

**BELLATRIX**

ASSET MANAGEMENT

HARVEST INVESTMENT FUND Global Convertible

NOVEMBER 2018

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

The nervousness and volatility that characterize the current markets are favourable to an investment in convertible bonds; portfolio volatility is reduced and the bond floor provides a relative cushion. In addition, many issues have cheapened after a period of overvaluation. Finally, for convertible bond pickers (as opposed to managers who replicate indices) selection opportunities are again numerous. It is therefore with great interest and determination that we approach the coming months.

In November, we closed our position in **Marine Harvest 0.125% 2020**. The company chose to recall its latest convertible issue putting an end to our investment, initiated in 2010, in the world leader in salmon farming. Aside from that, there were no significant movements in the investment portfolio.

In terms of performance, the best contributions came from **Alibaba 5.75% 2019**, **Cypress 2% 2020** and **Adler Real Estate 2.5% 2021**. On the contrary **Nyrstar 5% 2022**, **Ageas FRESH** and **Micron 3% 2043** had a negative impact.

Alibaba broke a sales record at the now annual 11th November tradition, "Singles' Day" or "Guanggun Jie". It is an anti-Valentine's Day or a Chinese version of Black Friday. This tenth edition started very strongly, sales reaching 1 billion dollars after one minute and twenty-

five seconds! In one hour, the \$10 billion mark was crossed then on the day, that of \$30 billion, up about 15% compared to Singles' Day 2017. Despite the 2018 decline in the stock price, the company is in the eye of the cyclone of the Sino-US economic war, but after a magnificent performance in 2017 and good prospects, we maintain our position.

Adler Real Estate, one of the leading real estate companies in Germany, has revised its objectives up more than 5% after announcing excellent results for the first nine months of 2018. The consensus of analysts (8) is BUY with a target of EUR18 (around 20% upside). We are maintaining our investment as, on top of stellar results, the consolidation of real estate companies in Germany is not over.

Nyrstar suffered from a combination of bad news; a reversal in the price of raw materials, investment at the top of the cycle and significant leverage. The credit rating has badly deteriorated and the survival of the company is in question. Nevertheless, its main shareholder, Trafigura, one of the world's largest commodity brokerage and transport groups, and Nyrstar's leading supplier and first customer, has set up a credit line that could allow Nyrstar to weather the storm. We expect a debt restructuring that will ultimately give us a better return than an outright sale.

NAV PER SHARE SINCE INCEPTION (CLASS A)**PERFORMANCE**

	Hard closed			
	A	B	C *	H *
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	39%	39%	39%	-3%
VOLATILITY	7,33%	7,31%	7,90%	4,08%
NAV/SHARE	148,02	138,47	115,17	103,76
MONTH	-0,60%	-0,55%	-0,71%	-0,66%
2018	2,26%	2,84%	-2,05%	-0,44%
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
SPANION 2% 2020	USD	01/09/2020		3,08%	99%	0,00%
FORTIS CASHES 2.305 2049	EUR			2,93%	1%	2,15%
BANK OF AMERICA 7.25% PERP	USD			2,79%	-9%	5,72%
RED HAT 0.25% 2019	USD	01/10/2019		2,64%	99%	0,00%
RAG STIFTUNG 0% 2021	EUR	18-02-21		2,54%	19%	0,00%
SONY CORPORATION 0% 2022	JPY	30/09/2022		2,51%	72%	0,00%
AMERICA MOVIL 0% 2020	EUR	28/05/2020		2,44%	5%	0,86%
AGEASFINLUX SA 1.022% PERP	EUR			2,41%	3%	1,94%
BAGAN CAPITAL 0% 2021	USD	23/09/2021	23/09/2019	2,12%	13%	3,44%
MANDATORY 5.75% 2019	USD	01/06/2019		1,97%	100%	0,00%

TOP 5 / BOTTOM 5 (ATTRIBUTION)	
MANDATORY 5.75% 2019	0,13%
SPANION 2% 2020	0,06%
ADLER 2.5% 2021	0,06%
INDRA SISTEMAS 1.25% 2023	0,04%
BANK OF AMERICA 7.25% PERP	0,04%
NYRSTAR 5% 2022	-0,43%
AGEASFINLUX SA 1.022% PERP	-0,15%
MICRON TECHNOLOGY 3% 2043	-0,09%
RAG STIFTUNG 0% 2021	-0,08%
FORTIS CASHES 2.305 2049	-0,07%

NAV

5,17

100%

39%

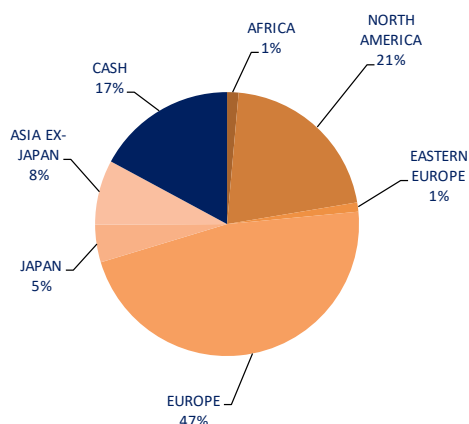
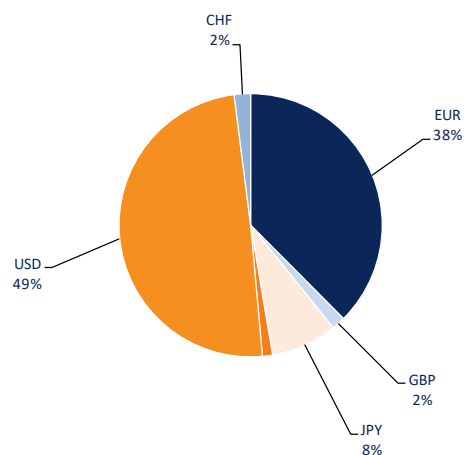
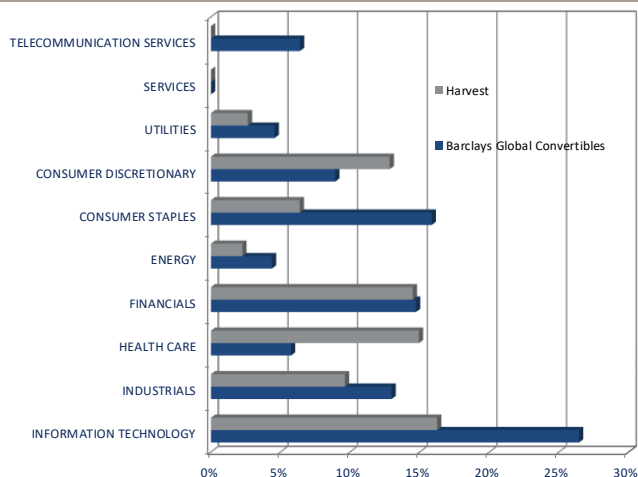
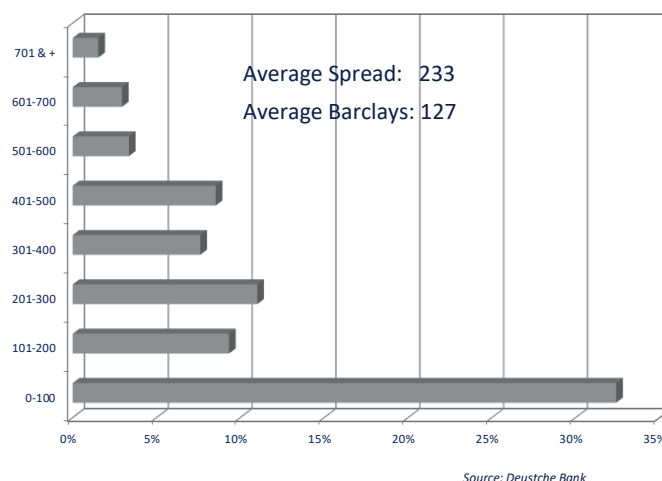
2,33%

**BELLATRIX**

ASSET MANAGEMENT

HARVEST INVESTMENT FUND Global Convertible

NOVEMBER 2018

GEOGRAPHIC ALLOCATION**CURRENCY ALLOCATION****SECTOR ALLOCATION****CREDIT SPREAD****GENERAL INFORMATION**

SHARE CLASS	ISIN	LAUNCH DATE	MAN. FEE	PERF. FEE	MIN. INVEST.	CLASS SHARES	SUBFUND ASSETS	CUT-OFF
A	LU0442197868	03/08/2009	1,85%	15% ABOVE 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1.000	CAPITALISATION	EUR 40 MILLIONS	DAILY 12:00 AM
B (INSTITUTIONAL)	LU0518233621	12-07-10	1,20%		€ 1.000.000			
C (CURRENCY HEDGE)	LU0662027985	16/08/2011	1,85%		€ 1.000			
H (DELTA & CCY HEDGE)	LU0944844058	01-07-13	1,85%		€ 1.000			

DEPOSITARY BANK	VP Bank (Luxembourg) SA	MANAGEMENT COMPANY	Bellatrix Asset Management S.A.
SUBSCRIPTIONS / REDEMPTIONS	VP Fund Solutions (Luxembourg) SA		31, bd Prince Henri L-1724 Luxembourg
CENTRAL ADMIN / TRANSFER AGENT	FAX +352 404 770 283 TEL +352 404 770 260 luxfunds@vpbank.com	ADVISOR	(+352) 26 25 66 20 info@bellatrix.lu
FUND	HARVEST INVESTMENT FUND 26, av. de la Liberté L-1930 Luxembourg	AUDITOR	KPMG Luxembourg Société Coopérative
		LEGAL ADVISOR	Elvinger Hoss Prussen

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.