

**Annual report including audited financial statements
as at 31st December 2020**

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 these financial statements. 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 including audited financial statements and the most recent unaudited 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
Board of Directors	
<i>Chairman</i>	Josep SARLE GUIU FIMARGE, SOCIETAT FINANCERA D'INVERSIÓ, S.A. Bonaventura Armengol 10 Bloc 1, 5 PL AD500 Andorra la Vella ANDORRA
<i>Directors</i>	Serge D'ORAZIO 25, Cité Schmiedenacht L-4993 SANEM Oscar CASAS 23, rue Jean-Pierre Sauvage L-2514 LUXEMBOURG
Management Company	KREDIETRUST LUXEMBOURG S.A. 88, Grand-Rue L-1660 LUXEMBOURG
Board of Directors of the Management Company	
<i>Chairman</i>	Vincent DECALF
<i>Directors</i>	Olivier de JAMBLINNE de MEUX
Managing Director	Aurélien BARON (since 18th February 2020) Kristel COOLS (from 18th February 2020 to 30th June 2020) Stefan VAN GEYT (until 18th February 2020)
Conducting officers of the Management Company	Aurélien BARON Kristel COOLS (until 25th August 2020) Antoine LEGROS SAINT-JALM (from 18th February 2020 to 25th August 2020) Cyril THIEBAUT (since 25th August 2020) Stefan VAN GEYT (until 18th February 2020)
Central Administration Agent and Domiciliary Agent	KREDIETRUST LUXEMBOURG S.A. 88, Grand-Rue L-1660 LUXEMBOURG

ARMONY INVESTMENT FUND

Organisation (continued)

**Delegated Administration Agent
and Registrar and Transfer Agent**

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

Depository 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'INVERSIÓ, S.A.
Bonaventura Armengol 10
Bloc 1, 5 PL
AD500 Andorra la Vella
ANDORRA

Cabinet de révision agréé

DELOITTE Audit
Société à responsabilité limitée
20, boulevard de Kockelscheuer
L-1821 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 2020 with EUR 29.8 million in assets under management, a positive return of 3.63% and an annualized volatility of 16.9%.

At the end of this period, the Fund has a 51% equities exposure, 33% in fixed income and 16%, the remaining is cash or cash equivalents.

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

Once the year is over it is a good time to take stock of how the portfolio management has gone. It is a photo of the last twelve months, of the evolution of its financial assets. A photo that in the long investment horizon that requires management, not only serves to see the trend, to correct errors, to take advantage of opportunities but above all to reaffirm with the process and the philosophy of investment.

Armony has obtained a yield of 3.63%. The yield is explained above all by the good selection of shares and emerging debt funds. Unfortunately, currencies and corporate fixed income have not contributed to the performance.

We started the year knowing that the economic cycle and markets were very stretched. Global economic growth gave signs of fatigue and more cyclical sectors such as raw materials or the automobile were already suffering from a certain slowdown. In financial markets, an environment of extremely low interest rates on sovereign and corporate bonds reflected the maturity of the fixed-income market cycle. The stock markets, recovered from the falls of 2018, were once again attempting an assault on highs.

The portfolio was invested in 4 themes: liquidity, short sovereign and corporate debt, emerging debt and a combination of quality and value stocks. Without knowing what could revive the economic cycle or slow it down further and without the ability to anticipate a health crisis that was already around us, we faced the year with what considered a resilient portfolio.

In March, the health crisis became a capital reality and markets reacted with the volatility that we have seen in previous crisis. The default of Russia, the Asian crisis of '97, the bankruptcy of Lehman in 2008 or the European crisis of 2012, are good examples.

On March 15 and seeing the evolution of the different asset classes, we decided to sell Treasuries and dollar. We also decided to take advantage of the corrections to give more quality to the stock market portfolio, maintaining the highest stock exposure permitted. We rebalanced the portfolio and we started buying quality stocks and that previously seemed too demanding in price, reducing those with lower revaluation potential or lower quality.

ARMONY INVESTMENT FUND

Report on activities of the Board of Directors (continued)

Top ten holdings

The principal holdings with higher exposure in the fund are mainly bonds and UCITS funds: Pictet Fds Emerging Local Currency Debt with a 4.29% of exposure, Pictet Global Emerging Debt with a 4.26%, Robeco Capital Gh Fds Emerging Stars Eq I with a 3.47% exposure, Pareturn GVC Gaesco Absolute Return Fund with a 3.0% of exposure, Norway 3.75% maturing by May 21 with a 2.77% exposure, Carmignac Portfolio Unconstruction Global Bond Fund weighing 1.88%, a US government Bond maturing by May 21 with a 1.8% exposure, an Italian bond maturing by April 21 with a 1.70% exposure, shares of the Japanese company Nidec with a 1.60% exposure, and finally a an Australian bond maturing by November 22 with a 1.54%

Portfolio activity

During the year we have increased the weight in emerging debt. The investment thesis remains intact. Emerging economies are less indebtedness, have lower fiscal deficits, grow more and their real rates are positive.

On the stock market hand, portfolio quality stocks have done very well, both in absolute terms and in relative terms. Once the first wave remitted, its business models have proved resilient and, in some cases, even benefited (PayPal +62%, Fox Factory +77% or Avon Rubber +67% are good examples).

During the year, we have incorporated new ideas such as **ADP, Siemens Healthineers, Allegion, Assa Abloy, SAP, Intercontinental, Wolters Kluwer, Diploma** and **Dermapharm**. High quality companies that have been punished by the market at times of greater uncertainty. Moreover, we have been buying great companies which because of Covid-19 have been very cheaply priced, as **Airbus, Carl Zeiss Meditec, Michelin, JC Decaux, Dufry, Roche, Royal Dutch Shell, Visa or Sixt**.

We have sold companies of less quality **Freenet, Barrick Gold, Viscofan Groupe Guillin, Corticeira** and the ones we already found too stretched as the case of **Avon Rubber, Sika or Kone**. Additionally, we have been selling some of the "covid-favoured" stocks, as **Euronext**, which start trading in a very expensive multiples because of the high volatility (positively correlated with trades) and partially we have sold **NIDEC**, also due to low fundamental discount.

Regarding the fixed income part, we have been buying some cheap bonds as an **Australian bond** maturing in 2022, a **Teva Pharma** bond maturing in 2023 and an Italian one. Some Spanish and UK bonds have been amortized as they have reached their maturity date during this year.

Perspectives

Hardly anyone can anticipate either the cause or the timing of an economic crisis. This time it has been the health crisis that induces this global recession. How we will get out of this economic crisis depends on the future evolution of the markets.

We believe we are at the beginning of the end of the health crisis. The beginning of vaccinations and their effectiveness make us think so. Just after the first Covid19 vaccine was announced, the 9th of November, the dynamics of the market changed completely and Value stocks started to heavily outperform Growth stocks, just the opposite of what was happening until that moment. If the limitations to movement are reduced over the months, we must expect a recovery in economic normality. The support of expansionary monetary and fiscal policies will be crucial to improving economies but are not a guarantee of their care.

In the short term the recovery may not be so fast, and the current economic weakness will persist in 2021. We are already seeing a third wave. The economic recovery in 2021 will depend on its evolution. In the medium term, we believe that economies will behave better.

ARMONY INVESTMENT FUND

Report on activities of the Board of Directors (continued)

The OECD expects many economies to suffer limitations until the end of 2021 and global growth will be 5.5% by 2022 if vaccines can be distributed efficiently. If not, its growth estimate is 2.2%. The International Monetary Fund estimates a 4.4% drop in world GDP by 2020 and a rise from 5.2% in 2021. For the United States expects a fall of 4.3% and 8.3% for the Eurozone.

Markets tend to anticipate economic recovery. Depending on the expectations of improved economic growth, there will be winners and losers in both asset classes and sectors of the economy.

The greater risk of the desired economic recovery is a high inflation expectation, explained by a recovery in demand greater than supply, contained by lower investment by employers. If so, apart from the sharp interest rate hike, stocks and the real estate sector would be penalised. For now, the low use of capacity and imports keeps us in control.

We believe that this scenario of higher inflation is not the most likely in the short term- but it needs to be considered.

Our scenario for next year is economic growth, weak, but stimulated by tax aid and low interest rates. A macroeconomic environment that encourages risk assets. If this dreaded third wave is contained stock markets, corporate bonds and emerging markets would be the winners. We expect Value Stocks to continue heavily outperforming Growth Stocks. There are plenty of facts that have acted as a catalyst for that: (i) The announcement of the Vaccine, that we already mentioned (ii) The excessive difference, historically the highest, between multiples in the growth companies related to companies in the value segment, (iii) the fact that some growth companies are not going to meet the expectations, (iv) M&A activities in value companies, and (v) evidences of capitulation in some "value investors" or "even in some value managers". Historically Value Stocks outperform Growth Stocks by a 3.4% per annum as an average in the long term. Nevertheless, there are Growth periods where Growth outperforms Value, and Value periods where Value outperforms Growth. These periods use to last from 5 to 10 years each. We think that we are just at the starting point of a Value period.

On the stock market, higher-growth stocks could do worse than cyclical or so-called *value*. We talk about *value* companies when they have strong discounts between price and value. By sector, those that would do the best would be the big ones affected by the pandemic (raw materials, industrial, transport, tourism, and leisure) in front of the beneficiaries (technology, health, electrical and non-discretionary consumption).

The loser would be the dollar that usually depreciates when the global economy recovers.

We keep firm on our philosophy of favouring equities of great quality over bonds for the next 12 months.

How is the portfolio positioned?

In recent months, we have been completing the portfolio in more cyclical quality companies. Companies that will benefit from the economic recovery and have suffered corrections in their prices. We believe that the portfolio is **very well prepared for the Value period which has already started**. Examples of current positions are Allegion, Rotork and **Assa Abloy** in the industrial sector, **Amadeus** and **Intercontinental** in the tourism sector or **Victrex** in the raw materials sector.

The strong volatility in corporate credit has allowed us to enter an attractive issuer **such as Avantor**, which must be benefited by economic improvement and the low interest rate environment.

We remain invested with **emerging debt**. The dollar's depreciation in recent months and expectations of global economic recovery and commodities should strengthen emerging economies and their currencies. The emerging debt becomes a very interesting asset class for this coming year with interest rates in local currencies around 5% plus the potential appreciation of their currencies.

ARMONY INVESTMENT FUND

Report on activities of the Board of Directors (continued)

The economic crisis has penalized cyclical currencies such **as the Norwegian Krone, the Swedish Krone or the Canadian dollar**. We believe that as the economic cycle recovers, these currencies will be appreciated in front of the Euro. For this reason, we remain invested in sovereign bonds of these currencies.

Luxembourg, 1st March 2021

The Board of Directors

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

Report of the *réviseur d'entreprises agréé*

To the Shareholders of
ARMONY INVESTMENT FUND
88, Grand-Rue
L-1660 LUXEMBOURG

Opinion

We have audited the financial statements of ARMONY INVESTMENT FUND (the "Fund") and of its sub-fund, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2020 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 the Fund and of its sub-fund as at 31st December 2020, 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 23rd July 2016 on the audit profession (Law of 23rd 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 23rd July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "*Responsibilities of the "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 Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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 the "*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

Report of the *réviseur d'entreprises agréé* (continued)

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 the 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 the "*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 dated 23rd 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 dated 23rd 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.

Report of the *réviseur d'entreprises agréé* (continued)

- 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.

For Deloitte Audit, *Cabinet de révision agréé*

Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

12th April 2021

ARMONY - AGECA FUND

Statement of net assets (in EUR) as at 31st December 2020

Assets

Securities portfolio at market value	25,010,957.60
Cash at banks	4,730,236.81
Formation expenses, net	2,595.82
Income receivable on portfolio	58,783.56
Prepaid expenses	1,191.79
Total assets	<u>29,803,765.58</u>

Liabilities

Expenses payable	<u>34,535.21</u>
Total liabilities	<u>34,535.21</u>
Net assets at the end of the year	<u><u>29,769,230.37</u></u>

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 Class	260,427.491	EUR	114.31	<u>29,769,230.37</u>
				<u><u>29,769,230.37</u></u>

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 2020 to 31st December 2020

Income

Dividends, net	174,515.68
Interest on bonds and other debt securities, net	130,476.42
Other commissions received	4,096.48
Other income	3,171.93
Total income	312,260.51

Expenses

Advisory and management fees	163,633.39
Depositary fees	13,985.56
Banking charges and other fees	15,075.58
Transaction fees	21,592.74
Central administration costs	27,194.78
Professional fees	18,427.50
Other administration costs	22,356.43
Subscription duty ("taxe d'abonnement")	10,926.01
Bank interest paid	13,008.77
Other expenses	22,596.65
Total expenses	328,797.41

Net investment loss	-16,536.90
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Net realised gain/(loss)

- on securities portfolio	1,255,004.84
- on foreign exchange	-36,536.09
Realised result	1,201,931.85

Net variation of the unrealised gain/(loss)

- on securities portfolio	-159,775.61
Result of operations	1,042,156.24

Subscriptions	-
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Redemptions	-195,248.50
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Total changes in net assets	846,907.74
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Total net assets at the beginning of the year	28,922,322.63
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Total net assets at the end of the year	29,769,230.37
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The accompanying notes are an integral part of these financial statements.

ARMONY - AGECA FUND

Statistical information (in EUR)
as at 31st December 2020

Total net assets	Currency	31.12.2018	31.12.2019	31.12.2020
	EUR	25,655,296.83	28,922,322.63	29,769,230.37

Net asset value per share class	Currency	31.12.2018	31.12.2019	31.12.2020
A Class	EUR	99.10	110.31	114.31

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A Class	262,192.491	-	-1,765.000	260,427.491

ARMONY - AGECA FUND

Statement of investments and other net assets (in EUR) as at 31st December 2020

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					
CHF	100,045	Aryzta Ltd	280,579.95	63,086.61	0.21
CHF	4,332	Dufry AG Reg	353,968.60	222,620.11	0.75
CHF	209	Forbo Holding AG	245,188.32	293,342.82	0.98
CHF	1,522	Kardex Holding Reg	150,481.03	272,444.10	0.91
CHF	7,500	LafargeHolcim Ltd Reg	319,400.66	337,158.11	1.13
CHF	500	Roche Holding Ltd Pref	129,758.20	142,851.85	0.48
			1,479,376.76	1,331,503.60	4.46
DKK	6,338	Novo Nordisk AS B	282,645.93	363,277.20	1.22
EUR	2,722	Air Liquide SA	210,703.40	365,428.50	1.23
EUR	1,400	Airbus SE	86,656.56	125,692.00	0.42
EUR	4,836	Amadeus IT Group SA A	236,450.83	288,032.16	0.97
EUR	5,064	Anheuser-Busch InBev SA	340,414.31	288,698.64	0.97
EUR	10,000	Axa SA	218,133.32	195,120.00	0.66
EUR	51,432	Banco Santander Reg SA	203,453.29	130,534.42	0.44
EUR	2,172	Bayer AG Reg	192,277.49	104,592.66	0.35
EUR	1,100	Carl Zeiss Meditec AG	96,892.29	119,790.00	0.40
EUR	7,000	Cie de Saint-Gobain SA	255,080.74	262,500.00	0.88
EUR	6,441	Dermapharm Holding SE Bearer	290,840.36	366,879.36	1.23
EUR	11,000	Enagas SA	289,376.34	197,615.00	0.66
EUR	20,954	Grifols SA B B	345,382.41	323,110.68	1.08
EUR	3,988	Henkel AG & Co KGaA Pref	418,008.59	368,092.40	1.24
EUR	16,056	Industria de Diseno Textil SA	435,427.39	418,098.24	1.40
EUR	3,620	Interpump Group SpA	92,727.39	146,030.80	0.49
EUR	5,600	JC Decaux SA	94,067.18	104,328.00	0.35
EUR	10,425	Koninklijke Boskalis Westminster NV	315,967.30	234,979.50	0.79
EUR	1,100	Michelin SA	88,316.80	115,445.00	0.39
EUR	1,200	Muenchener Rueckver AG REG	195,540.00	291,360.00	0.98
EUR	10,000	Royal Dutch Shell Plc A	117,551.00	146,140.00	0.49
EUR	20,000	Ryanair Holdings Plc	239,807.74	329,300.00	1.11
EUR	3,740	SAP SE	371,540.77	401,002.80	1.35
EUR	7,530	Siemens Healthineers AG Reg	290,715.23	316,109.40	1.06
EUR	2,000	Sixt AG Pref	92,988.35	114,800.00	0.39
EUR	2,843	Wolters Kluwer NV	197,047.14	196,337.58	0.66
			5,715,366.22	5,950,017.14	19.99
GBP	8,443	Diploma Plc Reg	195,563.08	206,737.25	0.69
GBP	5,651	InterContinental Hotels Gr Plc Reg	244,268.83	296,059.87	0.99
GBP	4,242	Intertek Group Plc	242,219.01	267,637.36	0.90
GBP	11,400	M&G PLC Reg	27,300.13	25,208.19	0.08
GBP	11,440	Prudential Plc	171,585.69	172,137.31	0.58
GBP	120,529	Rotork Plc	402,331.17	428,154.06	1.44
GBP	9,057	Victrex Plc	211,706.55	237,352.47	0.80
			1,494,974.46	1,633,286.51	5.48
HKD	30,000	China Literature Ltd Reg	218,309.08	192,406.34	0.65
JPY	1,600	Fanuc Corp	215,250.72	321,220.16	1.08
JPY	4,500	Nidec Corp	153,240.64	462,403.13	1.55
JPY	4,400	Toyota Motor Corp	201,284.88	277,163.22	0.93
			569,776.24	1,060,786.51	3.56
SEK	19,596	Assa Abloy AB B	358,989.49	394,588.64	1.33
SEK	4,421	Atlas Copco AB A Reg	102,062.42	185,121.93	0.62
			461,051.91	579,710.57	1.95
USD	4,406	Allegion PLC	385,925.21	419,066.92	1.41
USD	208	Alphabet Inc C	180,907.01	297,802.42	1.00
USD	2,300	Automatic Data Processing Inc	277,508.84	331,203.01	1.11

* Minor differences may arise due to rounding in the calculation of percentages.

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 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
USD	6,000	Carnival Corp	307,923.47	106,211.18	0.36
USD	5,000	Citigroup Inc	203,717.19	251,961.43	0.85
USD	2,897	Fox Factory Hg Corp Reg	153,665.47	250,279.40	0.84
USD	10,000	Invesco Ltd	258,682.02	142,448.51	0.48
USD	2,382	Johnson & Johnson	264,742.07	306,373.95	1.03
USD	1,121	Microsoft Corp	100,332.60	203,769.88	0.68
USD	1,327	PayPal Holdings Inc	100,385.71	253,991.01	0.85
USD	24,509	Teva Pharma Ind Ltd ADR repr 1 Share	290,871.92	193,291.80	0.65
USD	600	Visa Inc A	80,492.69	107,255.64	0.36
			<u>2,605,154.20</u>	<u>2,863,655.15</u>	<u>9.62</u>
Total shares			12,826,654.80	13,974,643.02	46.93
Bonds					
AUD	700,000	Australia 2.25% Sen Ser TB153 17/21.11.22	448,989.99	459,364.69	1.54
EUR	188,000	Avantor Funding Inc 2.625% 20/01.11.25	193,792.28	192,896.46	0.65
EUR	200,000	Banco Bilbao Vizcaya Argent SA 1.125% EMTN Sen 19/28.02.24	199,466.00	206,696.00	0.69
EUR	100,000	Bankia SA 1% EMTN Sen 19/25.06.24	100,849.00	103,126.00	0.35
EUR	100,000	Caixabank SA VAR EMTN Reg S Sen Sub 17/15.02.27	106,309.00	103,147.00	0.35
EUR	130,000	Dometic Group AB 3% EMTN Sen Reg S 18/13.09.23	138,450.00	135,766.80	0.46
EUR	170,000	Grifols SA 3.2% Sen Reg S /01.05.25	169,235.00	172,028.10	0.58
EUR	113,000	IQVIA Inc 2.25% Sen Reg S 19/15.01.28	114,356.00	114,352.05	0.38
EUR	500,000	Italia 0.05% Ser 3Y 18/15.04.21	499,050.00	500,800.00	1.68
EUR	250,000	Italia 0.35% T-Bills Ser 5Y 16/01.11.21	250,450.00	251,925.00	0.85
EUR	100,000	Liberbank SA VAR Sen Sub 17/14.03.27	107,587.50	106,177.50	0.36
EUR	125,000	Netflix Inc 3.625% Sen Reg S 17/15.05.27	127,306.25	139,687.50	0.47
EUR	130,000	Nomad Foods BondCo Plc 3.25% Sen Reg S 17/15.05.24	132,236.00	131,892.15	0.44
EUR	180,000	Schaeffler AG 1.125% EMTN Sen Reg S 19/26.03.22	181,213.20	181,961.10	0.61
EUR	100,000	Telefonica Europe BV VAR Sub 14/31.03.Perpetual	108,672.00	112,694.00	0.38
EUR	220,000	Teva Pharmaceutical Fin II BV 1.125% Reg S Sen 16/15.10.24	191,950.00	204,883.80	0.69
EUR	425,000	Teva Pharmaceutical Fin II BV 1.25% 15/31.03.23	411,931.25	411,935.50	1.38
EUR	119,000	Verisure Holding AB 3.5% Sen Reg S 18/15.05.23	124,712.00	120,913.52	0.41
			<u>3,157,565.48</u>	<u>3,190,882.48</u>	<u>10.73</u>
NOK	8,523,000	Norway 3.75% 10/25.05.21	888,826.45	824,253.02	2.77
SEK	3,525,000	Sweden 3.5% Ser 1054 10/01.06.22	363,333.25	369,676.34	1.24
USD	637,000	US T-Notes 1.375% Ser Z2021 16/31.05.21	545,784.55	523,309.79	1.76
			<u>5,404,499.72</u>	<u>5,367,486.32</u>	<u>18.04</u>
Total bonds					
Bonds in default of payment					
EUR	350,000	Thomas Cook Group Plc 6.25% Reg S Sen 16/15.06.22	366,275.00	4,677.75	0.02
GBP	300,000	Celine Group Hgs Ltd 5.25% Sen 14/15.07.21	352,882.26	5,893.12	0.02
			<u>719,157.26</u>	<u>10,570.87</u>	<u>0.04</u>
Total bonds in default of payment					
Transferable securities dealt in on another regulated market					
Shares					
GBP	827	Judges Scientific Plc Reg	46,641.39	58,939.65	0.20
			<u>46,641.39</u>	<u>58,939.65</u>	<u>0.20</u>
Total shares					
Bonds					
EUR	100,000	Mapfre SA VAR Sub 17/31.03.47	104,480.00	116,592.50	0.39
			<u>104,480.00</u>	<u>116,592.50</u>	<u>0.39</u>
Total bonds					

* Minor differences may arise due to rounding in the calculation of percentages.

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 2020

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	557,021.92	1.87
EUR	5,813.818	Pareturn GVC Gaesco Absolute Return Fd IB Cap	999,999.95	891,874.56	3.00
EUR	11,247	Pictet Fds (LUX) Emerging Local Currency Debt HI Cap	1,220,851.20	1,276,534.50	4.29
EUR	4,188	Pictet Global Emerging Debt HI EUR Cap	1,133,973.83	1,269,969.12	4.27
EUR	5,588.6097	Robeco Capital Gh Fds Emerging Stars Eq I EUR Cap	895,704.05	1,032,998.62	3.47
			<u>4,761,916.27</u>	<u>5,028,398.72</u>	<u>16.90</u>
USD	50,000	Aberdeen Standard Asian Local Cur Short Ter Bond Fd A Cap	288,144.54	316,729.32	1.06
			<u>5,050,060.81</u>	<u>5,345,128.04</u>	<u>17.96</u>
Tracker funds (UCITS)					
EUR	5,200	Multi Uts France Lyxor Bund Dai (-2x) Inv UCITS ETF Cap	189,852.00	137,597.20	0.46
			<u>189,852.00</u>	<u>137,597.20</u>	<u>0.46</u>
Total tracker funds (UCITS)					
Total investments in securities			<u>24,341,345.98</u>	<u>25,010,957.60</u>	<u>84.02</u>
Cash at banks				4,730,236.81	15.89
Other net assets/(liabilities)				28,035.96	0.09
Total				<u><u>29,769,230.37</u></u>	<u><u>100.00</u></u>

* Minor differences may arise due to rounding in the calculation of percentages.

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

ARMONY - AGECA FUND

Industrial and geographical classification of investments as at 31st December 2020

Industrial classification

(in percentage of net assets)

Investment funds	18.42 %
Industrials	15.31 %
Healthcare	10.80 %
Countries and governments	9.84 %
Technologies	9.23 %
Cyclical consumer goods	6.66 %
Financials	6.59 %
Raw materials	4.40 %
Non-cyclical consumer goods	1.62 %
Energy	1.15 %
Total	<u>84.02 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Luxembourg	17.96 %
United States of America	9.98 %
Germany	7.61 %
Spain	7.27 %
United Kingdom	6.16 %
The Netherlands	4.81 %
Switzerland	4.46 %
Sweden	4.06 %
France	3.97 %
Japan	3.56 %
Italy	3.02 %
Norway	2.77 %
Ireland	2.52 %
Australia	1.54 %
Denmark	1.22 %
Belgium	0.97 %
Cayman Islands	0.65 %
Israel	0.65 %
Bermuda	0.48 %
Panama	0.36 %
Total	<u>84.02 %</u>

ARMONY INVESTMENT FUND

Notes to the financial statements

as at 31st December 2020

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 concerning Undertakings for Collective Investment in Transferable Securities ("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 of Incorporation, the annual reports including audited financial statements and unaudited semi-annual 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 of the Fund 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 of the Fund 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 of the Fund approves a provider of securities prices which supply the above prices. If, in the opinion of the Board of Directors of the Fund, 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 of the Fund 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 of the Fund.
- 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.

ARMONY INVESTMENT FUND

Notes to the financial statements (continued)

as at 31st December 2020

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 of the Fund, on a basis consistently applied.

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 of the Fund may deem fair and reasonable

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by the Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into 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 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) 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.

g) 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.

h) 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 transactions paid to the depositary.

ARMONY INVESTMENT FUND

Notes to the financial statements (continued)

as at 31st December 2020

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 the 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, SOCIÉTAT FINANCIÈRE D'INVESTISSEMENT, S.A. has been appointed as the Investment Advisor to the Sub-Fund.

In consideration of their services, the Board of Directors of the Fund decided to share the management fee of 0.50% between GVC GAESCO GESTION SGIIC and FIMARGE, SOCIÉTAT FINANCIÈRE D'INVESTISSEMENT, S.A., 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 item "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 Group and Celine Group.

At the date of the financial statements, these bonds are valued on the basis of the last available market closing price and their accrued interests have been written down to zero.

Note 6 - Depositary fees

The remuneration for depositary services are included under 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 agent and domiciliary agent 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 2020

Pursuant to Article 175 (a) of the amended 2010 Law 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 - Events

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

The Annual General Meeting held on 24th April 2020 resolved not to renew KPMG Luxembourg's mandate and to appoint DELOITTE Audit as independent auditor for a term ending at the Annual General Meeting of 2021.

COVID-19

Last year the COVID-19 epidemic has caused great instability in the financial markets and the global economy. As a result, we have seen an unprecedented stimulus packages from governments and Central Banks. Unfortunately, the 3rd wave is active.

The Board of Directors of the Fund is and 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 are 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 due to the worldwide epidemic. Additionally, they ensure that all service providers remain fully operational, so daily operation is guaranteed. Finally, it is important to emphasize that in the last year no disruptions were identified.

Note 11 - Subsequent event

There are no significant subsequent events.

ARMONY INVESTMENT FUND

Additional information (unaudited)

as at 31st December 2020

1 - Risk management

As required by Circular CSSF 11/512 as amended, 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 2,953,977.00
-Variable	EUR 225,099.00

Number of employees:

-30 headcount

Aggregated remuneration of the conducting officers remuneration is EUR 332,279.

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>.

Remuneration GVC GAESCO GESTION SGIIC for the year 2020:

Fixed:	EUR 2,325,312.80
Variable:	EUR 110,070.00

Number of employees: 35

Aggregated remuneration of the conducting officers is EUR 841.620,26.

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 2020, the remuneration amounted to EUR 16.250.

The remuneration of the Board of Directors of the Fund is included under 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.