

**BELLATRIX**

ASSET MANAGEMENT

**HARVEST INVESTMENT FUND** Global Convertible

FEBRUARY 2020

**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**

With Coronavirus on everyone's minds we will not try to speculate on its outcome as we are not qualified. We will focus on how, as seasoned investment professionals, cumulating decades of experience and many crises, we manage black swan events and how we see the present situation focusing on the investment side of things and our fund.

On the supply side nothing has changed. On the contrary, Central banks around the world are supportive and moving to help markets to sustain risk. The FED already cut its rate by 50bps and others will act sooner or later. The great currency realignment continues and thus the inherent support of real asset prices. With regard to Covid-19, there is no doubt that it will impact the economy, the only remaining uncertainties being how deep and long the impact will be.

So in this context, the most difficult decision, and so the one we would avoid trying, is to time the market.

Convertible bonds mitigate equity volatility and sensitivity to interest rates. They are safer than equities due to a fixed coupon (instead of a variable dividend) and having a bond floor but they still give a possible upside.

The recent situation was the following; the average delta (equity sensitivity) of the convertible bond indices has been historically high so it was not surprising that during the first 10 -15% equity market decline, convertibles were more sensitive and relatively highly correlated. Now, convertible bonds are priced from fair to cheap so buying some or investing into a convertible bond fund is good value.

As Warren Buffet often stated during his decades long investment career - "be greedy when others are fearful and fearful when others are greedy". What we feel is that the current fear will show opportunities to invest. Our investment watch-list is growing and we will consider taking new positions when needed and when within our risk management frame.

So, in conclusion convertible bonds is not only a good way to be/stay invested generally into financial assets but also when volatility and fear is high.

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

	HARD CLOSED			
	A	B	C	H
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	40%	40%	40%	0%
VOLATILITY	4.07%	4.06%	3.68%	3.45%
NAV/SHARE	159.19	149.94	121.32	107.10
MONTH	-1.93%	-1.88%	-2.31%	2.33%
2020	-0.66%	-0.56%	-1.59%	4.06%
2019	12.13%	12.72%	10.73%	-0.59%
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**

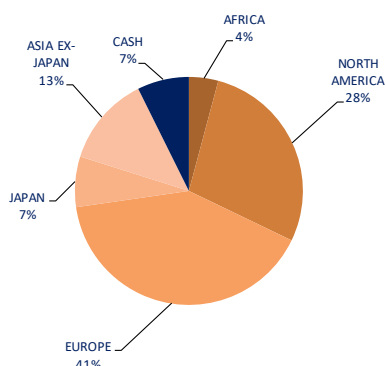
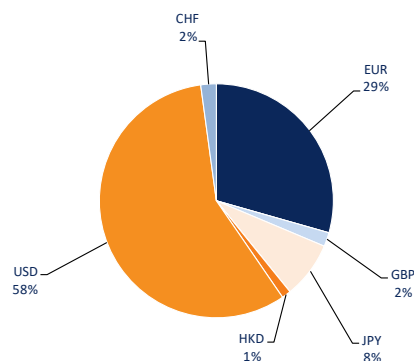
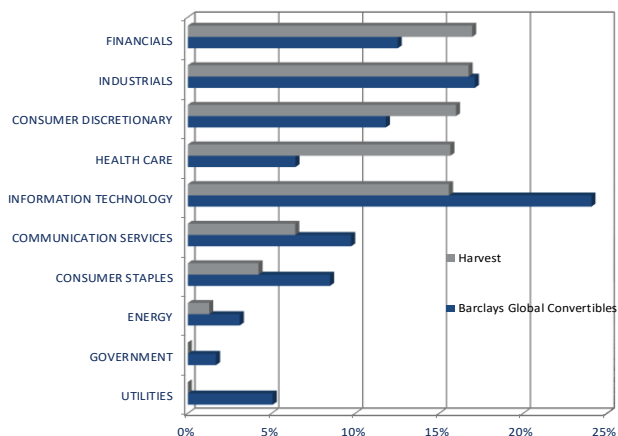
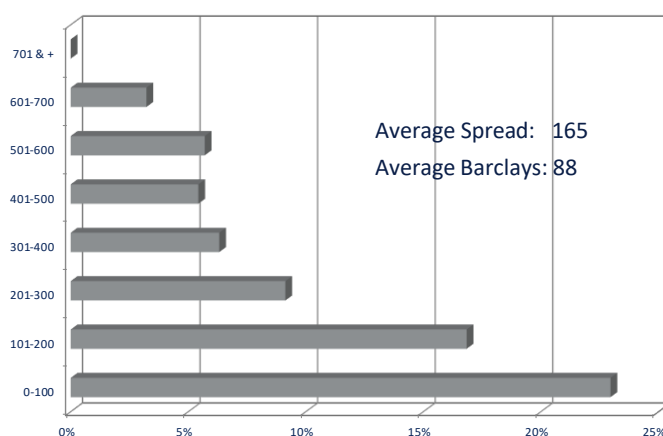
TOP 10		CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)	
BANK OF AMERICA 7.25% PERP		USD			2.92%	0%	4.78%	ETSY 0% 2023	0.20%
FORTIS CASHES Float 2049		EUR	29/12/2049		2.67%	1%	1.90%	LUCKIN COFFEE 0.75% 2025	0.11%
SONY CORPORATION 0% 2022		JPY	30/09/2022		2.46%	84%	0.00%	VALLOUREC 4.125% 2022	0.04%
SERVICE NOW 0% 2022		USD	01/06/2022		2.32%	99%	0.00%	RADIUS HEALTH 3% 2024	0.04%
TELADOC HEALTH 1.375% 2025		USD	15/05/2025		2.31%	92%	0.00%	SHOP APOTHEKE 4.5% 2023	0.02%
RAG STIFTUNG 0% 2021		EUR	18/02/2021		2.14%	6%	0.00%	SIBANYE GOLD 1.875% 2023	-0.28%
AMERICA MOVIL 0% 2020		EUR	28/05/2020		2.13%	0%	0.27%	SONY CORPORATION 0% 2022	-0.25%
BOOKING HOLDINGS 0.9% 2021		USD	15/09/2021		2.06%	43%	0.00%	ON SEMICONDUCTOR 1.625% 2023	-0.13%
PALO ALTO 0.75% 2023		USD	01/07/2023		1.96%	44%	0.12%	PURE STORAGE 0.125% 2023	-0.11%
MICHELIN 0% 2022		USD	10/01/2022		1.91%	21%	0.08%	AKKA TECHNOLOGIES 3.5% PERP	-0.11%
NAV			5.18		100%	40%	1.87%		

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**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
A	LU0442197868	03/08/2009	1.85%	15% ABOVE 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1.000	CAPITALISATION	EUR 47 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		31, bd Prince Henri L-1724 Luxembourg
CENTRAL ADMIN / TRANSFER AGENT	FAX +352 404 770 283 TEL +352 404 770 260 FundClients-LUX@vpbank.com		(+352) 26 25 66 20 info@bellatrix.lu
FUND	HARVEST INVESTMENT FUND 2 Rue Edward Steichen L-2540 Luxembourg	ADVISOR	Harvest Advisory S.A.
		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.