



## SUBFUND OVERVIEW

The fund's objective is to generate long-term capital appreciation by investing in a global portfolio composed principally of convertible bonds without any geographical or currency limitation. Convertible bonds are sensitive to movements in equities, credit, interest rates and volatility. Thus, according to the manager's macroeconomic assumptions, the portfolio parameters are set, with a bond or an equity bias. Thereafter, a selection process picks and weights around 50 to 60 investments to structure the portfolio. The fund is not benchmarked.

## INVESTMENT MANAGER'S COMMENTS

And so, the bull market goes on: this quarter was the best quarter of the decade, after December 2018 had been the worst December of the decade... And all in all, we have just recovered what had been lost. For investors it may feel painful either to be in when the market is down or out when the market is up, all of that, overflowed with exciting news. But as one says, stay calm and invested!

On the convertible bond market, there was an interesting article in the Financial Times mentioning that "Asia Tech companies fuel \$23bn convertible bonds boom". In summary, Asean companies favour convertible bonds especially in the tech sector where it is more difficult to raise debt. This means that the "good deal" (investing for instance into growth companies with the safety of bonds) proposed by convertibles is gaining momentum. Nothing new for us but interesting to read in the FT.

In terms of monthly performance, the star of March was **Inmarsat 3 7/8% 2023** after the company received and accepted a cash offer of US\$7.21 per share from Apax, Warburg Pincus, CPPIB and OTPP. The offer received from Echostar back in July 2018 was also dollar-denominated for a value at the time of US\$7.04, but with 50% of the consideration in shares, whereas today's offer is 100% cash. Taking into account the change of control provisions, one of the beauties of the convertible bond performance kicker, the convertible conversion price should reset from \$13.41 to close to US\$4.75. Thus, the new parity (change of control parity clause) will be over 150% compared to a price

of around 115% before the offer.

The other great performer this month is Live Nation, often described as a "vertically integrated Behemoth" and an "emerging music monopoly", especially since the world's largest concert promoter merged with Ticketmaster in 2010. Shares of Live Nation hit an all-time high after the company revealed that revenue increased 11% for 2018, reaching a record \$10.8 billion. Concert attendance increased by 8%. The live entertainment giant plans to continue its industry dominance with global expansion and, do not forget, a live performance is something that neither YouTube or Netflix will be able to digitalise...

On the downside, Sony one of our top pick had a difficult month. Not only did Google launch its gaming site so that game console like the PlayStation may suffer from Cloud Gaming but also the smartphone department is losing a lot of money and market share (down from 5% in 2013 to 0,5% actually). The market doesn't see a fix to these losses with competitors like Samsung and Apple. A reaction is in the pipeline with the retirement of Sony longtime leader Kaz Hirai. Mr. Hirai has restructured Sony in the past with the end of PCs and investments in photo, movies and video games. Now the new leader's generation will have to reinvent the company and help it to evolve. Due to its very strong brand and business culture, we have decided to keep the position for the time being.

## NAV PER SHARE SINCE INCEPTION (CLASS A)



## PERFORMANCE

	Hard closed			
	A	B	C *	H *
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	35%	35%	35%	0%
VOLATILITY	6,73%	6,72%	6,90%	3,59%
NAV/SHARE	151,11	141,69	115,85	103,17
MONTH	1,81%	1,87%	0,65%	0,48%
2018	-1,27%	-0,65%	-5,32%	-0,66%
2017	4,90%	5,33%	10,40%	-0,19%
2016	0,50%	1,20%	-2,11%	-5,97%
2015	4,69%	5,37%	-1,58%	0,95%
2014	14,17%	14,85%	5,59%	9,85%
2013	3,88%	4,53%	7,63%	0,15% **

\*\*Since 01/07/2013

## MAIN HOLDINGS

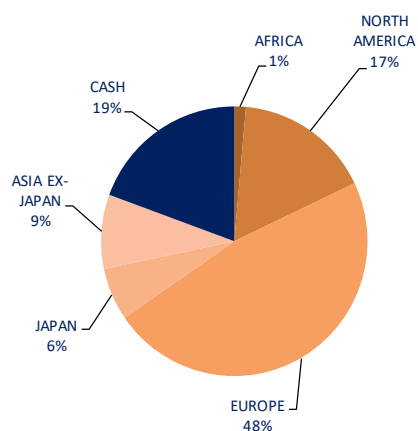
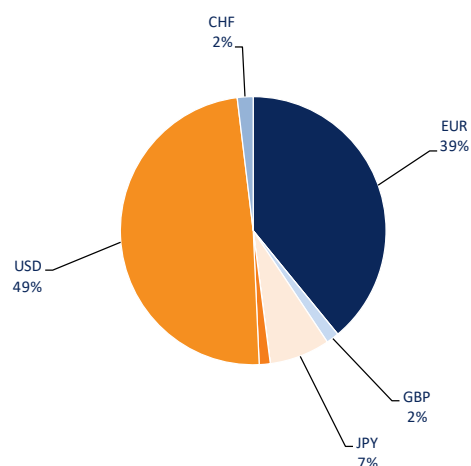
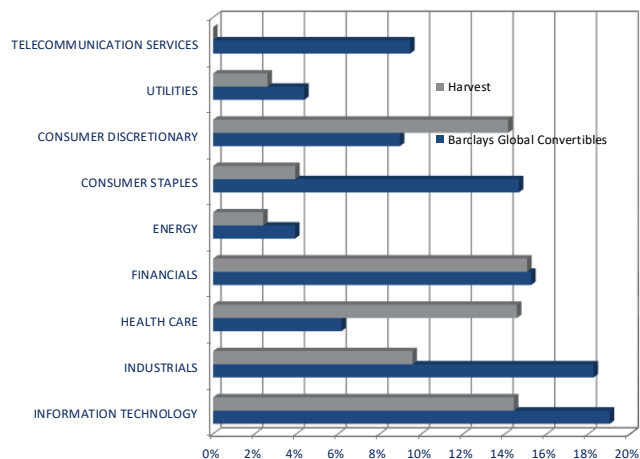
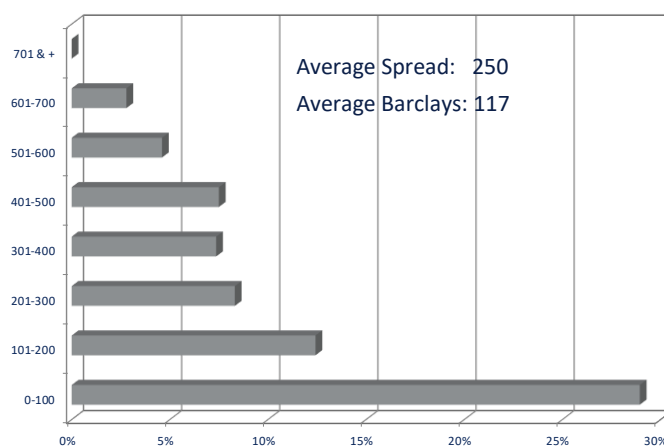
TOP 10		CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)	
SPANSION 2% 2020		USD	01/09/2020		3,20%	100%	0,00%	INMARSAT 3,875% 2023	
BANK OF AMERICA 7.25% PERP		USD			2,68%	-18%	5,54%	NYRSTAR 5% 2022	
FORTIS CASHES 2.305 2049		EUR	29/12/2049		2,57%	0%	2,28%	LIVE NATION 2,5% 2019	
RED HAT 0.25% 2019		USD	01/10/2019		2,54%	100%	0,00%	KONINKLIJKE 3,5% 2021	
RAG STIFTUNG 0% 2021		EUR	18/02/2021		2,32%	15%	0,00%	AABAR INVESTMENTS 1% 2022	
AMERICA MOVIL 0% 2020		EUR			2,30%	0%	0,00%	CONSUS 4% 2022	
SONY CORPORATION 0% 2022		EUR	28/05/2020		2,29%	4%	0,61%	SONY 0% 2022	
AGEASFINLUX SA 1.022% PERP		JPY	30/09/2022		2,18%	53%	0,00%	SPANSION 2% 2020	
MANDATORY 5,75% 2019		EUR			2,15%	1%	2,02%	AGEASFINLUX FLOAT PERP	
BAGAN CAPITAL 0% 2021		USD	01/06/2019		2,11%	100%	0,00%	LIBERTY MEDIA 1,375% 2023	
NAV			5,07		100%	35%	1,87%		

**BELLATRIX**

ASSET MANAGEMENT

**HARVEST INVESTMENT FUND** Global Convertible

MARCH 2019

**GEOGRAPHIC ALLOCATION****CURRENCY ALLOCATION****SECTOR ALLOCATION****CREDIT SPREAD**

Source: Deutsche Bank

**GENERAL INFORMATION**

SHARE CLASS	ISIN	LAUNCH DATE	MAN. FEE	PERF. FEE	MIN. INVEST.	CLASS SHARES	SUBFUND ASSETS	CUT-OFF
<b>A</b>	LU0442197868	03/08/2009	1,85%	15% ABOVE 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1.000	CAPITALISATION	EUR 43 MILLIONS	DAILY 12:00 AM
<b>B (INSTITUTIONAL)</b>	LU0518233621	12-07-10	1,20%		€ 1.000.000			
<b>C (CURRENCY HEDGE)</b>	LU0662027985	16/08/2011	1,85%		€ 1.000			
<b>H (DELTA &amp; CCY HEDGE)</b>	LU0944844058	01-07-13	1,85%		€ 1.000			

DEPOSITARY BANK	<b>VP Bank (Luxembourg) SA</b>	MANAGEMENT COMPANY	<b>Bellatrix Asset Management S.A.</b>
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FUND	<b>HARVEST INVESTMENT FUND</b> 2 Rue Edward Steichen L-2540 Luxembourg	AUDITOR	<b>Harvest Advisory S.A.</b>
		LEGAL ADVISOR	<b>KPMG Luxembourg Société Coopérative</b> <b>Elvinger Hoss Prussen</b>

Investment Manager's comments are expressed by Bellatrix Asset Management S.A.. Periodic reports, the prospectus of the Fund, and the simplified prospectus of the subfund are available on request from Bellatrix Asset Management S.A. or at the registered office of the Fund. The present information note should not be considered as an offer to buy or sell shares. In order to constitute an offer, this document should be accompanied by the prospectus of the Fund, the simplified prospectus of the sub-fund and the latest periodic report. Although they are based on the best possible sources, the figures in this document have not been audited. Past performance is no guarantee of future performance as the net asset value of the portfolio of the sub-fund depends on market developments. Returns are net of management and performance fees.