

**BELLATRIX**

ASSET MANAGEMENT

HARVEST INVESTMENT FUND Global Convertible

AUGUST 2019

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

Beware of convertible bonds! Such a warning may sound surprising, but the reality is that more than ever, if convertible bonds compare well to bonds and equities, a strong independent convertible bond selection like ours will be key to success due to current valuations. Indeed, in a recent article from "Les Echos", the pricing of the recent European primary convertible bond issues was questioned:

Worldline 0% 2026, 60% conversion premium, annual yield to maturity -0.96%.

Edenred 0% 2024, premium 40%, YTM -1.53%.

Veolia 0% 2025, premium 35%, YTM -0.60%.

GBL/Lafarge 0% 2022, premium 32.5% and YTM -0.30%.

Negative yield and high premium, what a cocktail! Convertible bonds are often summarized as the best of 2 worlds (bond and equity) not the worst! These new issues favour issuers, their bankers and the "lucky" funds who get a large allocation to primary issues because they have good relationships with lead managers.

From Harvest's perspective, we are invested with you in the fund, and share the pain and the gain. We stick to our investment philosophy to find a positive investment case for every single convertible bond we own either on the yield or equity side, if not both.

We had illustrated this approach some months ago, explaining how we selected **Tullow Oil 6.625% 2021** convertible rather than those of Total or BP. Tullow Oil 6.625% 2021 is now one of our top 10 holdings and has made a "potentially transformational" (James Hosle, Barclays) oil discovery in Guyana and became Barclays' European top pick for the sector.

Al Stanton, analyst at RBC Capital Markets, said that Tullow had previously guided that the new well could yield around 150m barrels, while one of its partners had been more bullish at 200m barrels. Paul McDade, chief executive of Tullow, said the results of the well marked an "excellent start to our drilling campaign in the highly prolific Guyana oil province".

Gil Holzman, chief executive of Eco Atlantic, described it as a "revolutionary moment" for the company. Tullow owns a 60% stake in the block in Guyana, Total 25% and Eco Atlantic the remaining 15%.

Tullow's focus on capital discipline and debt reduction since 2014 has helped our investment thesis that with material free cash flow generation it will be able to reimburse the convertible bond on one side and with new discovery and oil price leverage has the potential for significant stock price increase on the other hand.

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	6.05%	6.04%	6.30%	3.53%
NAV/SHARE	155.16	145.86	118.28	104.50
MONTH	0.11%	0.14%	-0.24%	0.96%
2019	8.57%	9.04%	6.24%	0.94%
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%

MAIN HOLDINGS

TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP
BANK OF AMERICA 7.25% PERP	USD			3.02%	0%	4.97%
SONY CORPORATION 0% 2022	JPY	30/09/2022		2.54%	69%	0.00%
BOOKING HOLDINGS 0.9% 2021	USD	15/09/2021		2.37%	71%	0.00%
TULLOW OIL 6.625% 2021	USD	12/07/2021		2.35%	44%	0.00%
FORTIS CASHES Float 2049	EUR	29/12/2049		2.33%	0%	2.29%
RAG STIFTUNG 0% 2021	EUR	18/02/2021		2.26%	16%	0.00%
AMERICA MOVIL 0% 2020	EUR	28/05/2020		2.24%	3%	0.14%
MICHELIN 0% 2022	USD	10/01/2022		2.06%	27%	0.00%
BAGAN CAPITAL 0% 2021	USD	23/09/2021		2.04%	0%	0.03%
SINGHA ESTATE 2% 2022	USD	20/07/2022	20/07/2020	2.04%	37%	2.30%
NAV		6.01		100%	35%	1.76%

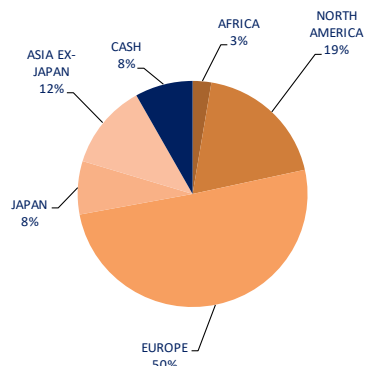
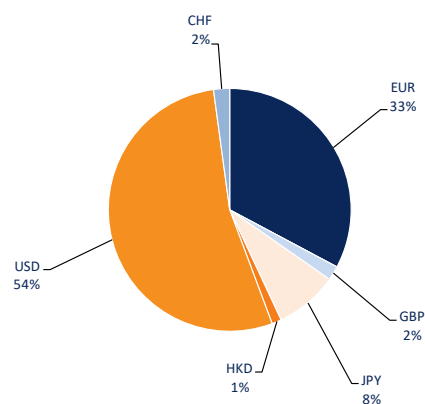
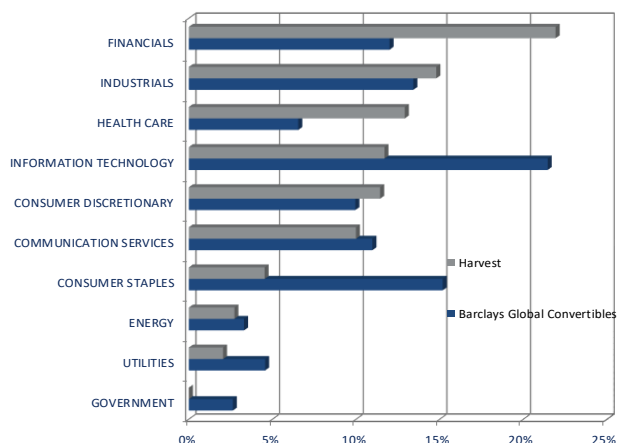
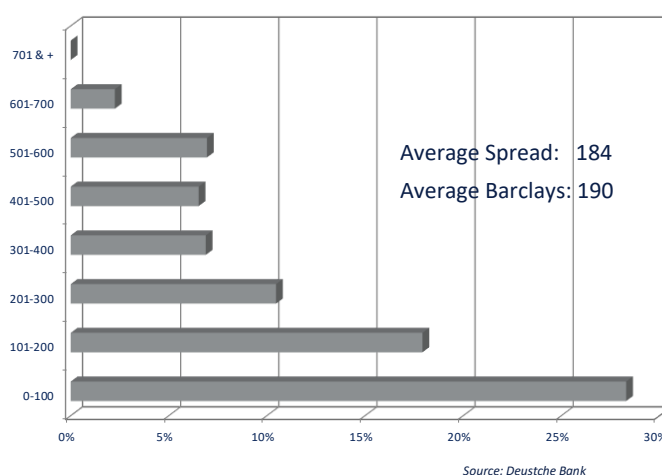
TOP 5 / BOTTOM 5 (ATTRIBUTION)	
BANK OF AMERICA 7.25% PERP	0.09%
VINCI 0,375% 2022	0.06%
DISH NETWORK 3,375% 2026	0.03%
SONY CORPORATION 0% 2022	0.02%
KLOECKNER & CO 2% 2023	0.02%
FORTIS CASHES Float 2049	-0.09%
ADLER 2,5% 2021	-0.06%
BAM GROEP 3,5% 2021	-0.03%
SAF-HOLLAND 1% 2020	-0.03%
AGEASFINLUX SA 1.022% PERP	-0.03%

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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 46 MILLIONS	DAILY 12:00 AM
B (INSTITUTIONAL)	LU0518233621	12/07/2010	1.20%		€ 1.000.000			
C (CURRENCY HEDGE)	LU0662027985	16/08/2011	1.85%		€ 1.000			
H (DELTA & CCY HEDGE)	LU0944844058	01/07/2013	1.85%		€ 1.000			

DEPOSITARY BANK	VP Bank (Luxembourg) SA	MANAGEMENT COMPANY	Bellatrix Asset Management S.A.
SUBSCRIPTIONS / REDEMPTIONS	VP Fund Solutions (Luxembourg) SA	ADVISOR	Harvest Advisory S.A.
CENTRAL ADMIN / TRANSFER AGENT	FAX +352 404 770 283 TEL +352 404 770 260 FundClients-LUX@vpbank.com		
FUND	HARVEST INVESTMENT FUND 2 Rue Edward Steichen L-2540 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.