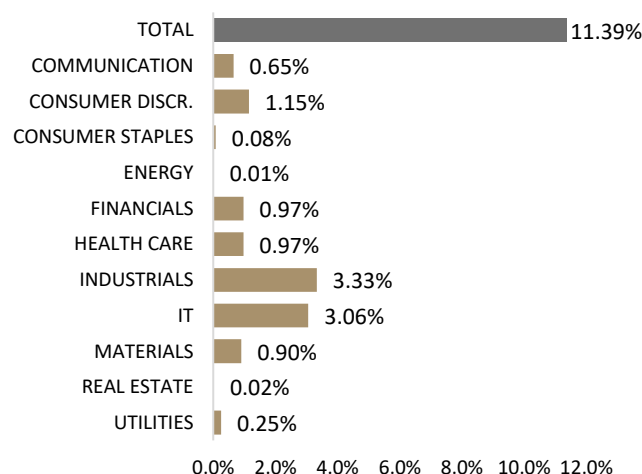
Source: H.A.M., 31.12.2025

The chart below shows the fund's performance by region. As at mid-year, Asia remains in the leading position, followed by Europe and the United States. Over the full year 2025, all regions delivered positive results:



Source: H.A.M., 31.12.2025

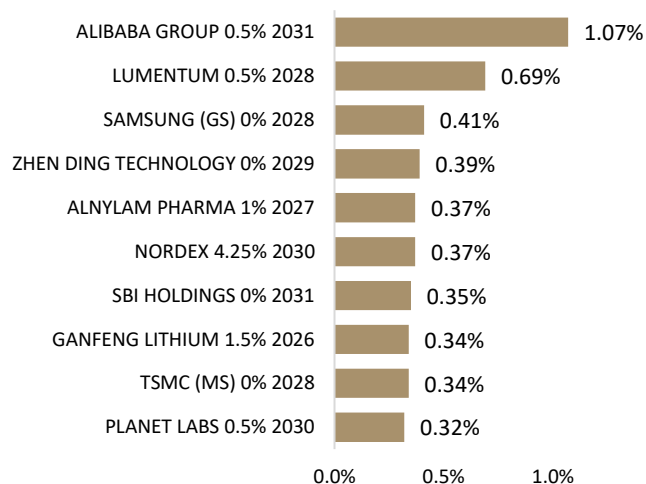
A similar picture emerges when looking at sector contributions. Here too, all contributions were positive, or at least neutral in the case of energy and real estate. In 2025, industrials and technology clearly ranked as the strongest sectors by a wide margin, followed by consumer discretionary, financials, healthcare and materials.



Source: H.A.M., 31.12.2025

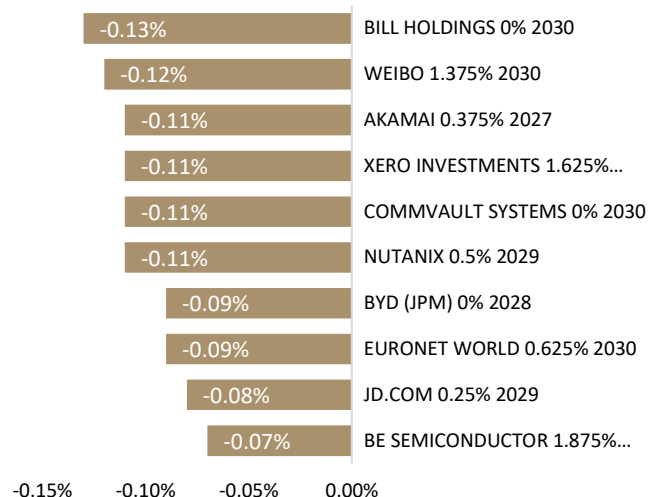
The strength of Asian securities and the prominence of AI and technology as major return drivers are also evident at the security level. Accordingly, the majority of the ten best-performing convertible bonds can be attributed to these areas. As illustrated in the chart on page 3, a thematic link between a business model and «artificial intelligence» alone is not a guarantee of above-average performance, making thorough security selection that incorporates future growth prospects as well as credit quality indispensable.

The *top 10 holdings* contributed +4.65% to the overall performance of the H.A.M. Global Convertible Bond Fund and can largely be attributed to the AI value chain, including Alibaba Group, Lumentum, Samsung, Zhen Ding Technology, and TSMC. With the exception of Alibaba Group, which is among the leading providers of AI applications in China, these companies focus on the development of dedicated AI hardware. By contrast, Alnylam Pharmaceuticals (healthcare, biotechnology), Nordex (industrials, wind turbines), SBI Holdings (financials, financial services), Ganfeng Lithium (materials, lithium producer), and Planet Labs (industrials, satellite manufacturer) are not directly exposed to the AI theme.



Source: H.A.M., 31.12.2025

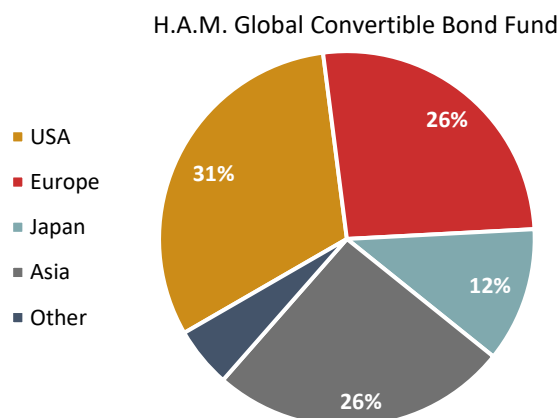
The *ten weakest holdings* accounted for a combined contribution of only -1.13% and were spread across various regions and sectors, with the majority originating from the U.S. and Asia. Among the U.S. names, Bill Holdings, Akamai, Commvault Systems and Nutanix fall within software technology, while Euronet Worldwide is classified as a financials company. Weibo (communication services, social media), JD.com (consumer discretionary, online retail platform) and BYD (consumer discretionary, automotive manufacturer) are Chinese corporates. BE Semiconductor is a European supplier to the semiconductor industry. The convertible bond issued by Xero Investments is convertible into Xero, a software company based in Australia.



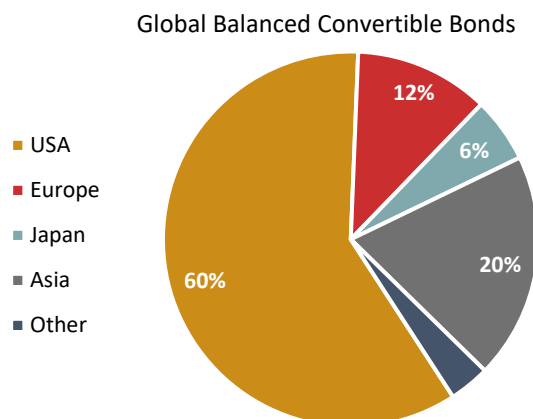
Source: H.A.M., 31.12.2025

In line with the strategy defined 25 years ago, the *regional allocation* of the H.A.M. Global Convertible Bond Fund therefore remains well balanced, resulting in a globally diversified portfolio. This approach allows the strategy to capture opportunities across the entire convertible bond universe, while security selection focuses on asymmetric risk-return profiles.

As a result, the strategy remains regionally much more broadly positioned than the global balanced convertible bond benchmark.



Source: H.A.M., 31.12.2025



Source: H.A.M., 31.12.2025

## Holinger Asset Management AG

Zurich, in January 2026

### Key Risks

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

#### *Stock Price Losses*

Convex convertible bonds exhibit equity sensitivity of 25% to 65% and therefore tend to correlate with equity markets.

#### *Widening Credit Spreads*

Rising credit spreads negatively affect the bond component of convertible instruments.

#### *Currency Risks*

Over 95% of the fund's assets are currently hedged against foreign exchange risk. Nevertheless, a depreciation of foreign currencies relative to the fund's base currency could have an adverse effect.

#### *Liquidity Risks*

In periods of heightened risk aversion in financial markets, liquidity may decline and hamper the ability to exit positions, which could negatively impact price discovery.

#### *Interest Rate Risks*

With a portfolio duration of approximately two years, interest rate fluctuations are not expected to represent a major risk factor.



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