

H.A.M. Global Convertible Bond Fund

Review 1. Half Year 2025

Summary

- **Artificial Intelligence:** The launch of DeepSeek R1 from China marked the beginning of a technological and cost leadership race with the U.S. in the field of AI, which at times triggered a pullback in valuations of the «Magnificent 7» stocks.
- **Political Shifts in the U.S.:** President Donald Trump's trade policy («Liberation Day») and fiscal policy («One Big Beautiful Bill») significantly impacted investor, corporate, and consumer confidence, creating elevated levels of uncertainty. In parallel, the U.S. dollar entered a pronounced downward trend, and Moody's downgraded the U.S. sovereign credit rating from Aaa to Aa1.
- **Central Banks:** After three rate cuts in 2024, the U.S. Federal Reserve paused its policy rate at 4.5%. The European Central Bank and the Swiss National Bank, by contrast, continued their easing paths, cutting rates four and two times, respectively, in 1H25. Meanwhile, the Bank of Japan diverged by implementing a rate hike.
- **Macroeconomic Data:** The anticipated surge in U.S. inflation due to trade tariffs failed to materialize, partly owing to ongoing uncertainties surrounding their concrete implementation. At the same time, economic growth remained resilient, underpinned by strong consumer spending and stable labor markets.
- **Geopolitical Tensions:** Conflicts in the Middle East escalated, temporarily driving up oil prices and causing supply disruptions due to intensified attacks in the Suez Canal. However, the wars between Israel–Palestine/Israel–Iran and Russia–Ukraine had only limited market impact during 1H25.
- **Cryptocurrencies:** With the continued expansion of Bitcoin, political support from Trump, and broad U.S. dollar weakness, so-called «Stable Coins» achieved a breakthrough within the financial industry.

- **Global balanced convertible bonds** gained 5.60% in the first half of 2025, consisting of a +2.27% return in 1Q25 and +3.26% in 2Q25. ([Page 5](#))
- **The H.A.M. Global Convertible Bond Fund** delivered a performance of +5.25% (EUR-A, net), supported by a balanced regional allocation and convex security selection. The result breaks down into +3.33% in 1Q25 and +1.86% in 2Q25. ([Page 8](#))

- All share classes recorded a clear increase in value during 1H25:

	No. of Units	Nett Asset Value		Perf. net
		31.12.2024	25.06.2025	
EUR-A-	35'309	2'314.91	2'436.47	+5.25%
CHF-A-	52'149	1'793.80	1'867.18	+4.09%
USD-A-	13'697	1'871.03	1'994.24	+6.59%
GBP-A-	2'545	1'263.25	1'341.06	+6.16%
EUR-D-	98'551	1'276.42	1'345.58	+5.42%
CHF-D-	215'408	1'195.17	1'246.10	+4.26%
USD-D-	9'392	1'504.86	1'608.44	+6.88%

- As of 25 June 2025, the net fund assets amounted to a total of EUR 649.6 million.

Market Review

The first half of 2025 was marked by numerous surprises and historic events, which at times triggered significant market dislocations. In retrospect, market dynamics can be broadly divided into two distinct phases: Q1 and Q2:

In 1Q25, Asia - particularly China - emerged as the strongest-performing region by a wide margin, followed by Europe. Japan and the U.S., however, began to lag behind from February onward and ended the quarter in negative territory. U.S. markets were weighed down by the temporary weakness of the «Magnificent 7», which, as an index, lost nearly 15%. Interestingly, the correction in the Magnificent 7 and the sharp rally in Chinese equities were driven by the same catalyst: the late-January launch of DeepSeek R1, China's impressive and cost-efficient answer to OpenAI's ChatGPT. This development raised fundamental questions about the future of AI leadership and the long-term competitiveness of U.S. and Chinese tech giants. Given the value creation and corporate-level hype surrounding AI, the launch had a powerful impact on equity markets during the first quarter.

2Q25 began with U.S. President Donald Trump's «Liberation Day» on April 2, when the announcement of sweeping new trade tariffs sent shockwaves through global markets. Equity indices experienced sharp selloffs over just a few days - U.S. benchmarks declined by up to 10%, while Chinese markets fell as much as 14.5%, evoking memories of the COVID-driven selloff in early 2020. However, this steep correction was quickly reversed by the end of April, underscoring the strong upward momentum in equities during 1H25. U.S. technology stocks in particular rebounded sharply and resumed their leadership, while the previously outperforming regions - Asia and Europe - lagged. Among the latter, Japanese equities held up best and were the only ones to keep pace with the U.S. in Q2.

Beyond the considerable uncertainty surrounding trade tariffs - whether regarding their actual scope, detailed implementation, or selective exemptions for individual countries, all of which diluted their immediate impact - U.S. fiscal policy

(«DOGE», «One Big Beautiful Bill») and global monetary policy also exerted significant influence on markets. In contrast, ongoing geopolitical conflicts had little lasting effect. Even the escalation of the Israel–Iran war, which culminated in direct U.S. intervention in June, only caused a temporary spike in oil prices and equity market volatility, thanks to the swift ceasefire that followed.

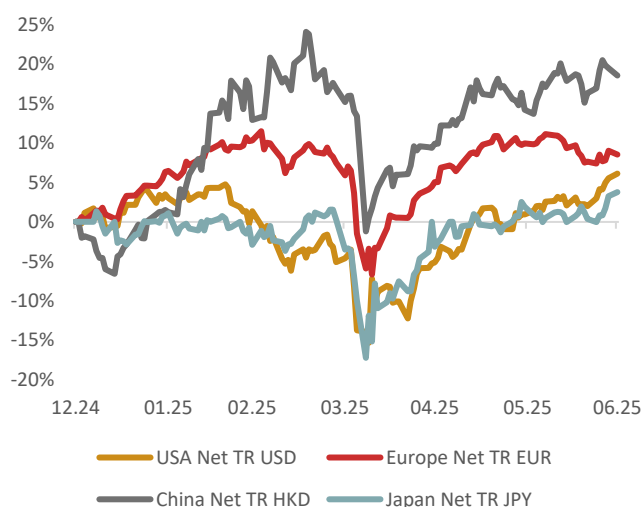
In sum, 1H25 can be characterized as a period of trade-policy brinkmanship marked by pronounced uncertainty. Nevertheless, both equity and bond markets navigated the environment with notable resilience. Despite the opaque and shifting stance of President Trump's trade measures, subsequent bilateral negotiations, military tensions in the Middle East, the ongoing war in Ukraine, and mounting existential pressure on NATO, financial markets remained largely unfazed.

The waning confidence of global investors in the U.S. as a safe haven - and the corresponding outflow of capital - made the U.S. dollar the clear underperformer of 1H25. According to the Bloomberg U.S. Dollar Index, the USD surrendered all of its gains from recent years within a five-month span, returning to levels last seen in spring 2022.

Overview Asset Classes

Global equity markets experienced a sharp correction in early April, losing ground over just five trading days—only to recover nearly as swiftly as the losses had materialized. This pronounced reversal was again driven by President Trump, who granted a 90-day negotiation window to affected trade partners.

The result was a strong relief rally following the five-day crash: the U.S. benchmark index, the S&P 500, surged +25% within just 55 days, marking the strongest rebound in its history. By May, U.S. equities had already returned to positive territory on a year-to-date basis, while Chinese and European markets had recovered as early as April. Japanese equities, however, did not firmly move back into the green until June.

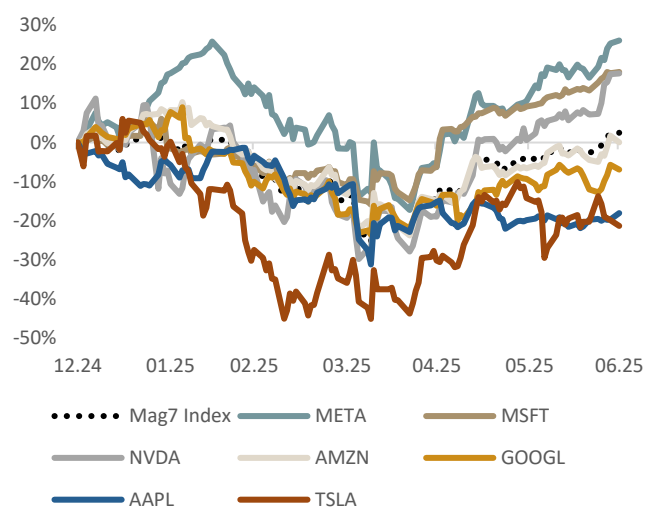


Source: Bloomberg, 30.06.2025

The postponement of the announced tariffs was subsequently extended on a case-by-case basis, some of the original duties were softened, and several threats went unfulfilled. As a result of this approach, the market dubbed Donald Trump with the nickname «TACO» - Trump Always Chickens Out.

This, in turn, supported the continued rally in *U.S. equities*, which went on to reach new all-time highs. Despite elevated uncertainty surrounding the health of the global economy and the broader implications of worldwide trade disruptions, markets consistently posted new records - underscoring the resilience of equities.

Particularly sought after were technology companies with direct AI exposure and strong growth prospects, while others lagged significantly or posted clear losses. This divergence is reflected in the «Magnificent 7», which had enjoyed broad-based momentum since late 2022, but have since shown diverging performances: Meta Platforms Inc. (+26%), Microsoft Corp. (+18%), and Nvidia Corp. (+18%) recorded strong gains; Amazon.com Inc. ended the period flat; while on the downside, Tesla Inc. fell -21%, pressured by intensifying Chinese competition and a public rift between Donald Trump and Elon Musk. Further, Apple Inc. declined -18% and Alphabet Inc. dropped around -7%, both weighed down by underwhelming AI strategies.



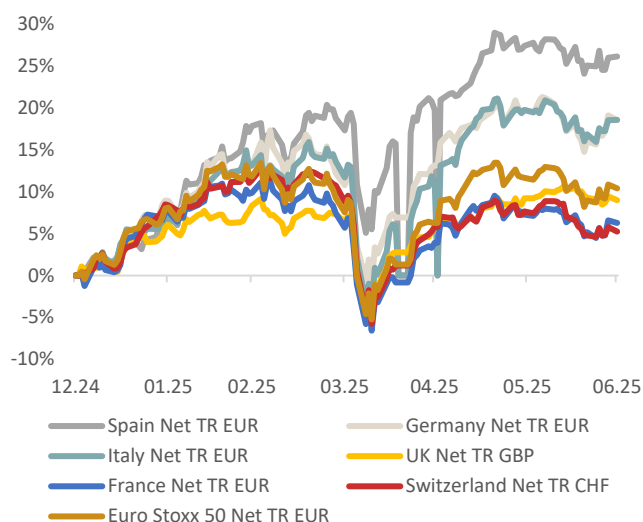
Source: Bloomberg, 30.06.2025

European equity markets posted strong gains in 1H25, ranking as the second-best performing region after China. This development was supported by the European Central Bank, which - unlike the U.S. Federal Reserve - boosted investor sentiment with four interest rate cuts, providing a tailwind for equities.

In addition, European equities benefited from a regional re-allocation of global investor capital, as doubts surrounding U.S. fiscal policy led to portfolio diversification in favor of alternative regions. Given the dominant weight of U.S. equities in global benchmarks, even marginal shifts in allocation can have a notable impact. The combined market capitalization of the ten largest U.S. companies exceeds USD 20 trillion, compared to approximately USD 2 trillion for the top ten European firms - reflecting a 10:1 ratio.

However, performance within Europe was highly differentiated: The Spanish (+26%), German, and Italian equity markets (each +19%) led the region by a wide margin. In contrast, the UK (+9%), France (+6%), and Switzerland (+5%) lagged behind. The Euro Stoxx 50 finished mid-pack with a return of +10%. Individual stock performance also played a decisive role: In Germany, Rheinmetall AG (+194%), Siemens Energy AG (+95%), and Commerzbank AG (+75%) accounted for a

significant share of the market's gains. In Spain, the financial sector as a whole was a key driver of outperformance.



Source: Bloomberg, 30.06.2025

In addition to Europe, *Chinese equity markets* were also key beneficiaries of capital outflows from the U.S., as global investors reallocated exposure toward alternative regions. However, the primary catalyst for China's strong performance was - once again - artificial intelligence: the breakthrough of the powerful and cost-efficient open-source model DeepSeek R1 brought renewed attention to China's tech sector and attracted heightened interest from international investors.

This was followed by significant capital inflows, enabling, among other things, the largest IPO since 2021: Contemporary Amperex Technology Co. (CATL), the world's leading EV battery manufacturer, raised the equivalent of USD 5 billion in May. Other high-growth Chinese mega-caps, such as Xiaomi Corp. and BYD Co., also successfully tapped capital markets for fresh funding.

Chinese equities were further supported by solid macroeconomic momentum, targeted countermeasures by the Chinese government in response to «Liberation Day», attractive valuations, and continued resilience despite lingering concerns around trade tariffs and the potential delisting of Chinese ADRs from U.S. exchanges.

As a result, Chinese equity markets ended 1H25 as the top-performing region by a wide margin.

In global comparison, *Japan's equity market* underperformed relative to peers, but still managed to close the first half of 2025 in positive territory. Investor interest picked up notably from April onward, as Japanese equities offered fair to attractive valuations and exposure to investment themes less sensitive to the global economic cycle.

In addition, corporate reforms favoring shareholders, such as stock buybacks, advanced at a rapid pace - further enhancing Japan's relative appeal on the international stage. The region demonstrated resilience during periods of heightened uncertainty, but was simultaneously burdened by its large electronics and automotive sectors, which were negatively impacted by the threat of new U.S. tariffs and a significantly stronger yen relative to the U.S. dollar.

In the global sector comparison, those linked to AI-driven value creation stood out most clearly - whether through direct applications such as software solutions and product innovation, or more broadly via supporting infrastructure like data centers and utilities.

At the top of the performance table were industrial stocks, which benefited from elevated infrastructure investment in both the U.S. and Europe - driven by trends such as «de-globalization» and increased industrial automation via robotics, logistics, and AI integration.

Financials also performed strongly. U.S. banks, in particular, benefited from delayed rate cuts, elevated trading volumes, and a rebound in capital markets activity.

Utilities ranked third, supported by the surge in electricity demand for AI data centers and their defensive characteristics, which became attractive during periods of elevated risk aversion.

At the bottom of the ranking were consumer discretionary stocks, pressured by weak consumption trends in China, while Western e-commerce companies saw slower growth amid rising cost bases.

The healthcare sector was held back by weakness in the cyclical biotech subsegment, which faced funding challenges and disappointing clinical trial outcomes. Large-cap pharmaceutical companies also came under pressure due to tariff-related tensions with the U.S.

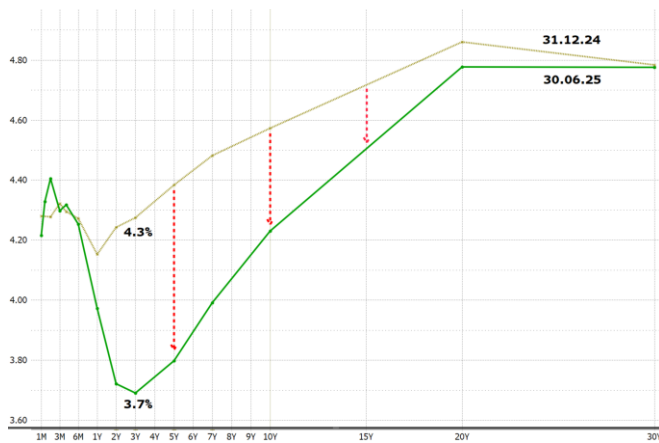
Finally, the energy sector showed only limited upside, as oil prices corrected and subsequently moved sideways.

	1H2025	FY2024	1H2024
Communications	+14.22%	+34.97%	+21.45%
Technology	+8.93%	+31.59%	+22.07%
Financials	+16.60%	+28.49%	+12.42%
Cons. Discretionary	-1.64%	+21.37%	+4.47%
Utilities	+16.46%	+14.93%	+5.49%
Industrials	+18.12%	+13.81%	+6.83%
Cons. Staples	+10.30%	+6.85%	+4.47%
Real Estate	+5.30%	+4.25%	-2.11%
Energy	+4.55%	+2.46%	+8.22%
Health Care	+0.44%	+1.67%	+8.84%
Materials	+10.66%	-4.39%	+0.35%

Source: Bloomberg, 30.06.2025

U.S. government bonds' yield curve experienced a so-called «bull steepening» in 1H2025, despite the U.S. Federal Reserve holding rates steady for the fourth consecutive meeting. Yields on shorter maturities declined more significantly (-58 bps for 3- and 5-year Treasuries) than those on longer maturities (-34 bps for 10-year, -8 bps for 20-year), resulting in a steeper yield curve at lower overall levels.

The primary driver behind this move was a marked decline in U.S. inflation data through the end of April. However, from May onward, concerns surrounding U.S. fiscal policy, the future independence of the Federal Reserve, and subdued international demand for newly issued U.S. Treasuries led to a modest re-steepening of the curve compared to Q1.



Source: Bloomberg, 30.06.2025

Government bond yields in the *Eurozone* ended 1H2025 only marginally higher compared to year-end 2024. Despite the European Central Bank cutting rates in four steps, the rise in yields remained subdued - particularly in light of the EU's announced debt issuance to fund increased defense spending through 2030.

The Swiss National Bank eased monetary policy twice during the period, ultimately setting its policy rate at 0%, causing yields on short-dated *Swiss* government bonds to once again fall into negative territory.

A look at the average cost of 10-year debt across G7 nations shows a clear shift: the average yield of the past decade (around 1.5%) has been replaced by a new norm that is roughly twice as high. As such, yields have returned to levels seen during the decade prior.

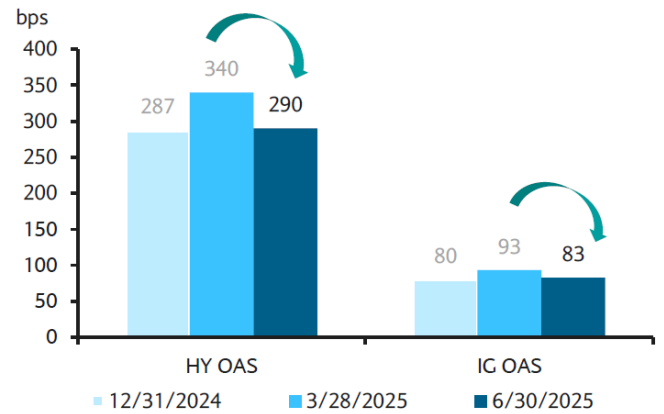


Source: Bloomberg, 30.06.2025

Credit spreads on *U.S. corporate bonds* reacted sharply to «Liberation Day», making it useful to view developments in two distinct phases: Q1 and Q2 of 2025. Beginning in mid-February, spreads widened across both investment grade and high yield segments, reaching levels in early April last seen in summer 2023.

Subsequently - in line with the recovery in equity markets - credit spreads narrowed significantly and ended 1H25 only slightly above their year-end 2024 levels.

A similar pattern was observed in *Euro-denominated corporate bonds*, although here, spreads finished marginally lower by the end of June compared to the beginning of the year.



Source: Bloomberg, 30.06.2025

After briefly surpassing its previous all-time highs in January 2025, **Bitcoin** and the broader crypto sector came under selling pressure through mid-April - despite positive headlines, including the U.S. decision to adopt Bitcoin as a strategic reserve asset and continued large-scale purchases by Michael Saylor's Strategy, by far the largest public investor in the space.

A sustained recovery began only in late April, supported by the rapid expansion of so-called stablecoins, which benefited from the political backing of the «GENIUS Act» in the U.S. This legislation enhanced both the relevance and acceptance of stablecoins, accelerating institutional adoption and industrial integration.

The ongoing momentum in the crypto sector also provided a strong tailwind for convertible bond issuers linked to digital assets, fueling new issuance activity from companies in this segment.

As of end-June 2025, the following issuers maintain direct exposure to crypto markets:

	Business	CBs	Holds BTC
Applied Digital Corp	Data Center	1	
Bitdeer Technologies Group	Mining	1	
Cipher Mining Inc	Mining	1	
CleanSpark Inc	Mining	1	x
Coinbase Global Inc	Exchange	2	x
Core Scientific Inc	Mining	2	
Galaxy Digital Inc	Broker	2	
IREN Ltd	Mining	2	
MARA Holdings Inc	Mining	4	x
Riot Platforms Inc	Mining	1	x
Strategy Inc	Investor	6	x
TeraWulf Inc	Mining	1	

Commodity markets showed a mixed performance in 1H25: *Gold* rose +26% year-to-date, benefiting from its ultimate status as a safe-haven asset and strong central bank demand. Additional support came from declining real interest rates and growing doubts about the credibility of U.S. policy, propelling the metal to new all-time highs.

Oil prices remained under pressure throughout the period due to macroeconomic uncertainty and concerns over global trade. Prices corrected sharply in early April, further weighed down by OPEC+'s decision to increase production more aggressively than markets had anticipated. While prices briefly

spiked amid the Middle East escalation, they quickly reverted to prior lows. As a result, WTI crude ended 1H25 down -8%.

Copper posted a strong +15% gain in Q1, before retreating in April as part of the broader market correction. The cyclical metal recovered in subsequent weeks, finishing 1H25 with a +13% gain.

Also *Silver* benefited from robust industrial demand, gaining +25% over the reporting period.

The impact of «Liberation Day» was clearly visible in *volatility* metrics: The VIX, after a calm start to the year, spiked from 21.7 to 52.3 points in early April. It then normalized rapidly, returning to pre-spike levels by May. This marked the second-fastest volatility reversal on record - surpassed only by the August 2024 recovery.

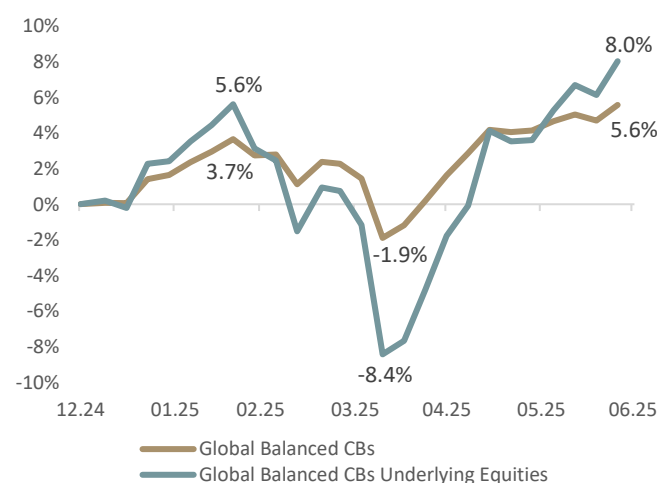
Convertible Bonds Universe

Over the past six months, this asset class once again showcased its unique asymmetric risk/return profile. Despite ongoing trade conflicts, global political uncertainty, intensifying geopolitical tensions, and numerous other significant events, global balanced convertible bonds demonstrated strong resilience.

On one hand, global equity markets ended the first half of the year in positive territory; on the other, convertibles benefited from generally declining interest rates (with the exception of Japan), stable credit spreads, and elevated volatility. In addition, the convertible bond universe provided exposure to key investment themes in 1H25, including: the AI value chain, links to cryptocurrency, nuclear energy, stocks with high short interest, and high-beta growth companies.

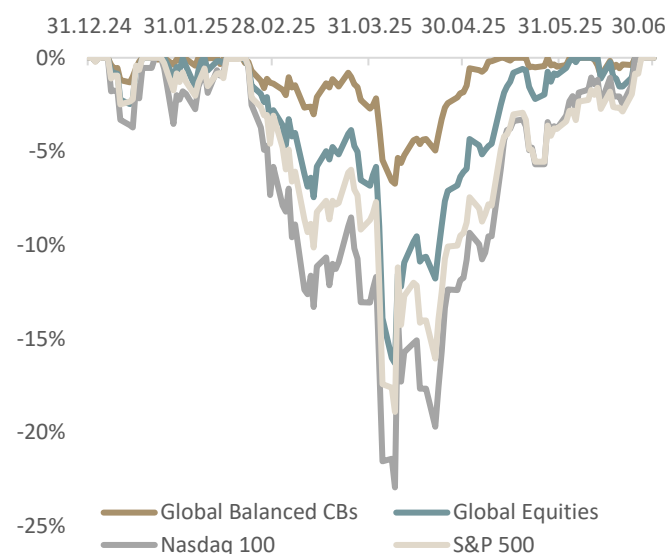
Convertible bonds aim to deliver downside protection in volatile markets while still participating in rising equity markets - a convex payoff profile. This feature was clearly validated in 1H25, as the market correction surrounding «Liberation Day» was followed by a sharp rebound.

The chart below compares the performance of global balanced convertible bonds with their corresponding underlying equities over the reporting period:



Source: H.A.M., 25.06.2025

The so-called downside protection offered by convertible bonds - followed by their relatively swift recovery - is also evident in a drawdown comparison with leading equity indices:



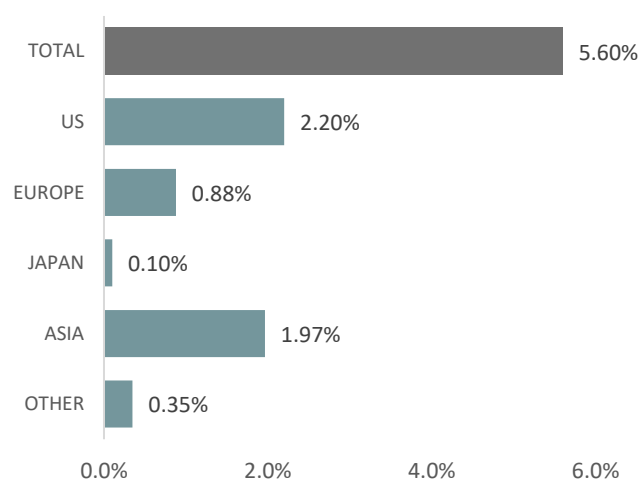
Source: H.A.M., 30.06.2025

	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 their underlying equities gained +8.23%. Convertible bond performance during the first quarter stood at +2.27%, though it was held back by the U.S. region - the only segment to post a negative return in Q1. In contrast, convertibles from Asia and Europe delivered notable gains.

In Q2 2025, global balanced convertibles benefited from the sharp rebound in U.S. equity markets, advancing by +3.26% for the quarter.

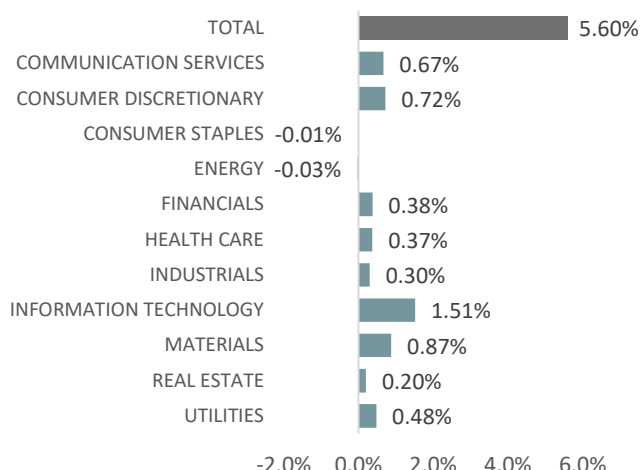
As a result, U.S. convertibles ultimately delivered the strongest contributions on a half-year basis, closely followed by Asia. Europe, other regions, and Japan also ended the period in positive territory.



Source: H.A.M., 25.06.2025

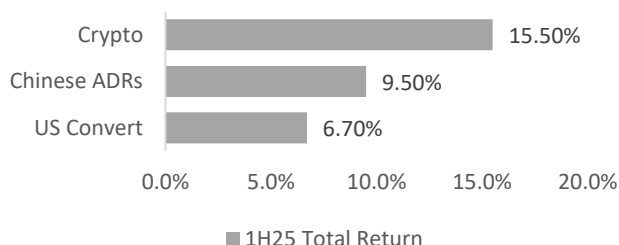
With the exception of Consumer Staples and Energy, all sectors ended the first half of 2025 firmly in positive territory. Technology led the performance table, despite being the clear laggard in Q1, where it finished with losses. It was followed by Materials, Consumer Discretionary, and Communication Services.

Unsurprisingly, the dominant investment themes of 1H25 - such as AI and crypto, along with their associated value chains, were most evident in the top-performing sectors.



Source: H.A.M., 25.06.2025

The chart below illustrates the outperformance of issuers with crypto exposure and Chinese ADRs in 1H25, compared to the broader U.S. convertible bond market. During this period, the positive performance of most Chinese ADRs was closely linked to developments in artificial intelligence.



Source: Barclays Research, 30.06.2025

At the *individual security level*, Alibaba Group Holding stands out as the strongest-performing convertible bond in the first half of the year and was a key driver of the strong performance in the Consumer Discretionary sector. Alibaba is considered one of China's leading AI companies and has gained international recognition, including a collaboration with Apple to provide AI functionality for iPhones.

Spotify Technology S.A. reported exceptional customer growth and a significant increase in profitability, while also being well-positioned in terms of AI adoption.

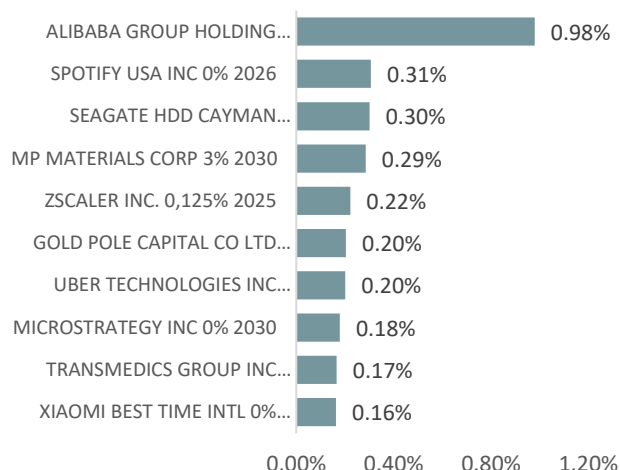
Uber Technologies likewise delivered strong performance, supported by its expertise and ongoing breakthroughs in autonomous driving and robotaxis.

The strength of the Materials sector, which ranked second overall, was partly driven by MP Materials Corp, the only fully integrated U.S. producer of rare earths, a company in high

demand amid geopolitical tensions between the U.S. and China.

Additionally, the convertible bond issued by China's Gold Pole Capital Co, exchangeable into Zijin Mining Group Co - one of the world's largest producers of gold and copper - benefited from rising metal prices and posted notable gains.

In total, the top 10 contributors added +3.01% to overall portfolio performance.



Source: H.A.M., 25.06.2025

MicroStrategy - renamed «Strategy» as of February - is featured in both the top and bottom 10 performers. The company's 0% 2030 convertible bond, issued in February 2025 when the stock was near its low, participated significantly in the subsequent equity recovery.

By contrast, the 0% 2029 note, issued in November 2024, was only included in the global balanced convertible bond index during the May 2025 selection period due to its high conversion premium, and has since declined in value.

Beyond Strategy, the bottom 10 contributors are diversified across sectors, including Consumer Discretionary, Healthcare, Technology, Industrials, Financials, and Utilities. In total, the Flop 10 contributed approximately -1.2% to overall performance.

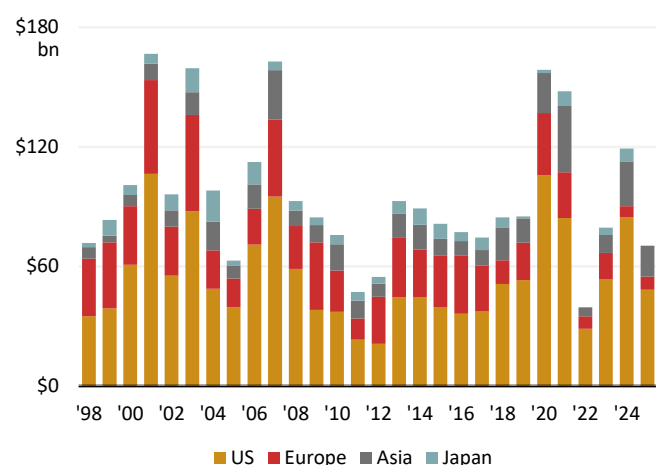


Source: H.A.M., 25.06.2025

Following active issuance in March and May, **the primary market** saw a notable acceleration toward the end of 1H25. This was supported by easing concerns around global trade tariffs, compressed credit spreads, and resurgent equity markets. These favorable conditions led to a wave of early refinancings of upcoming maturities and broader efforts to optimize capital structures. Both existing and new issuers took the opportunity for opportunistic capital raising.

Over the reporting period, total issuance reached approximately USD 70 billion, representing a 20% increase year-over-year and ranking among the top five strongest first-half periods on record.

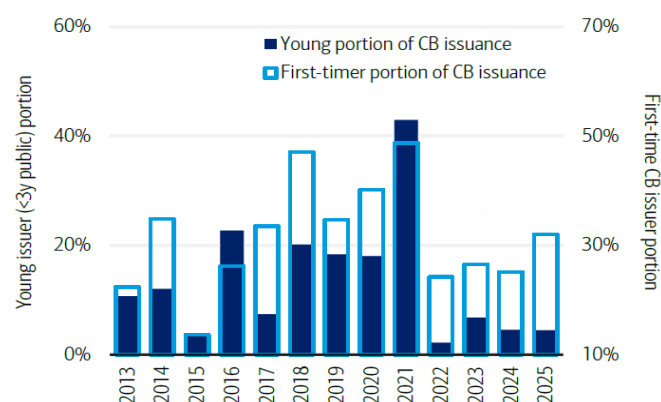
The U.S. accounted for 69% of total issuance, followed by Asia (19%), Europe (11%), and Japan (just under 1%). This breakdown reflects the ongoing AI arms race between the U.S. and China, which has clearly made its mark on the primary market as well:



Source: BofA Global Research, 30.06.2025

Since the beginning of the year, nearly one-third of new issuance has come from companies issuing a convertible bond for the first time - a significantly higher share compared to the previous three years.

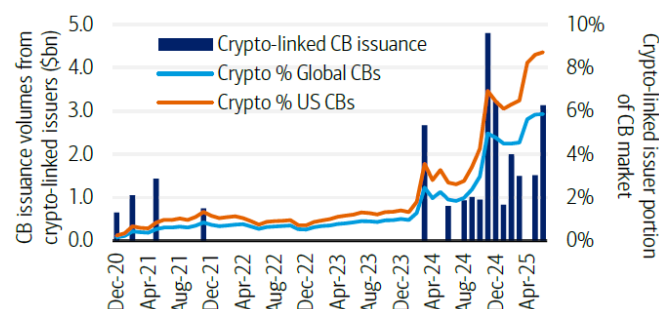
In contrast, the number of issuers that went public over the last three years remained at a low level:



Source: BofA Global Research, 23.06.2025

In addition, new issuance related to the crypto sector accelerated significantly in 1H25, bringing the total volume since the end of 2023 to over USD 23 billion.

As a result, approximately 6% of the global convertible bond universe - and 9% of the U.S. market - can now be linked to issuers from the crypto space:



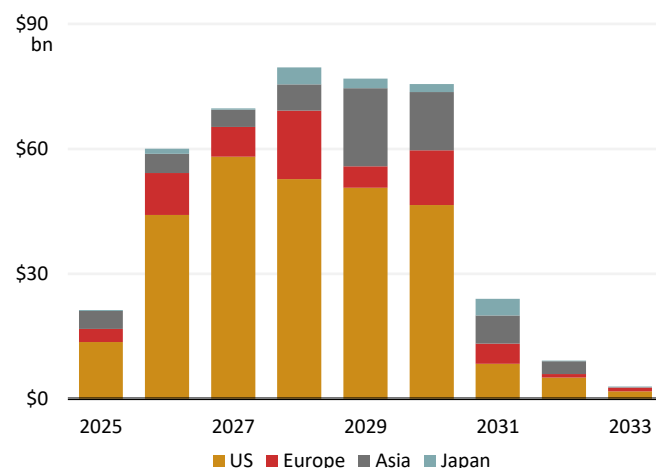
Source: BofA Global Research, ICE Data Indices, 23.06.2025

Despite elevated primary market activity, pricing conditions remained favorable for issuers. Nevertheless, new issues in 1H25 delivered strong post-launch performance, confirming their role as a source of alpha. Newly issued U.S. convertible bonds gained a cumulative +20.7% during the reporting period, clearly outperforming the broader convertible bond market.

Additionally, the combination of a robust primary market and issuer-initiated early redemptions resulted in record-high transaction volumes: in June, the U.S. convertible bond market registered USD 72 billion in TRACE-reported volume, the highest monthly figure since July 2014.

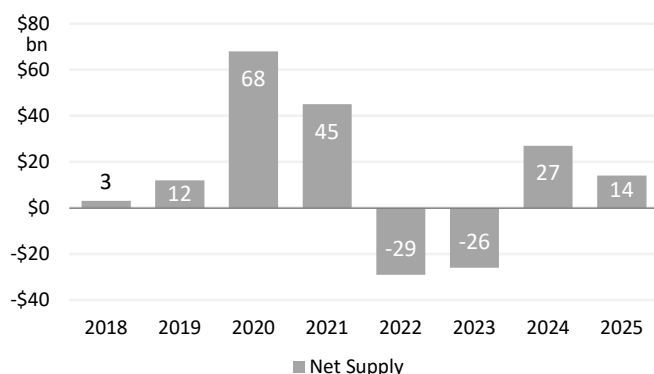
It is also noteworthy that the market was able to absorb the wave of new issuance without negatively impacting the secondary market or pressuring the valuations of outstanding convertibles. This points to strong underlying demand, driven by new market participants, particularly hedge funds, available cash reserves within strategies, and a relatively high volume of upcoming maturities stemming from record issuance in the post-COVID era, often referred to as the «maturity wall».

This maturity wall was already partially addressed in the previous year and was further mitigated in 1H25. The clustering of maturities was eased through early refinancing or repayments, effectively rolling obligations into future years. As a result, the maturity profile is now increasingly concentrated in 2028 and 2029.



Source: BofA Global Research, 30.06.2025

Measured by the U.S. convertible bond market, net growth has remained in positive territory year-to-date:



Source: Barclays Research, 30.06.2025

After the global convertible bond universe experienced a convergence in *equity sensitivity* (delta) across regions last year, divergence re-emerged in 1H25.

Chinese convertibles saw a notable increase in delta, driven by the outperformance of Chinese equities, which in turn benefited from significant advancements in artificial intelligence.

On the other end of the spectrum, European convertibles also increased their delta compared to the beginning of the year, albeit to a lesser extent than other regions - despite solid equity market performance.



Source: Nomura, 30.06.2025

The impact of «Liberation Day» is also evident in convertible bond *valuations*. Since then, Asian and Japanese convertibles have been trading at more discounted levels compared to the end of Q1 2025, with European names also softening, though to a lesser extent.

In contrast, U.S. convertibles continue to command a valuation premium relative to other regions, supported by investor demand driven by exposure to AI and crypto. U.S. names have now returned to valuation levels similar to those seen prior to the correction.

Overall, convertible bonds are currently trading at fair to attractive valuations.



Source: Nomura, 30.06.2025

H.A.M. Global Convertible Bond Fund 1H25

In March 2025, the strategy celebrated its **25-year anniversary**, having consistently maintained a globally diversified and unconstrained investment approach in the convertible bond market, with a clear bottom-up focus and the objective of delivering attractive absolute returns.

Throughout the period, the strategy continued to apply disciplined rebalancing to preserve its asymmetric risk/return profile. Proceeds from matured or exited positions were efficiently reinvested, thanks to a robust and active primary market, allowing for the addition of new exposures.

During the reporting period, the **H.A.M. Global Convertible Bond Fund** (EUR-A share class) delivered a net return of +5.25%, just below its peak of +5.44%. The underlying equities in the strategy rose +10.01%. Compared to the global balanced convertible bond market, the strategy underperformed by 0.35%, following a strong Q1 where it had clearly outperformed with +1.07% relative performance.

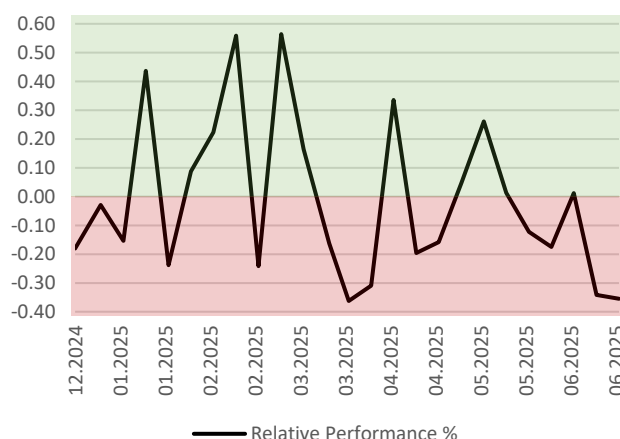
The outperformance in Q1 was driven by overweights in the stronger regions of Asia and Europe, with Japan also contributing positively. The strategy outperformed in each of the three months during the first quarter.

However, the more balanced regional allocation led to underperformance in April and June. Following «Liberation Day», China was by far the weakest market, while Japan and the U.S. posted only minor losses on a monthly basis. As such, the relative overweight in China weighed on performance. In June, the underweight in the U.S. limited participation in what turned out to be a particularly strong month for U.S. names. That said, in May, the strategy outperformed amid a sharp global market rebound.

In terms of contributions, the U.S. added +1.10% to overall strategy performance in 1H25, while the global balanced convertible bond index - with roughly twice the U.S. weighting - recorded a +2.20% contribution from that region. This differential could not be fully offset by the relatively stronger results from Europe, Asia, and Japan.

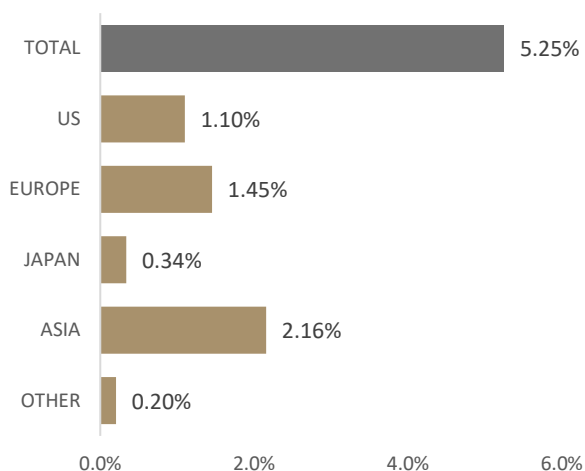
It is also worth noting that no positions from crypto-related issuers were held in the portfolio during the reporting period.

The chart below illustrates the relative weekly performance throughout 1H25, highlighting the volatility of the period:



Source: H.A.M., 25.06.2025

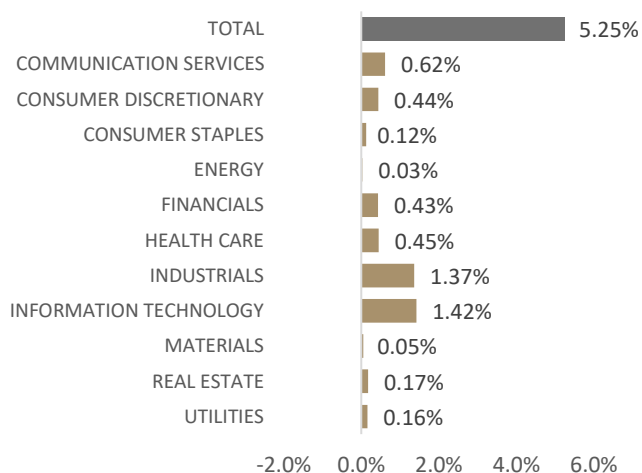
The following *regional* performance breakdown highlights that the largest contributions came from convertible bonds in Asia, followed by Europe and the United States. All regions closed 1H25 in positive territory.



Source: H.A.M., 25.06.2025

A similar picture emerges in the *sector* contribution analysis: All sectors delivered positive contributions, or at least neutral performance in the case of Energy and Materials.

By far the strongest contributors were Technology and Industrials, followed by Communication Services, Healthcare, Consumer Discretionary, and Financials.



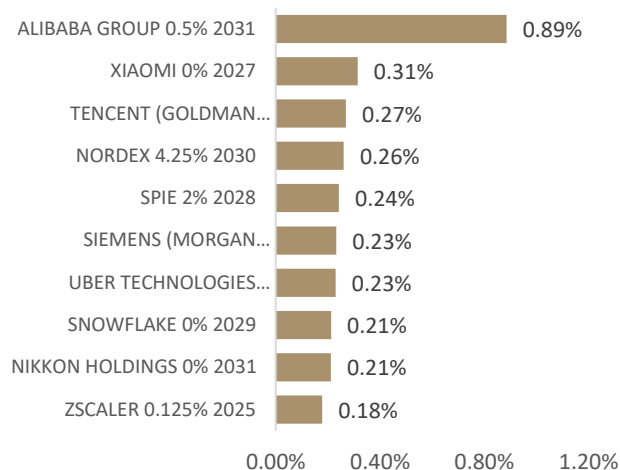
Source: H.A.M., 25.06.2025

The broadly diversified portfolio allocation is also evident at the *individual security level*: both the top 10 and bottom 10 performing convertible bonds are well diversified across regions and sectors.

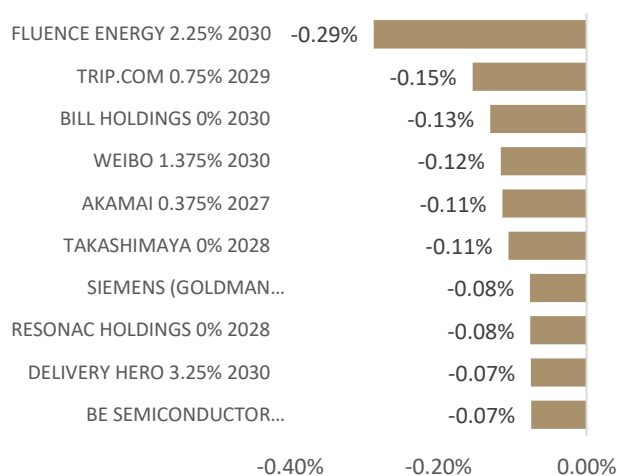
The strength of Chinese issuers and the overarching theme of AI and technology are clearly reflected at the position level, with the majority of the top 10 performers tied to these segments.

In contrast, the bottom performers span multiple regions and sectors, with no single dominant theme.

Overall, the top 10 contributors added +3.03% to performance, while the bottom 10 detracted -1.21%.



Source: H.A.M., 25.06.2025

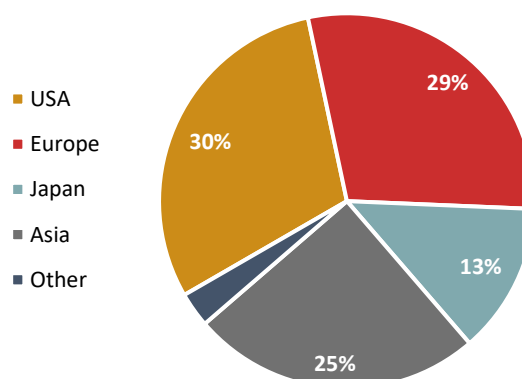


Source: H.A.M., 25.06.2025

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

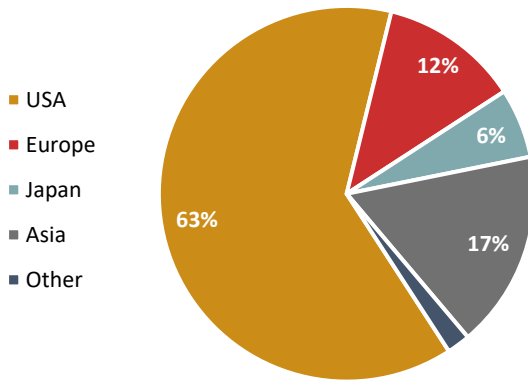
As a result, the strategy maintains a significantly broader regional exposure than the benchmark index for global balanced convertible bonds.

H.A.M. Global Convertible Bond Fund



Source: H.A.M., 25.06.2025

Global Balanced Convertible Bonds



Source: H.A.M., 25.06.2025

Holinger Asset Management AG

Zurich, in July 2025

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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