

**SUBFUND OVERVIEW**

The fund's objective is to generate long-term capital appreciation by investing in a global portfolio composed principally of convertible bonds without any geographical or currency limitation. Convertible bonds are sensitive to movements in equities, credit, interest rates and volatility. Thus, according to the manager's macroeconomic assumptions, the portfolio parameters are set, with a bond or an equity bias. Thereafter, a selection process picks and weights around 50 to 60 investments to structure the portfolio. The fund is not benchmarked.

**INVESTMENT MANAGER'S COMMENTS**

Central banks' accommodative policies have slowed down results on asset valuations globally. The last ECB easing in February produced only 2/3 of the rise of the Eurostoxx 50 index experienced during the previous easing round. Now, 2016 1<sup>st</sup> quarter company results, mainly announced in April, are important because after years of correlated returns and index outperformance, stock selection should come back in favour.

**Premier Oil 2018** increased by 13%, contributing +0,36% to the performance. The company not only benefited from oil price rebound but also from its Solan field first oil production and from the completion of **E-on** North Sea assets purchase. This is a credit story where we have to assess the company's ability to repay the convertible bond at maturity (2018). It will largely depend on oil price, as for a lot of companies in the sector, and on Solan production. So far, we estimate that the company should be able to repay its debt.

**Marine Harvest 2019/20**, our long term holding and world's largest producer of farmed salmon, has reported 1Q16 figures above expectations. The company reported a better volume and operational EBIT of EUR110m up 16% yoy, and net debt was down to EUR960m at the end of March. We had taken some profit after an impressive stock price increase. Long term perspectives for **Marine Harvest** are still intact and a number of positive developments are on their way. We would reinvest on any sizeable pullback. The convertible is up over 8% year to date.

**Allergan 2018** is so far a disappointment in terms of performance after **Pfizer** failed merger and the pharma sector underperformance in 2016 (-5% compared to index). The sale of the generics business will make **Allergan** a pure pharma company with sales likely to reach \$23 billion in 2020, from \$16.8 billion in 2016. **Allergan** will be able to use \$35 billion net proceeds from the **Teva** deal for both debt repayment and share repurchases. Our 2 year performance target is at least 50%.

**Telecom Italia 2016** continues to weigh on our absolute and relative performance with a negative 13 basis point impact for the month. But the end game should be profitable. Our average purchase price is 20% lower compared to **Vivendi** (main shareholder with a 24.9% stake) and the company is in the middle of a telecom/media consolidation game across Europe. A new CEO, Flavio Cattaneo, is in charge to manage risks (heavy debt) and opportunities.

**Alcoa 2019** convertible bond has risen by 10%. The company was presented at the 9<sup>th</sup> Annual Pershing Square Challenge Finale with a target price of \$16 representing around 50% increase. **Alcoa** is an integrated upstream and downstream aluminium company that will spin off **Arconic**, its value-added businesses, in the 2<sup>nd</sup> quarter of 2016. This corporate events should be the catalyst for stock price.

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



**PERFORMANCE**

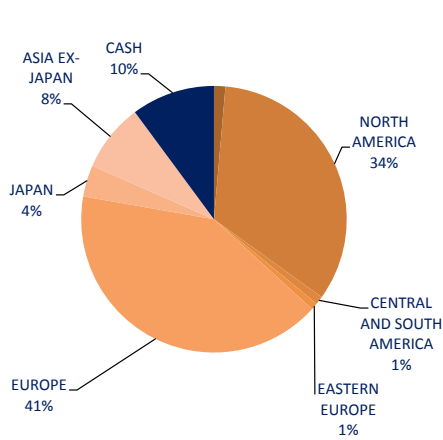
	A	C	H
<b>DELTA</b>	50%	50%	21%
<b>VOLATILITY</b>	11.08%	7.92%	5.05%
<b>NAV/SHARE</b>	127.56	103.66	104.18
<b>MONTH</b>	0.41%	0.14%	-0.12%
<b>2016</b>	-7.10%	-4.72%	-6.19%
<b>2015</b>	4.69%	-1.58%	0.95%
<b>2014</b>	14.17%	5.59%	9.85%
<b>2013</b>	3.88%	7.63%	0.15% *
<b>2012</b>	4.66%	1.40%	
<b>2011</b>	-12.34%	-7.26%	

\* Since 01/07/2013

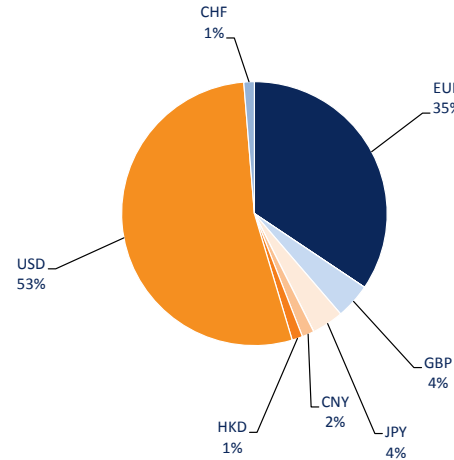
**MAIN HOLDINGS**

TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)
POST HOLDING	USD			3.14%	98%	1.79%	PREMIER OIL FINANCE 0.36%
TAKE-TWO INTERACTIVE 1% 2018 USD	USD	01/07/2018		3.07%	97%	0.00%	PACIRA PHARMACEUTICALS 0.27%
ALLERGAN PLC	USD	01/03/2018		3.04%	77%	7.28%	DEPOMED INC 0.17%
MICRON TECHNOLOGY E 1.625% 2033 USD	USD	15/02/2033	15/02/2018	2.64%	63%	0.00%	SPANSION LLC 0.17%
TEVA PHARMA C 0.25% 2026 USD	USD	01/02/2026	01/02/2016	2.51%	100%	0.00%	MICRON TECHNOLOGY 0.14%
ORPEA	EUR	01/01/2020		2.45%	94%	0.00%	
PARPUBLICA / GALP 5.25% 2017 EUR	EUR	28/09/2017	28/09/2015	2.30%	34%	0.00%	STEINHOFF FINANCE HLDG -0.08%
BANK OF AMERICA CORP	USD			2.21%	27%	6.21%	AGEASFILUX SA -0.09%
FORTIS CASHES 2.305% 2049 EUR	EUR	29/12/2049		2.08%	2%	3.41%	TELECOM ITALIA FIN SA -0.13%
SANDISK 1.5% 2017 USD	USD	15/08/2017		2.04%	78%	0.00%	TAKE-TWO INTERACTIVE SOF -0.27%
<b>TOP 10 HOLDINGS</b>				<b>25.47%</b>			ALLERGAN PLC -0.36%
<b>PORTFOLIO</b>		<b>4.25</b>		<b>100%</b>	<b>50%</b>	<b>2.94%</b>	

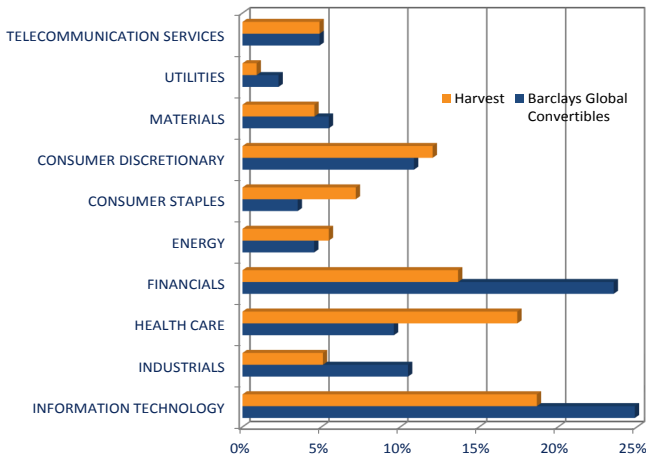
**GEOGRAPHIC ALLOCATION**



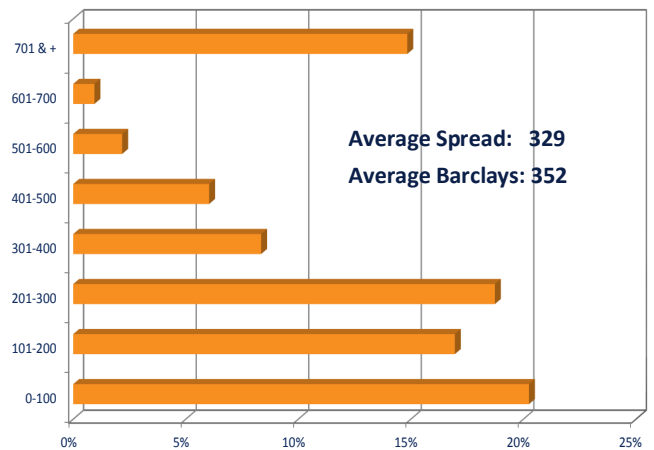
**CURRENCY ALLOCATION**



**SECTOR ALLOCATION**



**CREDIT SPREAD**



Source: Deutsche Bank

**GENERAL INFORMATION**

SHARE CLASS	ISIN	LAUNCH DATE	MAN. FEE	PERF. FEE	MIN. INVEST.	CLASS SHARES	SUBFUND ASSETS	CUT-OFF
A	LU0442197868	03/08/2009	1.85%	15% ABOVE 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1.000	CAPITALISATION	EUR 46 MILLIONS	DAILY 12:00 AM
B (INSTITUTIONAL)	LU0518233621	12/07/2010	1.20%		€ 1.000.000			
C (CURRENCY HEDGE)	LU0662027985	16/08/2011	1.85%		€ 1.000			
H (DELTA & CCY HEDGE)	LU0944844058	01/07/2013	1.85%		€ 1.000			

<b>CUSTODIAN</b>	<b>VP Bank (Luxembourg) SA</b>	<b>INVESTMENT MANAGER</b>	<b>Bellatrix Asset Management S.A.</b>
<b>SUBSCRIPTIONS / REDEMP</b>	<b>VP Fund Solution (Luxembourg) SA</b>		<b>31, bd Prince Henri L-1724 Luxembourg</b>
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<b>FUND</b>	<b>HARVEST INVESTMENT FUND</b> 26, Av. de la Liberté L-1930 Luxembourg	<b>ADVISOR</b>	<b>Harvest Advisory S.A.</b>
		<b>AUDITOR</b>	<b>Deloitte Audit S.à.r.l</b>
		<b>LEGAL ADVISOR</b>	<b>Elvinger, Hoss &amp; Prussen</b>

Investment Manager's comments are expressed by Bellatrix Asset Management S.A.. Periodic reports, the prospectus of the Fund, and the simplified prospectus of the subfund are available on request from Bellatrix Asset Management S.A. or at the registered office of the Fund. The present information note should not be considered as an offer to buy or sell shares. In order to constitute an offer, this document should be accompanied by the prospectus of the Fund, the simplified prospectus of the subfund and the latest periodic report. Although they are based on the best possible sources, the figures in this document have not been audited. Past performance is no guarantee of future performance as the net asset value of the portfolio of the subfund depends on market developments. Returns are net of management and performance fees.