



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

2016 is over and we head into 2017 with convictions!

Brexit and the U.S. elections caused plenty of chatters and concerns in 2016 and despite results going against what many would have expected these were well shrugged off by markets. But not without avoiding volatility and large swings where for example the year's low on Nikkei was the post Brexit one day sell off ... the level at the end of that day was over 20% below the starting point of 2016.

The focus in 2017 will be on elections in Europe (France and Germany at the top of the agenda), the real impact of Brexit, what a Trump presidency actually means, the eventual reversal of a decades long bond rally with the Fed leading rate increases, not mentioning the first appearance of the Chinese Premier in Davos.

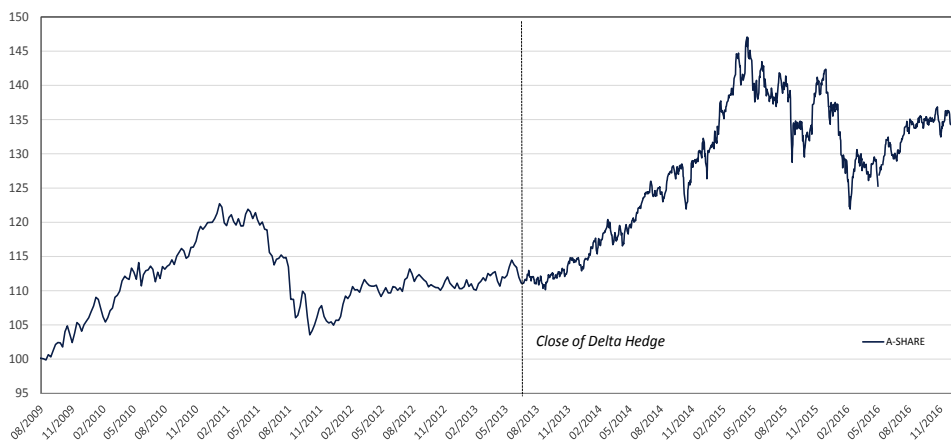
So, we expect volatility to remain because markets have anticipated deflation, tax breaks and a strong USD with Trumponomics. Convertible bonds should be the asset of choice: Schroders considers that with the potential for equity market volatility and rising interest rates, convertible bonds could prove their worth proposing a combination of low duration and long equity participation. Merrill Lynch, in its 2017 outlook, mentioned that convertible bonds are an interesting asset class if rates increase because convertibles and rates are typically inversely correlated. The reason behind this is that converti-

ble bonds are correlated with equities (we are positive due to tax cuts and deflation and our delta is over 50%) and moderately correlated with high yield or investment grade bonds. Thus, during periods of rising rates marked with equity gains, the equity component of convertible bonds is higher than the bond floor losses. We also work on adding a lower duration than the market.

Merrill Lynch and Barclays target around 6/8% return in 2017 for global convertible bonds. Liquidity remains a key market concern, though holds up better than high yields (190% market turnover for convertibles in 2016 against 110% for high yield).

We estimate that as 56% of the current Asia-ex-Japan CB universe are now Chinese issuers and 74% of bonds are investment-grade, the region should be overweight together with Europe. Also, stock-picking should remain key in 2017, and this stands well for us as this is our credo. We are keeping or building positions in US domestic cash flow positive and/or low leveraged companies. Also, in the healthcare sector which should be poised to rebound at some point (it was the only sector down in the S&P500 for 2016) and look for beneficiaries of the tax repatriation effect after the Carl Icahn nomination to the Trump team.

NAV PER SHARE SINCE INCEPTION (CLASS A)



PERFORMANCE

	A	C	H
HEDGED	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	50%	50%	9%
VOLATILITY	9.07%	6.89%	4.31%
NAV/SHARE	137.99	106.54	104.42
MONTH	1.64%	0.95%	-0.41%
2016	0.50%	-2.08%	-5.97%
2015	4.69%	-1.58%	0.95%
2014	14.17%	5.59%	9.85%
2013	3.88%	7.63%	0.15% *
2012	4.66%	1.40%	
2011	-12.34%	-7.26%	

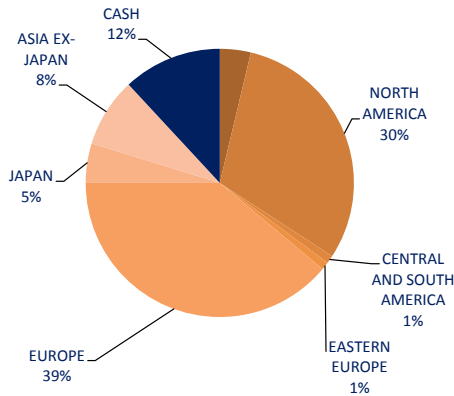
* Since 01/07/2013

MAIN HOLDINGS

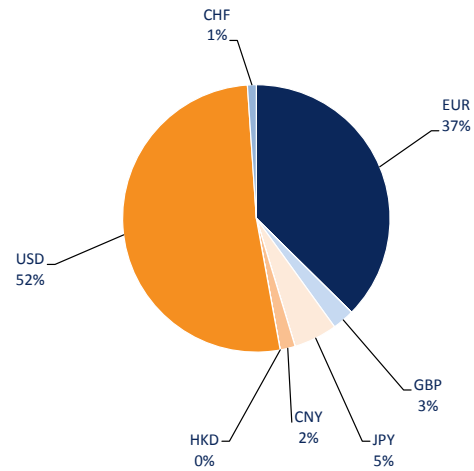
TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)
TAKE-TWO INTERACTIVE 1% 2018	USD	01/07/2018		4.48%	99%	0.00%	DRILLISCH AG 0.75% 2018 0.33%
POST HOLDING 2.5% 2049	USD			3.62%	96%	1.60%	MICRON TECHNO 1.625% 2033 0.28%
ALLERGAN PLC 5.5% 2018	USD	01/03/2018		2.97%	86%	7.28%	ALLERGAN PLC 5.5% 2018 0.24%
BANK OF AMERICA CORP 7.25% 2049	USD			2.27%	28%	6.21%	POST HOLDING 2.5% 2049 0.22%
SIEMENS FINANCIERINGSMAT 1.05% 2017	USD	16/08/2017		2.21%	13%	0.00%	TAKE-TWO INTERACTIVE 1% 2018 0.20%
PARPUBLICA / GALP 5.25% 2017	EUR	28/09/2017	28/09/2015	2.20%	47%	0.00%	
SPANSION 2% 2020	USD	01/09/2020		2.15%	100%	0.00%	CTRIIP.COM 1.25% 2018 -0.07%
DRILLISCH AG 0.75% 2018	EUR	12/12/2018		2.03%	98%	0.00%	DEPOMED INC 2.5% 2021 -0.05%
PREMIER OIL 2.5% 2018	USD	27/07/2018		2.01%	4%	23.27%	PIERRE & VACANCES SA 3.5% 2019 -0.05%
FORTIS CASHES 2.305% 2049	EUR	29/12/2049		2.00%	3%	3.30%	BAGAN 0% 2021 -0.04%
							TEVA PHARMACEUTICAL 7% 2018 -0.02%
PORTFOLIO		3.98		100%	50%	4.00%	



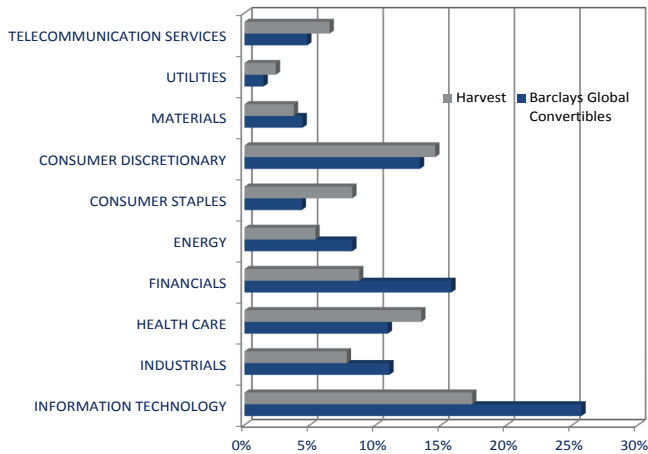
GEOGRAPHIC ALLOCATION



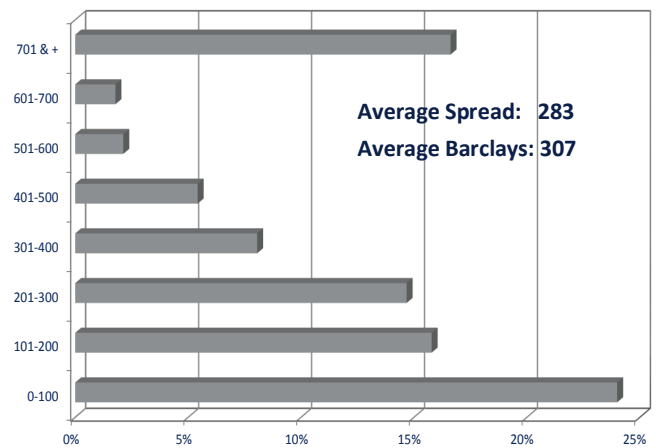
CURRENCY ALLOCATION



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 49 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			

CUSTODIAN	VP Bank (Luxembourg) SA	INVESTMENT MANAGER	Bellatrix Asset Management S.A.
SUBSCRIPTIONS / REDEMPTIONS	VP Fund Solution (Luxembourg) SA		31, bd Prince Henri L-1724 Luxembourg
CENTRAL ADMIN / TA	FAX +352 404 770 283 TEL +352 404 770 260 luxfunds@vpbank.com	ADVISOR	(+352) 26 25 66 20 info@bellatrix.lu
FUND	HARVEST INVESTMENT FUND 26, Av. de la Liberté L-1930 Luxembourg	AUDITOR	Deloitte Audit S.à.r.l
		LEGAL ADVISOR	Elvinger, Hoss & Prussen

Investment Manager's comments are expressed by Bellatrix Asset Management S.A.. Periodic reports, the prospectus of the Fund, and the simplified prospectus of the subfund are available on request from Bellatrix Asset Management S.A. or at the registered office of the Fund. The present information note should not be considered as an offer to buy or sell shares. In order to constitute an offer, this document should be accompanied by the prospectus of the Fund, the simplified prospectus of the 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.