

**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. There-

**INVESTMENT MANAGER'S COMMENTS**

Despite a nice comeback from the February lows, global convertible bonds (Thomson Reuters Global Convertible index) are still down -4.17% year to date. Our shares (A -7.48%, C -4.85%, H -6.07%) performed in line for the EUR hedge share (C) but lag for A and H mainly due to EUR/USD fluctuations. Various investments have negatively affected our hopes for outperformance, despite very nice returns on Post Holdings, Steinhoff and Marine Harvest: Our overweight into the Pharma sector which has globally under-performed because of tax inversion stress, drug pricing issues and the Valeant saga, but financials remain strong; Oil&Gas investments into **Premier Oil** and **Aabar** where credit analysts do not forecast restructuring or default and where straight bonds are priced on much lower spreads than their convertibles; and European banks preferred shares with **Cash and Fresh** declining while a call possibility remains but with Bale III long term catalyst.

The best monthly performers were **Leg Immobilien**, our German real estate investment, and **Steinhoff**, a leading European furniture retailer. On the downside, **Allergan** suffered from the review of its merger with Pfizer (we also like the company on a stand alone basis, see our previous monthly letters) and Orpea from a broker downgrade. The broker did not signal anything broken in the business model but rather a valuation view. For us, this is not a reason to sell a long-term investment since we still see value.

In the primary market, we bought **Remgro/Mediclinic 2.625% 2021**: the issuer is a well-diversified investment holding company active

since the 1950s, with an \$8bn market cap and owns 42% of Mediclinic (a company founded in 1983, based in London and constituent of the FTSE100). It is an international private hospital group with a turnover of more than \$4bn, 73 hospitals, 35 clinics and 35,000 employees with operations in UK, Switzerland, South Africa and UAE. The convertible refinances the takeover of Al Noor, the largest integrated private healthcare provider in Abu Dhabi. This is a typical convertible bond investment with 2.625% annual yield, a solid credit issuer topped by an equity pledge. Basically we are a lender to Remgro in their building of Mediclinic group and can get extra returns if they are successful in the next 5 years.

We have also initiated a position into **Suez Environnement 0% 2020**, a France-based utility company, the second largest company in water treatment and waste management globally, with nearly EUR15billion turnover and 80.000 employees. We target a 12 to 15% return based on the convertible's convexity and Exane's EUR20 target price.

On the sell side, we have reduced our **Sandisk** position as the Western Digital deal is now almost done and priced. We have also halved our investment into **Marine Harvest**: the stock has sextupled in the last 5 years, salmon price is at a decade high and its main shareholder, Mr. Friederiksen, just sold 1/3 of its holding. We considered it was a good time to take some profit. Obviously, we could come back on the name at lower levels.

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



**PERFORMANCE**

	A	C	H
<b>DELTA</b>	51%	51%	11%
<b>VOLATILITY</b>	12.14%	8.50%	5.42%
<b>NAV/SHARE</b>	127.04	103.52	104.31
<b>MONTH</b>	-1.80%	1.45%	-2.04%
<b>2016</b>	-7.48%	-4.85%	-6.07%
<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%	

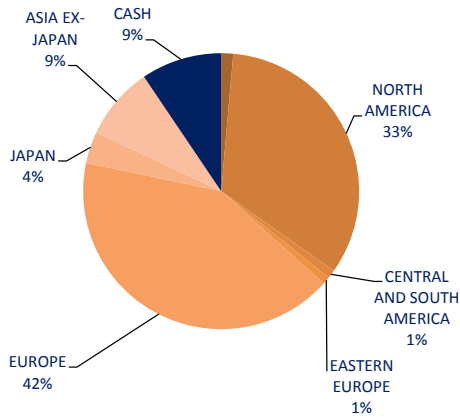
\* Since 01/07/2013

**MAIN HOLDINGS**

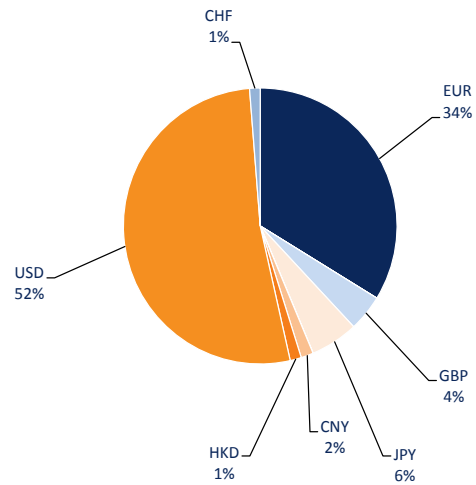
TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP
ALLERGAN PLC	USD	01/03/2018		3.92%	73%	0.00%
TAKE-TWO INTERACTIVE 1% 2018 USD	USD	01/07/2018		3.45%	100%	0.00%
POST HOLDING	USD			3.16%	97%	1.85%
FORTIS FRESH 1.686% 2049 EUR	EUR	29/08/2049		2.76%	15%	3.27%
TEVA PHARMA C 0.25% 2026 USD	USD	01/02/2026	01/02/2016	2.55%	100%	0.00%
ORPEA	EUR	01/01/2020		2.54%	91%	0.00%
PARPUBLICA / GALP 5.25% 2017 EUR	EUR	28/09/2017	28/09/2015	2.34%	27%	1.16%
BANK OF AMERICA CORP	USD			2.23%	32%	6.71%
SANDISK 1.5% 2017 USD	USD	15/08/2017		2.17%	82%	0.00%
FORTIS CASHES 2.305% 2049 EUR	EUR	29/12/2049		2.15%	5%	3.44%
<b>TOP 10 HOLDINGS</b>				<b>27.26%</b>		
<b>PORTFOLIO</b>		<b>4.63</b>		<b>100.00%</b>	<b>51%</b>	<b>2.69%</b>

TOP 5 / BOTTOM 5 (ATTRIBUTION)	
LEG IMMOBILIEN AG	0.11%
STEINHOFF FINANCE HLDG	0.10%
JANUS CAPITAL GROUP INC	0.09%
OHL INVESTMENTS SA	0.09%
GILEAD SCIENCES INC	0.06%
ETABLIS MAUREL ET PROM	-0.09%
AGEASFINLUX SA	-0.10%
DRILLISCH AG	-0.12%
ORPEA	-0.15%
ALLERGAN PLC	-0.23%

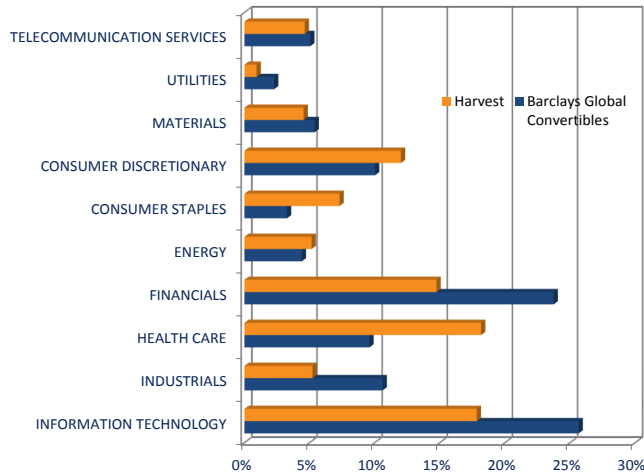
**GEOGRAPHIC ALLOCATION**



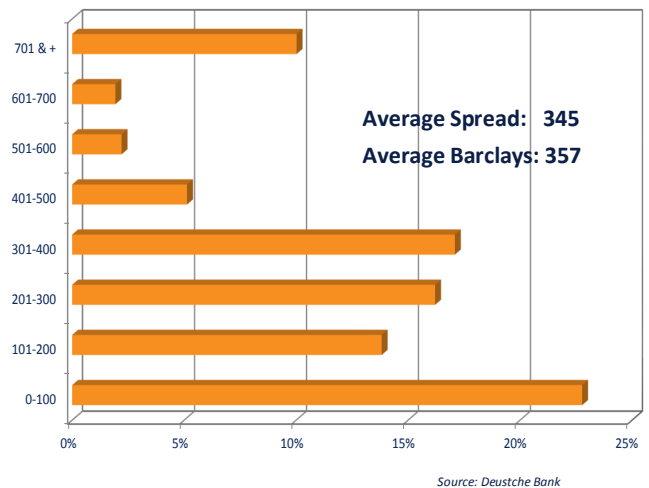
**CURRENCY ALLOCATION**



**SECTOR ALLOCATION**



**CREDIT SPREAD**



**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 45 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.