

**BELLATRIX**

ASSET MANAGEMENT

HARVEST INVESTMENT FUND Global Convertible

DECEMBER 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

2019 was, in the main, an unexpectedly excellent vintage for financial markets after December 2018 had switched the financial community to a generally conservative mood. Now the same community is rather constructive for 2020 with the US election to come, a US/China trade deal to implement, a FED seemingly unwilling to ease as much or as quickly as President Trump wishes, but also tension with Iran, China, Brexit to name but a few potential obstacles! But these are macro events, whereas we prefer to stay focused on extracting the best from our asset class, which provides a bond floor compared to equity in case of a market shock and participation to equity performance compared to the expected dull bond return. Convertible bonds did well in 2019 and so did our fund with a 5-star rating from Quantalys and a first quartile performance. Barclays' 2020 base case scenario for convertible bond return is +5-7% which is compelling compared to bonds and equities on a risk/return basis, justifying an overweight allocation. As always with investing, past performance and ratings are no guarantee for the future, and every day is another day where one has to strive to keep one's level of excellence! So, let's embrace 2020 and see what will come out of it.

To come back on our usual monthly portfolio activity, we doubled our position in **Palo Alto Networks 0.75% 2023** after the 3rd quarter results announcement, where the company beat estimates in terms of turnover and results, but the stock plummeted due to weak guidance. We were on the same line as Morgan Stanley analysts and saw the opportunity to increase

our investment into the company that offers a balanced convertible bond.

We are also positive on our Gold Mining theme, first exposed 6 months ago. So far, the return on **Sibanye Gold 1.125% 2023** has been really good with the convertible returning around 80% and we have started to build a position in **Endeavour Mining 3% 2023**. Our interest goes not only for the appreciation of the gold price but also, after years of difficulties, for the restructuring of the sector that presents great opportunities.

We have also started a position in **Akka Technologies 3.5% 2025**. We found the new CB to be nice and cheaply priced and contrary to a lot of European CBs which offer advantages mainly to the issuer, Akka Tech's has been done to finance a new acquisition. We also like the focus and business plan of this engineering and technology consulting group, still operated by and in the hand of its founder, Maurice Ricci.

Finally, the portfolio, with our holdings in **Adler 2.5% 2021**, **Consus 4% 2022** and **Corestate 1.375% 2022**, has been positively impacted by M&A activity in the real estate sector in Germany where ADO Properties launched an offer on Adler Real Estate which should thereafter incorporate the real estate developer Consus Real Estate. These deals should create one of the biggest quoted real estate companies in Europe.

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

	HARD CLOSED			
	A	B	C	H
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	46%	46%	46%	0%
VOLATILITY	3.63%	3.61%	3.55%	3.08%
NAV/SHARE	160.24	150.79	123.28	102.92
MONTH	0.39%	0.44%	1.03%	-0.69%
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
BANK OF AMERICA 7.25% PERP	USD			2.70%	0%	4.93%
FORTIS CASHES Float 2049	EUR	29/12/2049		2.54%	2%	1.98%
SONY CORPORATION 0% 2022	JPY	30/09/2022		2.53%	79%	0.00%
MEDICINES COMPANY 2.5% 2022	USD	15/01/2022		2.34%	100%	0.00%
AGEAS Float PERP	EUR			2.23%	5%	1.64%
BOOKING HOLDINGS 0.9% 2021	USD	15/09/2021		2.16%	80%	0.00%
RAG STIFTUNG 0% 2021	EUR	18/02/2021		2.12%	30%	0.00%
AMERICA MOVIL 0% 2020	EUR	28/05/2020		2.07%	0%	0.12%
PALO ALTO 0.75% 2023	USD	01/07/2023		2.06%	71%	0.00%
SERVICE NOW 0% 2022	USD	01/06/2022		1.99%	98%	0.00%
NAV		5.51		100%	46%	1.61%

TOP 5 / BOTTOM 5 (ATTRIBUTION)	
SIBANYE GOLD 1.875% 2023	0.35%
CONSUS 4% 2022	0.23%
SONY CORPORATION 0% 2022	0.14%
ON SEMICONDUCTOR 1.625% 2023	0.11%
STMICROELECTRONICS 0% 2022	0.09%
TULLOW OIL 6.625% 2021	-0.06%
GREENYARD 3.75% 2021	-0.05%
CP FOOD HOLDINGS 0.5% 2021	-0.04%
ECONOCOM 0.5% 2023	-0.01%
TELADOC HEALTH 1.375% 2025	-0.01%



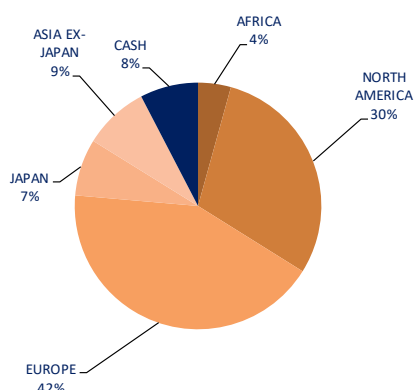
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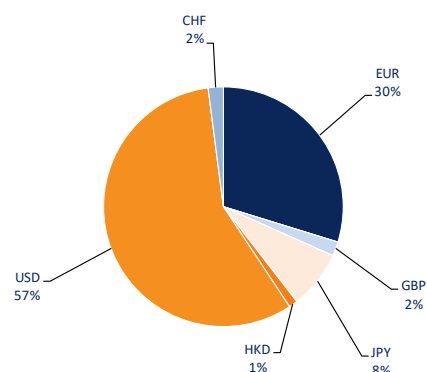
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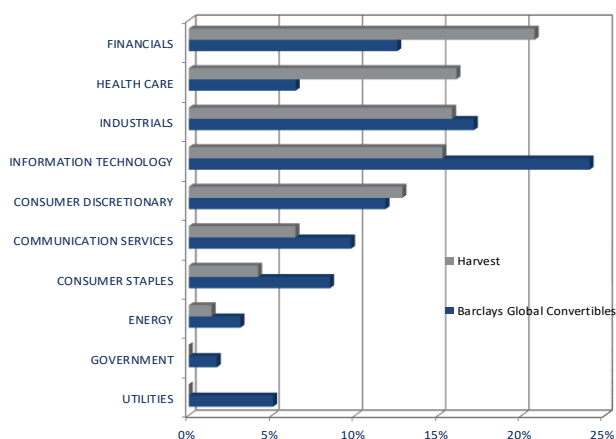
GEOGRAPHIC ALLOCATION



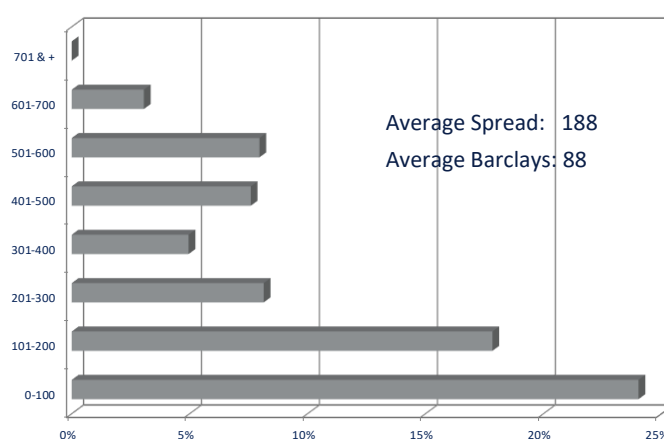
CURRENCY ALLOCATION



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 48 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.