



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

Volatility, volatility... After a catastrophic month of December, the financial markets have recovered a large part of the ground lost with an exceptional month of January.

Our monthly performance was most positively impacted by Alibaba 5.75% 2019, Spansion 2% 2020 and Micron 3% 2043, i.e. by the stocks and sectors that had suffered most at the end of 2018...

At the portfolio level, we sold the Post Holdings 2.5% preferred share at a time when the stock is trading at multi-year highs, taking a very good profit.

We also made new investments in:

- **OUE Ltd 1.5% 2023**, one of the most undervalued convertibles in Asia, which offers not only a nice yield of around 6% in Singapore dollars but also a reasonable conversion premium, and for the cherry on the cake, it was acquired below its bond floor. The credit of this Singapore-based real estate owner and developer is solid: its assets include a real estate portfolio located in Asia and the United States (e.g. US Bank tower in Los Angeles, OUE Bayfront and a 68% stake in One Raffles Place), and valued at SGD6 billion for a total debt of SGD3.5 billion. Besides this, we are also looking for the stock appreciation of a targeted 50% return, with the CB at around a 75% delta.

- **Michelin 0% 2022** is a convertible issued by one of the world's

leading tyre manufacturers with around 15% market share, as are Bridgestone and Goodyear. Tyres are the most profitable activity in the automotive sector. This investment allows an exposure to a sector that is in full mutation, and that has suffered enormously on the stock market in 2018. As car manufacturers are undergoing a rather radical change, the beneficiaries of which are still unknown, most vehicles still need 4 tyres. The yield of about 2.3% per year at maturity is interesting on this balanced profile (delta of about 30%).

- **SBI Holdings 0% 2023**, is an investment we have held for a long time. In October 2018, after a very good performance, we took our profits on the SBI Holdings 0% 2020 convertible at 196% parity. The stock then fell more than 30% after which we reinvested into the 2023 convertible at around 103%, close to the bond floor and with a balanced profile. This is a quality company, which Daiwa foresees as one of the 20 Japanese potential stellar performers for 2019.

These investments are in line with the management approach for 2019, which means more balanced profiles and lower risk than in 2018. It is not a question of leaving the market because, as January has shown, the rebounds are sudden. However, as long-term convertible bond pickers, this turbulence offers interesting investment opportunities.

NAV PER SHARE SINCE INCEPTION (CLASS A)



PERFORMANCE

	Hard closed			
	A	B	C *	H *
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	36%	36%	36%	0%
VOLATILITY	7,57%	7,56%	7,83%	3,79%
NAV/SHARE	145,91	136,66	113,68	102,68
MONTH	2,10%	2,16%	2,11%	-0,82%
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% **

**Since 01/07/2013

MAIN HOLDINGS

TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)
SPANSION 2% 2020	USD	01/09/2020		3,03%	99%	0,00%	MANDATORY 5,75% 2019 0,38%
FORTIS CASHES 2.305 2049	EUR			2,77%	1%	2,24%	SPANSION 2% 2020 0,26%
BANK OF AMERICA 7.25% PERP	USD			2,58%	-15%	5,43%	MICRON 3% 2043 0,25%
RED HAT 0.25% 2019	USD	01/10/2019		2,57%	100%	0,00%	NYRSTAR 5% 2022 0,19%
SONY CORPORATION 0% 2022	JPY	30/09/2022		2,46%	65%	0,00%	LIVE NATION ENT 2,5% 2019 0,09%
RAG STIFTUNG 0% 2021	EUR	18/02/2021		2,44%	12%	0,00%	
AMERICA MOVIL 0% 2020	EUR	28/05/2020		2,42%	7%	0,58%	PACIRA PHARMA 3,25% 2019 -0,05%
AGEASFINLUX SA 1.022% PERP	EUR			2,25%	3%	2,03%	SAF HOLLAND 1% 2020 -0,05%
BAGAN CAPITAL 0% 2021	USD	23/09/2021	23/09/2019	2,09%	8%	2,89%	CORESTATE 1,375% 2022 -0,02%
MANDATORY 5,75% 2019	USD	01/06/2019		2,01%	100%	0,00%	KORIAN 2,5% PERP -0,02%
							REMGRO 2,625% 2021 -0,01%
NAV		5,06		100%	36%	2,17%	



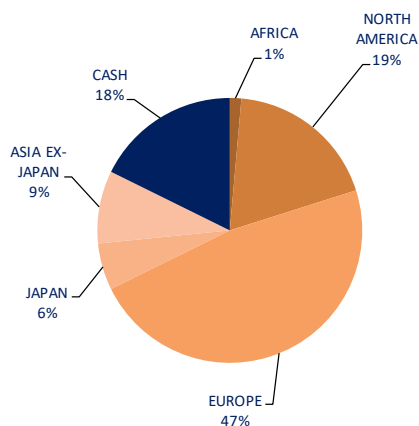
HARVEST INVESTMENT FUND Global Convertible

BELLATRIX

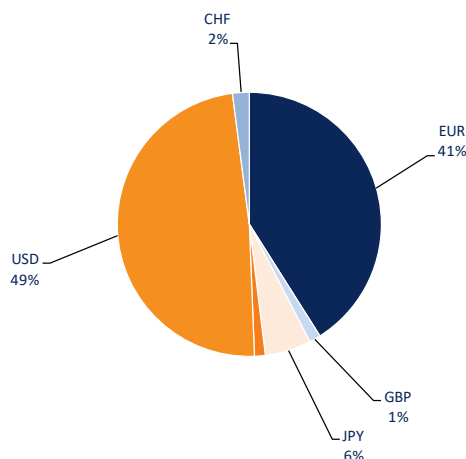
ASSET MANAGEMENT

JANUARY 2019

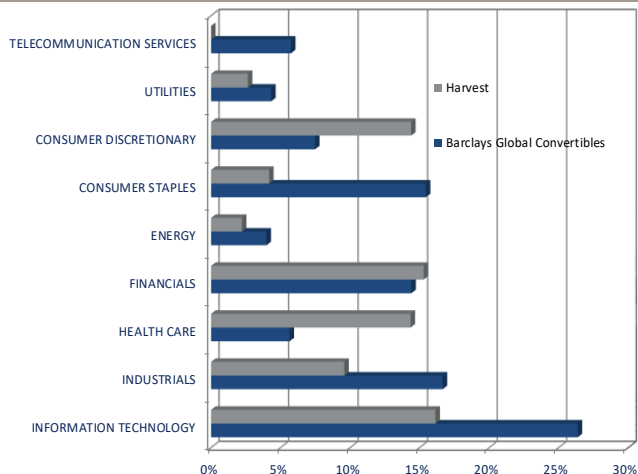
GEOGRAPHIC ALLOCATION



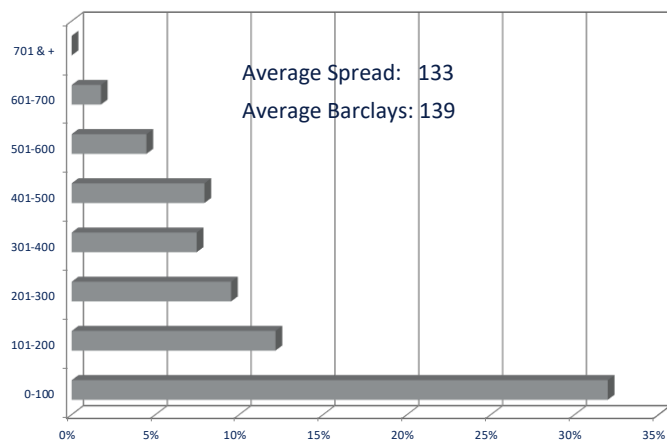
CURRENCY ALLOCATION



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 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.
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		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.