

**Unaudited semi-annual report  
as at 30th June 2018**

# **ARMONY INVESTMENT FUND**

Société d'Investissement à Capital Variable  
organised under the laws of Luxembourg

R.C.S. Luxembourg B 204 934

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No subscription can be received on the basis of this financial report. Subscriptions are only valid if made on the basis of the current prospectus and the key investor information document ("KIID") supplemented by the latest annual report and the most recent semi-annual report, if published thereafter.

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## ARMONY INVESTMENT FUND

### Organisation

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**Registered office**

11, rue Aldringen  
L-1118 LUXEMBOURG

**Board of Directors**

*Chairman*

Josep SARLE GUIU  
Fimarge, Societat Financera D'Inversio, S.A.  
Bonaventura Armengol n°10,  
Bâtiment 1, 5ème étage  
AD500 Andorra la Vella  
ANDORRA

*Directors*

Serge D'ORAZIO  
KBL EUROPEAN PRIVATE BANKERS S.A.  
43, boulevard Royal  
L-2955 LUXEMBOURG

Javier VALLS  
The Directors' Office S.A.  
21st Century Building  
19, rue de Bitbourg  
L-1273 LUXEMBOURG

**Management Company**

KREDIETRUST LUXEMBOURG S.A.  
11, rue Aldringen  
L-2960 LUXEMBOURG

**Board of Directors of the Management Company**

*Chairman*

Vincent DECALF

*Director*

Olivier de JAMBLINNE de MEUX

*Managing Director*

Stefan VAN GEYT

**Conducting officers of  
the Management Company**

Aurélien BARON  
Kristel COOLS  
Stefan VAN GEYT

**Central Administration Agent  
and Domiciliary Agent**

KREDIETRUST LUXEMBOURG S.A.  
11, rue Aldringen  
L-2960 LUXEMBOURG

**Administration Agent and  
Registrar and Transfer Agent**

EUROPEAN FUND ADMINISTRATION  
2, rue d'Alsace  
L-1017 LUXEMBOURG

## ARMONY INVESTMENT FUND

### Organisation (continued)

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**Depositary and Paying Agent**

KBL EUROPEAN PRIVATE BANKERS S.A.  
43, boulevard Royal  
L-2955 LUXEMBOURG

**Investment Manager**

GVC Gaesco Gestion SGIIIC  
Doctor Ferran, 3  
Planta 1  
08034 BARCELONA  
SPAIN

**Investment Advisor**

Fimarge, Societat Financera D'Inversio, S.A.  
Bonaventura Armengol n°10  
Bâtiment 1, 5ème étage  
AD500 Andorra la Vella  
ANDORRA

**Cabinet de révision agréé**

KPMG Luxembourg, Société coopérative  
39, avenue John F. Kennedy  
L-1855 LUXEMBOURG

# ARMONY INVESTMENT FUND

## General information

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ARMONY INVESTMENT FUND (hereinafter the "Fund") is an open-ended investment company incorporated under the laws of Luxembourg as a Société d'Investment à Capital Variable in accordance with the provisions of the Part I of the amended Law of 17th December 2010 for an unlimited period of time.

The Directive 2014/91/EUR of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/65/EC had been transposed by the Law of 10th May 2016 coming into force on 1st June 2016 and amending the amended Law of 17th December 2010.

The Fund was incorporated as a UCITS governed by the provisions of Part I of the amended Law of 17th December 2010, on 18th March 2016, under the name of ARMONY INVESTMENT FUND.

The Fund is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Sub-Funds.

At the date of the financial statements, the following Sub-Fund is offered:

- ARMONY - AGECA FUND

The Fund has appointed Kredietrust Luxembourg S.A. as its designated Management Company, within the meaning of the amended Law of 17th December 2010.

The financial year of the Fund ends on 31st December in each year.

The audited annual and unaudited semi-annual reports comprise consolidated financial statements of the Fund expressed in EUR, being the reference currency of the Fund.

The complete prospectus, the KIID, the Articles, the annual reports and unaudited half-yearly reports, as well as the list of the purchases and sales effected by the Fund are available at the Fund's registered office.

## ARMONY INVESTMENT FUND

### Combined statement of net assets (in EUR)

as at 30th June 2018

#### Assets

Securities portfolio at market value	22,546,997.81
Cash at banks	4,244,119.18
Formation expenses, net	12,433.43
Income receivable on portfolio	74,434.26
Prepaid expenses	3,712.34
	<hr/>
Total assets	26,881,697.02
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#### Liabilities

Unrealised loss on forward foreign exchange contracts	4,369.10
Expenses payable	25,980.53
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Total liabilities	30,349.63
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Net assets at the end of the period	26,851,347.39
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The accompanying notes are an integral part of these financial statements.

## ARMONY - AGECA FUND

### Statement of net assets (in EUR)

as at 30th June 2018

#### Assets

Securities portfolio at market value	22,546,997.81
Cash at banks	4,244,119.18
Formation expenses, net	12,433.43
Income receivable on portfolio	74,434.26
Prepaid expenses	3,712.34
Total assets	26,881,697.02

#### Liabilities

Unrealised loss on forward foreign exchange contracts	4,369.10
Expenses payable	25,980.53
Total liabilities	30,349.63
Net assets at the end of the period	26,851,347.39

#### Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
A	255,017.491	EUR	105.29	26,851,347.39
				26,851,347.39

The accompanying notes are an integral part of these financial statements.



## ARMONY - AGECA FUND

### Statement of investments and other net assets (in EUR)

as at 30th June 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
CHF	9,095	Aryzta AG	200,698.50	116,852.25	0.43
CHF	1,500	Dufry AG Reg	182,799.19	163,543.09	0.61
CHF	100	Forbo Holding AG	130,458.18	127,832.73	0.48
CHF	940	Kardex AG Reg	89,906.75	111,405.97	0.41
CHF	5,000	LafargeHolcim Ltd Reg	235,977.62	208,655.45	0.78
			839,840.24	728,289.49	2.71
DKK	7,280	Novo Nordisk AS B	265,081.54	289,221.00	1.08
EUR	2,475	Air Liquide SA	210,819.42	266,557.50	0.99
EUR	2,819	Amadeus IT Group SA A	123,312.63	190,564.40	0.71
EUR	9,400	Axa SA	205,248.32	197,541.00	0.74
EUR	48,892	Banco Santander Reg SA	199,298.34	224,512.06	0.84
EUR	2,172	Bayer AG Reg	192,277.49	204,928.20	0.76
EUR	6,055	Coca-Cola Eur Partners PLC	211,041.20	210,592.90	0.78
EUR	16,181	Corticeira Amorim SGPS SA Reg	168,244.96	181,550.82	0.68
EUR	11,000	Enagas SA	290,520.58	275,440.00	1.03
EUR	5,200	Euronext NV	193,789.70	283,140.00	1.05
EUR	9,328	Freenet AG Reg	236,775.45	211,652.32	0.79
EUR	2,347	Henkel AG & Co KGaA Pref	264,311.60	256,996.50	0.96
EUR	9,468	Industria de Diseno Textil SA	267,530.67	277,033.68	1.03
EUR	1,088	Ingenico Group SA	89,433.06	83,776.00	0.31
EUR	6,789	Kone Oyj B	277,886.85	296,407.74	1.10
EUR	10,425	Koninklijke Boskalis Westminster NV	315,967.30	260,103.75	0.97
EUR	1,200	Muenchener Rueckver AG REG	195,540.00	217,260.00	0.81
			3,441,997.57	3,638,056.87	13.55
GBP	13,050	Avon Rubber Plc	174,589.94	211,022.80	0.79
GBP	3,801	Intertek Group Plc	165,291.09	245,681.77	0.91
GBP	11,400	Prudential Plc	198,364.26	223,594.95	0.83
GBP	2,290	Randgold Resources Ltd	187,157.75	150,709.73	0.56
GBP	6,597	Reckitt Benckiser Group Plc	472,459.35	465,419.21	1.73
GBP	9,200	Royal Dutch Shell Plc A	201,591.02	273,502.47	1.02
			1,399,453.41	1,569,930.93	5.84
HKD	16,000	China Literature Ltd Reg	154,689.09	128,744.69	0.48
JPY	1,600	Fanuc Corp	215,250.72	272,258.80	1.01
JPY	3,000	Nidec Corp	204,308.25	385,676.77	1.44
JPY	4,400	Toyota Motor Corp	201,284.88	243,956.51	0.91
			620,843.85	901,892.08	3.36
NOK	23,068	Protector Forsikring Asa	167,476.97	160,957.14	0.60
USD	193	Alphabet Inc C	145,723.53	184,428.65	0.69
USD	17,270	Cameco Corp	167,733.70	166,413.28	0.62
USD	3,500	Carnival Corp	196,101.61	171,807.28	0.64
USD	5,000	Citigroup Inc	203,717.19	286,595.29	1.07
USD	2,698	Colgate-Palmolive Co	182,430.97	149,770.78	0.56
USD	9,359	Hormel Foods Corp	276,225.03	298,285.56	1.11
USD	7,400	Invesco Ltd	199,295.74	168,346.04	0.63
USD	3,166	Johnson & Johnson	342,868.45	329,047.06	1.23
USD	5,433	Medtronic Plc Reg	394,708.52	398,388.98	1.48
USD	12,280	Newmont Mining Corp	373,508.68	396,641.37	1.48

The accompanying notes are an integral part of these financial statements.

## ARMONY - AGECA FUND

### Statement of investments and other net assets (in EUR) (continued)

as at 30th June 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	1,337	PayPal Holdings Inc	52,856.25	95,359.31	0.35
USD	4,301	Pepsico Inc	430,481.83	401,070.55	1.49
USD	12,379	Teva Pharma Ind Ltd ADR repr 1 Share	185,192.51	257,864.91	0.96
			<u>3,150,844.01</u>	<u>3,304,019.06</u>	<u>12.31</u>
<b>Total shares</b>			<b>10,040,226.68</b>	<b>10,721,111.26</b>	<b>39.93</b>
<b>Bonds</b>					
EUR	200,000	Banco Bilbao Vizcaya Argent SA VARConvSub 15/18.05.Perpetual	198,800.00	208,405.00	0.78
EUR	200,000	Banco Santander SA VAR Sub 14/12.03.Perpetual	200,100.00	203,712.00	0.76
EUR	150,000	Burger King France SAS 6% Sen Reg S 17/01.05.24	162,667.50	160,262.25	0.60
EUR	200,000	Caixabank SA VAR EMTN Reg S Sen Sub 17/15.02.27	212,618.00	210,256.00	0.78
EUR	425,000	Espana 4.85% Sen 10/31.10.20	512,222.75	474,631.50	1.77
EUR	350,000	Gestamp Funding Luxembourg SA 3.5% Reg S Sen 16/15.05.23	366,625.00	357,077.00	1.33
EUR	375,000	Grifols SA 3.2% Sen Reg S /01.05.25	373,312.50	368,512.50	1.37
EUR	425,000	Italia 0.65% BOT 15/01.11.20	434,460.50	423,217.12	1.58
EUR	100,000	Liberbank SA VAR Sen Sub 17/14.03.27	108,375.00	107,093.00	0.40
EUR	250,000	NetFlix Inc 3.625% Sen Reg S 17/15.05.27	254,612.50	245,567.50	0.91
EUR	360,000	Nomad Foods BondCo Plc 3.25% Sen Reg S 17/15.05.24	366,192.00	358,583.40	1.34
EUR	365,000	Telecom Italia SpA 2.5% EMTN Reg S Sen 17/19.07.23	368,650.00	373,597.58	1.39
EUR	400,000	Teva Pharmaceutical Fin II BV 1.125% Reg S Sen 16/15.10.24	349,000.00	339,708.00	1.26
EUR	350,000	Thomas Cook Group Plc 6.25% Reg S Sen 16/15.06.22	366,275.00	371,246.75	1.38
			<u>4,273,910.75</u>	<u>4,201,869.60</u>	<u>15.65</u>
GBP	150,000	Aston Martin Capital Hgs Ltd 5.75% Sen Reg S 17/15.04.22	171,532.01	176,077.93	0.66
GBP	300,000	Debenhams Plc 5.25% Sen 14/15.07.21	352,882.26	285,253.09	1.06
GBP	450,000	United Kingdom 1.25% T-Stock 13/22.07.18	592,242.10	509,077.89	1.90
GBP	450,000	United Kingdom 1.75% T-Stock 13/22.07.19	604,727.63	514,586.25	1.92
			<u>1,721,384.00</u>	<u>1,484,995.16</u>	<u>5.54</u>
USD	200,000	Vedanta Resources Plc 6.375% Sen Reg S 17/30.07.22	187,474.11	162,840.26	0.61
			<u>6,182,768.86</u>	<u>5,849,705.02</u>	<u>21.80</u>
<b>Total bonds</b>					
<b>Transferable securities dealt in on another regulated market</b>					
<b>Shares</b>					
EUR	5,838	Groupe Guillin SA	217,402.10	186,816.00	0.70
<b>Total shares</b>			<u>217,402.10</u>	<u>186,816.00</u>	<u>0.70</u>
<b>Bonds</b>					
USD	650,000	US 1.625% T-Notes 14/30.04.19	588,238.18	553,624.37	2.06
USD	1,420,000	US 1.625% T-Notes Ser B-2026 16/15.02.26	1,254,317.31	1,115,266.36	4.15
<b>Total bonds</b>			<u>1,842,555.49</u>	<u>1,668,890.73</u>	<u>6.21</u>
<b>Open-ended investment funds</b>					
<b>Investment funds (UCITS)</b>					
EUR	364	Carmignac Portfolio Unconstr Global Bd A EUR Cap	511,387.24	498,021.16	1.85
EUR	24,170	F Templeton Inv Fds Global Bond A EUR H1 Cap	462,372.10	484,125.10	1.80
EUR	5,813.818	Pareturn GVC Gaesco Absolute Return Fd IB Cap	999,999.95	967,593.73	3.60
EUR	8,469	Pictet Fds (LUX) Emerging Local Currency Debt HI Cap	927,355.50	875,440.53	3.26
EUR	3,184	Pictet Global Emerging Debt HI EUR Cap	869,536.36	827,776.32	3.08
			<u>3,770,651.15</u>	<u>3,652,956.84</u>	<u>13.59</u>
USD	50,000	Aberdeen Global Asian Local Cur Short Dur Bond Fd A Cap	288,144.54	290,702.36	1.08
<b>Total investment funds (UCITS)</b>			<u>4,058,795.69</u>	<u>3,943,659.20</u>	<u>14.67</u>

The accompanying notes are an integral part of these financial statements.

## ARMONY - AGECA FUND

### Statement of investments and other net assets (in EUR) (continued)

as at 30th June 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Tracker funds (UCITS)</b>					
EUR	5,200	Lyxor Bund Daily (-2x) Inverse UCITS ETF Cap	<u>189,852.00</u>	<u>176,815.60</u>	<u>0.66</u>
<b>Total tracker funds (UCITS)</b>			<u>189,852.00</u>	<u>176,815.60</u>	<u>0.66</u>
Total investments in securities			<u>22,531,600.82</u>	<u>22,546,997.81</u>	<u>83.97</u>
Cash at banks				4,244,119.18	15.81
Other net assets/(liabilities)				60,230.40	0.22
Total				<u>26,851,347.39</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

## ARMONY - AGECA FUND

### Industrial and geographical classification of investments

as at 30th June 2018

#### Industrial classification

(in percentage of net assets)

Investment funds	15.33 %
Countries and governments	13.38 %
Financials	11.56 %
Non-cyclical consumer goods	8.40 %
Healthcare	6.88 %
Cyclical consumer goods	6.71 %
Raw materials	6.42 %
Industrials	5.90 %
Technologies	4.62 %
Telecommunications services	1.39 %
Special Purpose Vehicle (SPV)	1.33 %
Utilities	1.03 %
Energy	1.02 %
Total	<u>83.97 %</u>

## ARMONY - AGECA FUND

### Industrial and geographical classification of investments (continued)

as at 30th June 2018

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Luxembourg	16.00 %
United States of America	15.10 %
United Kingdom	13.25 %
Spain	9.47 %
The Netherlands	4.30 %
France	4.00 %
Japan	3.36 %
Germany	3.32 %
Italy	2.97 %
Switzerland	2.71 %
Ireland	1.48 %
Jersey	1.22 %
Finland	1.10 %
Denmark	1.08 %
Israel	0.96 %
Portugal	0.68 %
Panama	0.64 %
Bermuda	0.63 %
Canada	0.62 %
Norway	0.60 %
Cayman Islands	0.48 %
Total	<u>83.97 %</u>

## ARMONY INVESTMENT FUND

### Notes to the financial statements

as at 30th June 2018

#### Note 1 - Significant accounting policies

##### a) Presentation of the financial statements

The financial statements of the Fund are prepared in accordance with Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

##### b) Valuation of assets

- 1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- 2) The value of all securities and/or money market instruments which are listed or traded on an official stock exchange or traded on any other Regulated Market are valued on the basis of the last available closing prices on the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Fund are principally traded. The Board of Directors approves a provider of securities prices which supply the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities is determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate.
- 3) Securities not listed or traded on a stock exchange or a Regulated Market are valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors.
- 4) Securities issued by open-ended investment funds are valued at their last available Net Asset Value or in accordance with item (2) above where such securities are listed.
- 5) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other organised markets are determined pursuant to the policies established by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts trades on exchanges or on other organised markets are based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Valuation Day with respect to which a Net Asset Value is being determined, then the basis for determined the liquidating value of such contract is such value as the Board of Directors may deem fair and reasonable.

##### c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in a currency other than the reference currency of the Sub-Fund is converted to this currency at the exchange rate prevailing on the date of purchase.

##### d) Net realised gain/(loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost.

## ARMONY INVESTMENT FUND

### Notes to the financial statements (continued)

as at 30th June 2018

#### e) Investment income

Dividend income is recorded at the ex-date, net of any withholding tax.

Interest income accrued and payable are recorded, net of any withholding tax.

#### f) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contracts. Net unrealised gains or losses are disclosed in the statement of net assets.

#### g) Formation expenses

Formation expenses were amortised on a straight-line basis over a period of 5 years.

If the launch of a Sub-Fund occurs after the launch date of the Fund, the costs of formation in relation to the launch of the new Sub-Fund is charged to such Sub-Fund alone and may be amortised over a maximum of five years with effect from the Sub-Fund's launch date.

#### h) Conversion of foreign currencies

Cash at banks, other net assets, liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction.

#### i) Combined financial statements

The combined financial statements of the Fund are expressed in EUR and are equal to the corresponding items in the financial statements of the Sub-Fund.

### Note 2 - Advisory and management fees

Pursuant to the Management Company Agreement, the Fund has appointed Kredietrust Luxembourg S.A. as its designated management company within the meaning of the amended 2010 Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the Fund.

As remuneration for the services of Management Company, Kredietrust Luxembourg S.A. is entitled to receive an annual fee of 0.05% of the average of the net assets of each Sub-Fund with an annual minimum of EUR 17,500 per Sub-Fund to be paid at the end of each quarter (except the first year with an annual minimum of EUR 12,500).

Under an agreement concluded with the Management Company, GVC Gaesco Gestion SGIIC, has been appointed as the Investment Manager to the Sub-Fund and Fimarge, Societat Financera D'Inversio, S.A. has been appointed as the Investment Advisor to the Sub-Fund.

In consideration of their services, the Board of Directors decided to share the management fee of 0.50% between GVC Gaesco Gestion SGIIC and Fimarge, being the Investment Advisor for a certain portion of the Sub-Fund's total net assets. The Sub-Fund is charged 0.50% for Investment Management fees and Investment Advisory fees.

## ARMONY INVESTMENT FUND

### Notes to the financial statements (continued)

as at 30th June 2018

#### Note 3 - Subscription duty ("*taxe d'abonnement*")

The Fund is governed by Luxembourg Law.

Pursuant to the legislation and regulations in force, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

Pursuant to Article 175 (a) of the amended Law of 17th December 2010 the net assets invested in undertakings for collective investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

#### Note 4 - Forward foreign exchange contracts

As at 30th June 2018, the outstanding forward foreign exchange contracts with KBL EUROPEAN PRIVATE BANKERS S.A. are as follows:

##### ARMONY - AGECA FUND

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
EUR	1,463,327.52	USD	1,720,800.00	29.08.2018	<u>-4,369.10</u> -4,369.10

#### Note 5 - Statement of changes in the investments portfolio

The statement of changes in investments for the period covered by the report is available free of charge at the registered office of the Fund.



## **ARMONY INVESTMENT FUND**

### **Additional information**

as at 30th June 2018

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#### **Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")**

At the date of the financial statements, the Fund is not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the reporting period referring to the financial statements.