

**Annual report including audited financial statements
as at 31st December 2019**

ARMONY INVESTMENT FUND

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

R.C.S. Luxembourg B204934

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.

ARMONY INVESTMENT FUND

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ARMONY INVESTMENT FUND

Organisation

Registered office

88, Grand-Rue
L-1660 LUXEMBOURG
(since 1st October 2019)

11, rue Aldringen
L-1118 LUXEMBOURG
(until 30th September 2019)

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
25, Cité Schmiedenacht
L-4993 SANEM

Oscar CASAS
11-13, boulevard de la Foire
L-1528 LUXEMBOURG
(since 31st December 2019)

Javier VALLS
The Directors' Office S.A.
21st Century Building
19, rue de Bitbourg
L-1273 LUXEMBOURG
(until 31st December 2019)

Management Company

KREDIETRUST LUXEMBOURG S.A.
88, Grand-Rue
L-1660 LUXEMBOURG
(since 1st October 2019)

11, rue Aldringen
L-2960 LUXEMBOURG
(until 30th September 2019)

Board of Directors of the Management Company

Chairman

Vincent DECALF

Directors

Olivier de JAMBLINNE de MEUX

Managing Director

Stefan VAN GEYT

ARMONY INVESTMENT FUND

Organisation (continued)

**Conducting officers of
the Management Company**

Aurélien BARON
Kristel COOLS
Stefan VAN GEYT

**Central Administration Agent
and Domiciliary Agent**

KREDIETRUST LUXEMBOURG S.A.
88, Grand-Rue
L-1660 LUXEMBOURG
(since 1st October 2019)

11, rue Aldringen
L-1118 LUXEMBOURG
(until 30th September 2019)

**Administration Agent and
Registrar and Transfer Agent**

EUROPEAN FUND ADMINISTRATION S.A.
2, rue d'Alsace
L-1122 LUXEMBOURG

Depositary and Paying Agent

QUINTET PRIVATE BANK (EUROPE) S.A.
(Formerly KBL EUROPEAN PRIVATE BANKERS S.A.)
43, boulevard Royal
L-2955 LUXEMBOURG

Investment Manager

GVC Gaesco Gestion SGIIC
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

Report on activities of the Board of Directors

Dear Shareholders,

ARMONY INVESTMENT FUND (the "Fund") was incorporated as a UCITS on 18th March 2016. The Fund closed the period ending 31st December 2019 with EUR 28.9 million in assets under management, a positive return of 11.31% and the Fund volatility averaged 5.90% level in the year.

Change in Organization

There is no significant changes in the Organization of the Fund.

We are grateful to the shareholders for their continued business and trust in ARMONY INVESTMENT FUND. We will continue to work relentlessly to serve the shareholders' investment objectives for many years to come.

Investment Managers Report

Market Conditions

In 2019 Global financial markets have surprised most of us. They have retained their good performance and risk-on mode into the end of the year. It's been another year of good returns in fixed income and equity. The macro fears of 2018 have melted away. Trade wars, no Brexit deal, recession have not been a problem to reach new equity highs. The continuation of the earnings growth and the expansive monetary and fiscal policies have been the catalyst for a robust bull market.

At the end of the period the fund had a 44.53% exposure in equities, 15.97% in bonds, 10,3% in UCITS Fixed Income Funds, 4.7% in UCITS Equities Funds, 3.5% in UCITS Absolut Return Funds, 0.5% in ETFs, and the remaining is cash or cash equivalents.

The principal holdings with higher exposure in the fund are bonds and UCITS funds: Robeco Emerging Stars with a 4.7% of exposure, Pictet Fds Emerging Local Currency Debt with a 4.3%, the Absolut Fund, Pareturn GVC Gaesco Absolute Return Fund with a 3.5% of exposure, Norwegian Treasury bond maturing by May 21 with a 3.1% exposure, Pictet Global Emerging Debt Fund with a 3.1% of exposure and Carmignac Portfolio Unconstraction Global Bond Fund weighing 1.8%.

Portfolio Trades:

The turnover has been low, as everything is behaving as expected.

Equity:

During the year we increased our exposure slowly. Since August we have reached the maximum exposure permitted as new ideas have emerged. Our aim has been to be invested in companies of recurrent earnings, good margins, low debt and high returns on capital employed and structural growth. In that sense, we have bought Halma, Microsoft, Premium Brands, Avon Rubber, Neurones, Victrex and Rotork. Last year we sold 3M, Ingenico, Pepsico, Coca Cola European partners and Forbo and reduced our exposure in Kone, J&J, Paypal and Anheuser. We decided to increase our exposure to emerging equity markets by incorporating Robeco Emerging Stars.

For the more strategic part of the equity portfolio, we increased our holdings in companies like Carnival, China Literature, Dufry, Lafarge-Holcim and Saint Gobain, profiting from their clear fundamental undervaluation, and we have reduced our stake in Euronext, which reached the fair valuation according to our calculations.

ARMONY INVESTMENT FUND

Report on activities of the Board of Directors (continued)

Bonds:

We have invested in a corporate bond portfolio of issuers we think are improving their credit metrics (interest cover, free cash flow, net debt/ Ebitda) in order to get some price gains as a good carry. The credit market has performed badly and it has been very difficult to preserve capital. We have bought exposure to Schaeffler 1.125% 2022, Verisure 3.5%, Norwegian Government 3.755% 2021 and Dometic.

We sold Burger King 6% 2024, Vedanta 6.375% 2022, Aston martin 5.75% 2022 and US treasuries 2019, 2020 and 2026. We decided to reduce our corporate credit exposure by reducing our positions in Nomad Foods 2024, Netflix 3.625% 2027, Caixabank 3.5% 2027, Mapfre 4.375% 2047, Liberbank 6.8755% 2027, Santander 6.25%, Grifols 3.2% 2025 and Teva 1.125% 2024. We wanted to take some profits and wait for a better opportunity in the future to increase exposure to corporate credit.

The Fund has suffered the default of Thomas Cook. The firm was hit for the Brexit. In the summer of 2018, the company had decided to increase the tourism packages offered and it was surprised for the lower demand received because of Brexit. It was forced to lower prices and get rid of the packages at big discounts and it meant to burn cash. It changed its CFO and began a restructuring plan. The Board of directors thought the new-experienced CEO could overtake the situation but the weak demand for package holidays was the main problem last summer. Holidaymakers were still uncertain what the economy would look like once the Brexit would be confirmed. The inability to grow earnings and the seasonality of Thomas Cook's business meant the lack of liquidity to succeed in the revival plan. Unfortunately, the firm collapsed last September after talks with lenders, shareholders and the UK government failed to piece together a rescue package.

Perspective

We began the year thinking that the evolution of equity prices in 2020 would have more to run and we didn't see no evidence to think that the global economy could suffer a recession in a short time. The reason was that inflation remained very silvery, and the economy could continue to grow in a relaxed monetary environment. Unfortunately, we are now more concerned about the economic cycle due to the virus outbreak. We are seeing how companies face a close-up of their business for an uncertain temporal space. Equities markets are correcting, and the volatility has been pointed down to levels not seen since the 2008. We must be prepared for this new scenario of falling business activity, supply chain interruptions and more uncertainties. As the days go by, it seems that there will be more time for the world economy to regain its normal growth rate. If this scenario worsens, we will have to adapt to change, improving the quality of our portfolio. On the other hand, the strong corrections of credit begin to give us the opportunity to return to this market.

We maintain a structural constructive vision on emerging debt. We are faced with a more convincing opportunity once the corrections of the month of March have been suffered, since emerging interest rates continue to offer real positive rates and the possible appreciation of their currencies.

Luxembourg, 14th April 2020

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.



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To the Shareholders of
Armony Investment Fund
88, Grand-Rue
L-1660 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Armony Investment Fund ("the Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at 31 December 2019 and the statement of operations and other changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Armony Investment Fund as at 31 December 2019, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of "Réviseur d'Entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.



Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'Entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 17 April 2020

KPMG Luxembourg
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Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'L. Carême', written over a faint, circular stamp or watermark.

L. Carême
Associate Partner

ARMONY - AGECA FUND

Statement of net assets (in EUR) as at 31st December 2019

Assets

Securities portfolio at market value	23,626,186.37
Cash at banks	5,266,676.19
Formation expenses, net	6,530.87
Income receivable on portfolio	66,798.47
Prepaid expenses	1,174.71
Total assets	28,967,366.61

Liabilities

Expenses payable	45,043.98
Total liabilities	45,043.98
Net assets at the end of the year	28,922,322.63

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	262,192.491	EUR	110.31	28,922,322.63
				28,922,322.63

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

ARMONY - AGECA FUND

Statement of operations and other changes in net assets (in EUR)

from 1st January 2019 to 31st December 2019

Income

Dividends, net	235,217.91
Interest on bonds and other debt securities, net	212,249.97
Other commissions received	7,407.83
Other income	1,813.40
Total income	456,689.11

Expenses

Advisory and management fees	152,427.58
Depository fees	13,847.04
Banking charges and other fees	9,731.53
Transaction fees	15,586.46
Central administration costs	26,154.45
Professional fees	16,593.75
Other administration costs	16,053.61
Subscription duty ("taxe d'abonnement")	11,736.85
Bank interest paid	8,957.64
Other expenses	29,572.29
Total expenses	300,661.20

Net investment income 156,027.91

Net realised gain/(loss)

- on securities portfolio	211,009.28
- on forward foreign exchange contracts	-55,739.94
- on foreign exchange	35,511.12
Realised result	346,808.37

Net variation of the unrealised gain/(loss)

- on securities portfolio	2,596,049.72
- on forward foreign exchange contracts	-8,354.79

Result of operations 2,934,503.30

Subscriptions 413,820.00

Redemptions -81,297.50

Total changes in net assets 3,267,025.80

Total net assets at the beginning of the year 25,655,296.83

Total net assets at the end of the year 28,922,322.63

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

ARMONY - AGECA FUND

Statistical information (in EUR)
as at 31st December 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019
	EUR	27,591,330.94	25,655,296.83	28,922,322.63

Net asset value per share	Currency	31.12.2017	31.12.2018	31.12.2019
A	EUR	107.55	99.10	110.31

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	258,887.491	4,080.000	-775.000	262,192.491

ARMONY - AGECA FUND

Statement of investments and other net assets (in EUR) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
CAD	20,998	Barrick Gold Corp	292,601.70	347,911.47	1.20
CAD	3,099	Premium Brands Hgs Corp Reg	162,738.29	193,635.75	0.67
			455,339.99	541,547.22	1.87
CHF	100,045	Aryzta Ltd	280,579.95	99,636.44	0.34
CHF	3,000	Dufry AG Reg	312,713.71	265,141.98	0.92
CHF	1,522	Kardex AG Reg	150,481.03	228,348.31	0.79
CHF	7,500	LafargeHolcim Ltd Reg	333,678.19	370,707.25	1.28
			1,077,452.88	963,833.98	3.33
DKK	8,347	Novo Nordisk AS B	330,441.12	431,875.28	1.49
EUR	2,722	Air Liquide SA	210,703.40	343,516.40	1.19
EUR	5,214	Amadeus IT Group SA A	295,027.76	379,579.20	1.31
EUR	4,066	Anheuser-Busch InBev SA	267,204.51	295,638.86	1.02
EUR	10,000	Axa SA	218,133.32	251,100.00	0.87
EUR	49,289	Banco Santander Reg SA	199,251.22	183,847.97	0.64
EUR	2,172	Bayer AG Reg	192,277.49	158,143.32	0.55
EUR	7,000	Cie de Saint-Gobain SA	255,080.74	255,500.00	0.88
EUR	16,181	Corticeira Amorim SGPS SA Reg	168,244.96	182,845.30	0.63
EUR	11,000	Enagas SA	289,701.94	250,140.00	0.86
EUR	4,000	Euronext NV	149,069.00	290,600.00	1.00
EUR	9,328	Freenet AG Reg	236,775.45	190,664.32	0.66
EUR	16,110	Grifols SA B B	281,458.61	335,088.00	1.16
EUR	5,838	Groupe Guillin SA	217,402.10	94,925.88	0.33
EUR	3,227	Henkel AG & Co KGaA Pref	346,679.60	297,529.40	1.03
EUR	9,468	Industria de Diseno Textil SA	267,530.67	297,768.60	1.03
EUR	3,644	Kone Oyj B	149,066.47	212,372.32	0.73
EUR	10,425	Koninklijke Boskalis Westminster NV	315,967.30	237,690.00	0.82
EUR	1,200	Muenchener Rueckver AG REG	195,540.00	315,600.00	1.09
EUR	5,437	Neuronex	119,337.22	112,002.20	0.39
EUR	20,000	Ryanair Holdings Plc	239,807.74	292,600.00	1.01
EUR	3,205	Viscofan SA	175,821.42	150,955.50	0.52
			4,790,080.92	5,128,107.27	17.72
GBP	8,737	Avon Rubber Plc	119,957.58	215,490.44	0.75
GBP	4,613	Intertek Group Plc	230,082.72	318,571.67	1.10
GBP	11,400	M&G PLC Reg	27,300.13	31,910.89	0.11
GBP	11,400	Prudential Plc	171,064.13	194,936.25	0.67
GBP	6,634	Reckitt Benckiser Group Plc	463,836.69	479,826.76	1.66
GBP	50,784	Rotork Plc	175,569.29	200,766.43	0.69
GBP	3,882	Victrex Plc	86,996.96	114,253.99	0.40
			1,274,807.50	1,555,756.43	5.38
HKD	30,000	China Literature Ltd Reg	218,309.08	111,453.76	0.39
JPY	1,600	Fanuc Corp	215,250.72	266,577.84	0.92
JPY	3,000	Nidec Corp	204,308.25	368,912.98	1.28
JPY	4,400	Toyota Motor Corp	201,284.88	278,162.76	0.96
			620,843.85	913,653.58	3.16
SEK	10,283	Atlas Copco AB A Reg	237,391.51	365,564.43	1.26

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 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	356	Alphabet Inc C	309,629.31	423,959.31	1.47
USD	33,793	Cameco Corp	318,797.31	267,887.86	0.93
USD	6,000	Carnival Corp	307,923.47	271,648.70	0.94
USD	5,000	Citigroup Inc	203,717.19	355,794.07	1.23
USD	10,000	Invesco Ltd	258,682.02	160,149.64	0.55
USD	2,965	Johnson & Johnson	329,538.30	385,236.08	1.33
USD	1,835	Microsoft Corp	164,237.57	257,753.18	0.89
USD	8,660	Nomad Foods Ltd	140,140.92	172,552.06	0.60
USD	3,651	PayPal Holdings Inc	276,193.09	351,766.87	1.22
USD	25,615	Teva Pharma Ind Ltd ADR repr 1 Share	344,482.08	223,592.23	0.77
			<u>2,653,341.26</u>	<u>2,870,340.00</u>	<u>9.93</u>
Total shares			11,658,008.11	12,882,131.95	44.53
Bonds					
EUR	200,000	Banco Bilbao Vizcaya Argent SA VARConvSub 15/18.05.Perpetual	198,800.00	201,774.00	0.70
EUR	100,000	Banco Santander SA VAR Sub 14/12.03.Perpetual	100,050.00	101,169.00	0.35
EUR	100,000	Bankia SA 1% EMTN Sen 19/25.06.24	100,849.00	101,295.00	0.35
EUR	100,000	Caixabank SA VAR EMTN Reg S Sen Sub 17/15.02.27	106,309.00	105,718.00	0.37
EUR	130,000	Dometic Group AB 3% EMTN Sen Reg S 18/13.09.23	138,450.00	139,167.60	0.48
EUR	425,000	Espana 4.85% Sen 10/31.10.20	512,222.75	443,969.87	1.54
EUR	175,000	Gestamp Funding Luxembourg SA 3.5% Reg S Sen 16/15.05.23	183,312.50	179,025.00	0.62
EUR	170,000	Grifols SA 3.2% Sen Reg S /01.05.25	169,235.00	174,765.10	0.60
EUR	425,000	Italia 0.65% BOT 15/01.11.20	434,460.50	428,155.62	1.48
EUR	100,000	Liberbank SA VAR Sen Sub 17/14.03.27	107,587.50	110,361.50	0.38
EUR	125,000	Netflix Inc 3.625% Sen Reg S 17/15.05.27	127,306.25	134,072.50	0.46
EUR	130,000	Nomad Foods BondCo Plc 3.25% Sen Reg S 17/15.05.24	132,236.00	133,672.50	0.46
EUR	350,000	Schaeffler AG 1.125% EMTN Sen Reg S 19/26.03.22	352,359.00	357,827.75	1.24
EUR	195,000	Telecom Italia SpA 2.5% EMTN Reg S Sen 17/19.07.23	196,950.00	206,486.47	0.71
EUR	100,000	Telefonica Europe BV VAR Sub 14/31.03.Perpetual	108,672.00	117,105.00	0.41
EUR	220,000	Teva Pharmaceutical Fin II BV 1.125% Reg S Sen 16/15.10.24	191,950.00	192,651.80	0.67
EUR	119,000	Verisure Holding AB 3.5% Sen Reg S 18/15.05.23	124,712.00	122,831.21	0.42
			<u>3,285,461.50</u>	<u>3,250,047.92</u>	<u>11.24</u>
GBP	300,000	Debenhams Plc 5.25% Sen 14/15.07.21	352,882.26	98,839.99	0.34
GBP	300,000	United Kingdom 4.75% T-Stock 05/07.03.20	333,614.10	356,627.27	1.23
			<u>686,496.36</u>	<u>455,467.26</u>	<u>1.57</u>
NOK	8,523,000	Norway 3.75% 10/25.05.21	888,826.45	892,549.28	3.09
Total bonds			4,860,784.31	4,598,064.46	15.90
Bonds in default of payment					
EUR	350,000	Thomas Cook Group Plc 6.25% Reg S Sen 16/15.06.22	366,275.00	19,673.50	0.07
Total bonds in default of payment			<u>366,275.00</u>	<u>19,673.50</u>	<u>0.07</u>
<u>Transferable securities dealt in on another regulated market</u>					
Bonds					
EUR	500,000	Italia Strips 0% Cp Sen 98/01.05.20	491,876.83	500,211.65	1.73
EUR	100,000	Mapfre SA VAR Sub 17/31.03.47	104,480.00	117,742.50	0.41
Total bonds			<u>596,356.83</u>	<u>617,954.15</u>	<u>2.14</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 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Open-ended investment funds					
Investment funds (UCITS)					
EUR	364	Carmignac Portfolio Unconstr Global Bd A EUR Cap	511,387.24	533,303.68	1.84
EUR	5,813.818	Pareturn GVC Gaesco Absolute Return Fd IB Cap	999,999.95	1,011,017.14	3.50
EUR	11,247	Pictet Fds (LUX) Emerging Local Currency Debt HI Cap	1,220,851.20	1,237,507.41	4.28
EUR	3,184	Pictet Global Emerging Debt HI EUR Cap	869,536.36	911,101.60	3.15
EUR	7,328.6097	Robeco Capital Gh Fds Emerging Stars Eq I EUR Cap	1,235,603.60	1,352,128.49	4.68
			4,837,378.35	5,045,058.32	17.45
USD	50,000	Aberdeen Standard Asian Local Cur Short Ter Bond Fd A Cap	288,144.54	310,777.59	1.07
Total investment funds (UCITS)			5,125,522.89	5,355,835.91	18.52
Tracker funds (UCITS)					
EUR	5,200	Multi Uts France Lyxor Bund Dai (-2x) Inv UCITS ETF Cap	189,852.00	152,526.40	0.53
Total tracker funds (UCITS)			189,852.00	152,526.40	0.53
Total investments in securities			22,796,799.14	23,626,186.37	81.69
Cash at banks				5,266,676.19	18.21
Other net assets/(liabilities)				29,460.07	0.10
Total				28,922,322.63	100.00

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

ARMONY - AGECA FUND

Industrial and geographical classification of investments as at 31st December 2019

Industrial classification

(in percentage of net assets)

Investment funds	19.05 %
Industrials	11.13 %
Financials	9.75 %
Countries and governments	9.07 %
Raw materials	6.58 %
Healthcare	6.57 %
Technologies	6.13 %
Cyclical consumer goods	5.50 %
Non-cyclical consumer goods	4.75 %
Telecommunications services	1.37 %
Utilities	0.93 %
Energy	0.86 %
Total	<u>81.69 %</u>

ARMONY - AGECA FUND

Industrial and geographical classification of investments (continued) as at 31st December 2019

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

Luxembourg	19.14 %
Spain	10.22 %
United Kingdom	7.48 %
United States of America	6.60 %
Germany	4.57 %
France	4.19 %
Italy	3.92 %
Switzerland	3.33 %
Japan	3.16 %
Norway	3.09 %
The Netherlands	2.90 %
Canada	2.80 %
Sweden	2.16 %
Denmark	1.49 %
Belgium	1.02 %
Ireland	1.01 %
Panama	0.94 %
Israel	0.77 %
Finland	0.73 %
Portugal	0.63 %
British Virgin Islands	0.60 %
Bermuda	0.55 %
Cayman Islands	0.39 %
Total	<u>81.69 %</u>

ARMONY INVESTMENT FUND

Notes to the financial statements

as at 31st December 2019

Note 1 - General information

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

The financial year of the Fund ends on 31st December in each year. The accounts and the financial statements of the Fund are expressed in EUR and correspond to the financial statements of the sole Sub-Fund open.

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.

As from 1st June 2016, publications are made in the "Recueil électronique des sociétés et associations ("RESA")" through the website of "Registre de Commerce et des Sociétés" of Luxembourg.

Note 2 - 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.

The financial statements have been prepared on a going concern basis.

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.

ARMONY INVESTMENT FUND

Notes to the financial statements (continued)

as at 31st December 2019

- 6) The liquidating value of futures, forward or options contracts traded 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 determining 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/(losses) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

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. Net variation of the unrealised gains or losses and net realised gains or losses are disclosed in the statement of operations and other changes in net assets.

g) Formation expenses

Formation expenses are 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. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

i) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund and of fees relating to liquidation of transactions paid to the depositary.

ARMONY INVESTMENT FUND

Notes to the financial statements (continued)

as at 31st December 2019

Note 3 - 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 25,000 per Sub-Fund to be paid at the end of each quarter.

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.

Note 4 - Management fee retrocession

Management fee retrocessions received by the Fund and related to its investments in UCITS or other UCIs are disclosed under the "Other commissions received" in the statement of operations and other changes in net assets.

Note 5 - Bonds in default of payment

The Fund has suffered the default of Thomas Cook.

At year end, the Bond is valued on the basis of the last available market closing price and its accrued interest has been written down to zero.

Note 6 - Depositary fees

The remuneration for depositary services are included in the item "Depositary fees" disclosed in the statement of operations and other changes in net assets.

Note 7 - Central administration costs

The item "Central administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of administration and domiciliation fees.

Note 8 - 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.

ARMONY INVESTMENT FUND

Notes to the financial statements (continued)

as at 31st December 2019

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 9 - 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.

Note 10 - Subsequent event

With effect from 16th January 2020, KBL European Private Bankers S.A. changed its name to Quintet Private Bank (Europe) S.A..

Since the year-end, the COVID-19 epidemic has caused great instability in the financial markets and has led to a large number of measures on the part of governments worldwide (border closures, population confinement, etc.). The World Health Organisation declared the coronavirus outbreak a pandemic on 11th March 2020. As a result, it has been noted that the financial markets were highly volatile since the outbreak and the economic impacts are still unknown at this stage, although expected to be significant.

The Board of Directors of the Fund will closely follow these exceptional events and will continue to watch the efforts done by the governments to contain the spread of the virus and monitor the economic impact. All efforts will be taken by the Board of Directors of the Fund to ensure that the interests of the investors are protected and to minimise any negative impact on the future returns and performance of the Fund.

ARMONY INVESTMENT FUND

Additional information (unaudited)

as at 31st December 2019

1 - Risk management

As required by Circular CSSF 11/512, the Board of Directors of the Fund needs to determine the global risk exposure of the Fund by applying either the commitment approach or the VaR ("Value at Risk") approach.

In terms of risk management, the Board of Directors of the Fund decided to adopt the commitment approach as a method of determining the global exposure.

2 - Remuneration

Total KTL staff member remuneration is split into a fixed and a variable remuneration:

-Fixed	EUR 3,564,071.10
-Variable	EUR 316,133.05

Number of employees:

-31 headcount

Aggregated remuneration of the conducting officers remuneration is EUR 930,196.00.

Remuneration GVC Gaesco Gestión, SGIIC 2019

Fixed:	EUR 2,353,407.80
Variable:	EUR 138,500.00

Number of employees: 40 (Considering 3 summer internships and non full year 2019 employees)

Aggregated remuneration of the conducting officers is EUR 818.991,66 EUR

Details of the management company's updated remuneration policy, including a description of how remuneration and benefits are calculated, are available on the website <https://www.quintet.com/en-LU/Pages/Regulatory-affairs>.

3 - Remuneration of the Board of Directors of the Fund

The members of the Board of Directors of the Fund are entitled to receive a fixed amount of remuneration per annum:

For 2019, the remuneration amounted to 15,148 EUR.

The remuneration for the Board of Directors of the Fund are included in the item "Other expenses" disclosed in the statement of operations and other changes in net assets.

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

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.