

**BELLATRIX**

ASSET MANAGEMENT

HARVEST INVESTMENT FUND Global Convertible

SEPTEMBER 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

This month we will start with the Wall Street Journal quarterly markets review, "Investing in a Low-Yield World.", where convertible bonds were mentioned as the asset class of interest: "Concerned that the long bull run in stocks may have run its course yet tired of high-yield bonds that don't live up to their name, more investors are turning to convertible bonds." For our readers it may sound quite familiar, but the current market situation may be a good moment to turn some equity and/or bond investments into the convertible bond fund. Given the shrinking euro universe, it could become more and more difficult to manage a European convertible bond fund. Luckily, Harvest is a truly Global convertible bond fund able to source investment ideas around the world. For instance, we own the convertible bond **Corestate 1.375% 2022**. It yields 4.90% while the straight Corestate 3.5% 2023 bond yields 3.50%... It means for our investors, with Corestate convertible as a holding, they have a shorter maturity (lower risk), an improved annual 1.40% extra yield and still with a delta of 25% so that if the stock enjoys a nice run to maturity, they will get an even greater return. Also, on a global basis, convertible bonds are attractive compared to European. For instance, the main market represents over 50% of the global universe, the U.S. Convertibles sport a healthy 3.4% yield (greater of CY/YTP), average premium of 38% and stock sensitivity of nearly 40%. Thus, it will not come as a surprise that our two new selections come from the US market:

The first one is **Etsy 0% 2023**. Founded in 2005, Etsy is an e-commerce website focused on hand-made and vintage items. It has just been upgraded by Stifel and has a 40% potential increase according to average analyst target price on Bloomberg. Technically, after a near 20% decline, the stock has been building a floor at around \$53 level for the month prior to the time we decided to invest. The convertible being the only debt of the company, it allows us to envision a limit on the downside and less volatility compared to the stock with an expensive valuation (as the whole sector) and a strong competitive landscape (Facebook, Amazon, Alibaba...). Also, we estimate that Etsy offers a unique marketplace that won't be easy to replicate.

The second is **JPMorgan/Voya Financial 0.25% 2023**. The convertible is at a correct market price compared to the mathematical valuation and comes with a good credit (JPM), an exposition to a sector which is underweight in the fund and all that with a good bond floor (around 93%)! Goldman Sachs just upgraded Voya Financial to a conviction buy with a \$85 target price vs. \$54 spot which could translate into a 50% gain on the stock. The company may also be taken over according to the GS analyst and also the low interest rate environment seems to be fully priced into the stock as the company was one of the first to communicate in this regard... so there are many potential sources of price appreciation.

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

| | HARD CLOSED | | | |
|------------|-------------|--------|------------|--------------------|
| | A | B | C | H |
| HEDGED | NO | NO | CURRENCIES | CURRENCIES & DELTA |
| DELTA | 37% | 37% | 37% | 0% |
| VOLATILITY | 5.82% | 5.81% | 5.95% | 3.50% |
| NAV/SHARE | 156.58 | 147.12 | 118.98 | 104.23 |
| MONTH | 0.92% | 0.86% | 0.59% | -0.26% |
| 2019 | 9.57% | 9.98% | 6.87% | 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 | | | 2.95% | 0% | 4.85% |
| SONY CORPORATION 0% 2022 | JPY | 30/09/2022 | | 2.50% | 72% | 0.00% |
| BOOKING HOLDINGS 0.9% 2021 | USD | 15/09/2021 | | 2.31% | 70% | 0.00% |
| TULLOW OIL 6.625% 2021 | USD | 12/07/2021 | | 2.29% | 46% | 0.00% |
| FORTIS CASHES Float 2049 | EUR | 29/12/2049 | | 2.25% | 0% | 2.31% |
| RAG STIFTUNG 0% 2021 | EUR | 18/02/2021 | | 2.17% | 14% | 0.00% |
| AMERICA MOVIL 0% 2020 | EUR | 28/05/2020 | | 2.16% | 1% | 0.15% |
| MICHELIN 0% 2022 | USD | 10/01/2022 | | 2.00% | 32% | 0.00% |
| SINGHA ESTATE 2% 2022 | USD | 20/07/2022 | 20/07/2020 | 1.97% | 22% | 2.66% |
| PURE STORAGE 0,125% 2023 | USD | 15/04/2023 | | 1.97% | 49% | 0.41% |
| NAV | | 5.68 | | 100% | 37% | 1.76% |

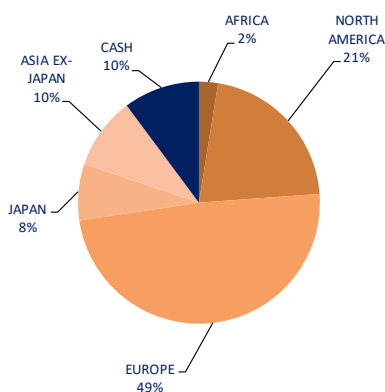
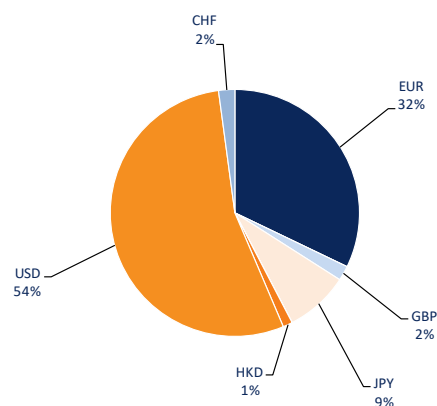
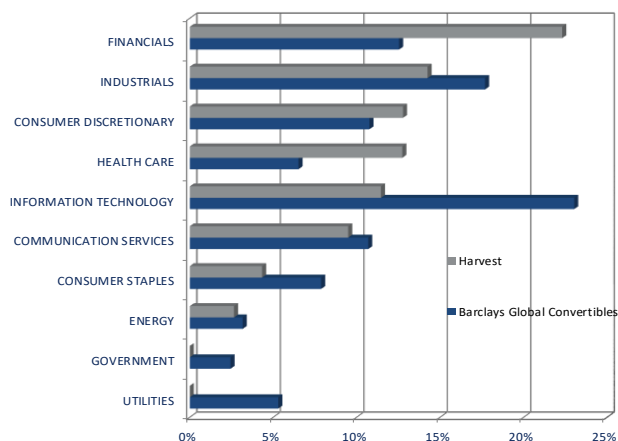
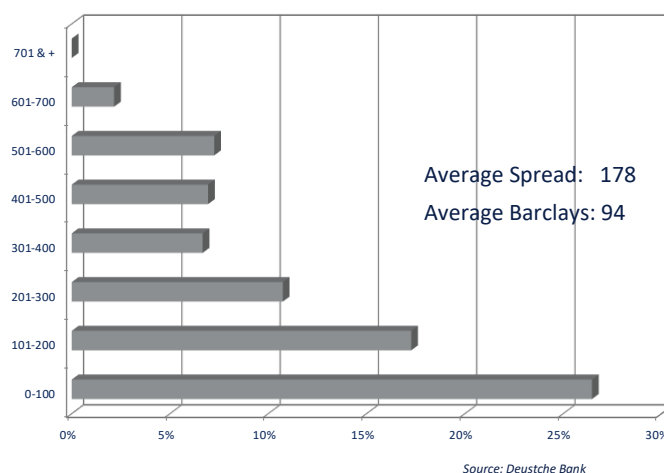
| TOP 5 / BOTTOM 5 (ATTRIBUTION) | |
|--------------------------------|--------|
| SONY CORPORATION 0% 2022 | 0.04% |
| CONSUS 4% 2020 | 0.02% |
| KORIAN 2,5% PERP | 0.02% |
| BUNGE 4,875% PERP | 0.02% |
| BANK OF AMERICA 7.25% PERP | 0.02% |
| BAM GROEP 3.5% 2021 | -0.04% |
| GENFIT 3,5% 2022 | -0.04% |
| SAF-HOLLAND 1% 2020 | -0.02% |
| FORTIS CASHES Float 2049 | -0.02% |
| VINCI 0,375% 2022 | -0.02% |

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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.