



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

Q1 2017 has been exciting for the convertible bonds: Following the end of 2016's trend, the over-priced index names, mainly in the investment grade segment, have continued to cheapen. The reason for this is that the search for bond floor cumulated with the lack of new issues has pushed the prices too high. Thus, many convertible bond funds « must » buy the likes of SNAM's new 5 year convertible bond issue. Basically, you receive no yield for 5 years and SNAM stock will have to increase by more than 50% for the investor to make any money! This is one of the reasons convertible bond investors should favour convertible bond pickers and independent funds compared to index funds. Every day we check the 'richeners' vs. 'cheapeners' in our investment universe, and even with the late cheapening of IG names, it could get nasty especially in the European segment if we see a dramatic shift in the interest rate environment. Anyway, our investment focus is on stock-picking and cheap valuations.

At the portfolio level, we have been reimbursed on one of our high yield investments in **Air Berlin 6% 2019** after having exercised our put option in March 2017 that gave us the opportunity to lock in a nice return.

- **Premier Oil** restructuring is continuing and the positive news made it one of the best performers in the European convertible bond

universe. We decided to take some money off the table and reduced our position.

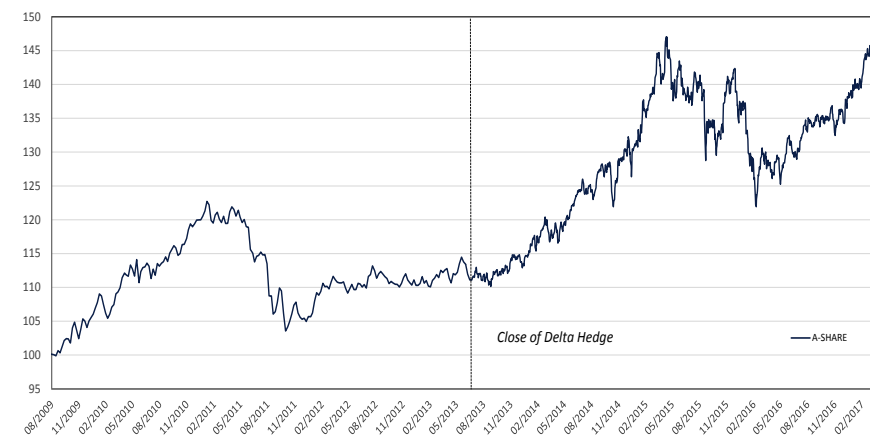
- We have initiated a new position into **Bangkok Dusit Medical 0% 2019**, which is Thailand's largest private healthcare group, founded in 1969 with nearly USD2bio revenue. The convertible bond offers a positive yield and a low premium for an expected gain of 30% to maturity in 2019. We like this investment because of the good bond floor, the yield and an average analyst target price of 40% over the actual spot price.

Fufeng 3% 2018 convertible bond continues its nice run with an increase of more than 40% in 2017 and a performance contribution this month of 0.57%. The bond could be soft called so we may be inclined to reduce our position to manage our risk when we approach our target price (see monthly report of September 2015).

Micron 1.625% 2033 continues to rise (25% YTD) and contributed 0.33% to the monthly performance. The price environment and the supply /demand imbalance but also its frontrunning in the memory space confirm our investment base case.

Marine Harvest declined and as we have been reducing our position in this long term holding (now in its 7th year) after a stellar performance, we may take the opportunity to add to the **Marine Harvest 0.125% 2020**.

NAV PER SHARE SINCE INCEPTION (CLASS A)



PERFORMANCE

	A	B	C	H
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	54%	54%	54%	10%
VOLATILITY	6.67%	6.65%	4.88%	3.12%
NAV/SHARE	146.26	135.55	112.70	106.95
MONTH	1.34%	1.29%	1.15%	0.07%
2017	5.99%	6.04%	5.82%	2.36%
2016	0.50%	1.20%	-2.11%	-5.97%
2015	4.69%	5.37%	-1.58%	0.95%
2014	14.17%	14.85%	5.59%	9.85%
2013	3.88%	4.53%	7.63%	0.15% *
2012	4.66%	5.47%	1.40%	

* Since 01/07/2013

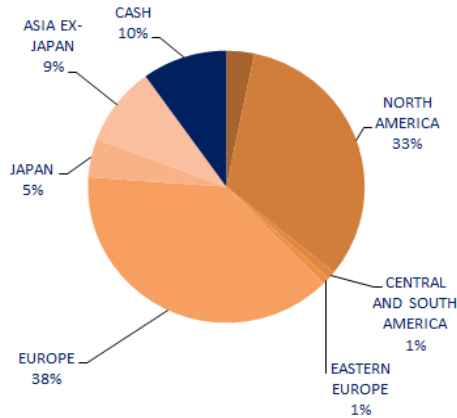
MAIN HOLDINGS

TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)
POST HOLDING 2.5% 2049	USD			3.43%	100%	1.53%	FUFENG GROUP LTD 3% 2018 0.57%
ALLERGAN PLC 5.5% 2018	USD	01/03/2018		2.96%	69%	6.51%	MICRON TECHNOLOGY 1.625% 2033 0.33%
TAKE-TWO INTERACTIVE 1% 2018	USD	01/07/2018		2.40%	97%	0.00%	ORPEA 1.75% 2020 0.17%
SPANSION 2% 2020	USD	01/09/2020		2.34%	98%	0.00%	DRILLISCH AG 0.75% 2018 0.17%
MICRON TECHNOLOGY 1.625% 2033	USD	15/02/2033	15/02/2018	2.31%	94%	0.00%	FORTIS FRESH 1.686% 2049 0.12%
SIEMENS FINANCIERINGSMAT 1.05% 2017	USD	16/08/2017		2.17%	69%	0.00%	MARINE HARVEST 0.875% 2019 -0.12%
FUFENG GROUP LTD 3% 2018	CNY	27/11/2018		2.13%	100%	0.00%	PACIRA PHARMACEUTICALS 3.25% 2019 -0.08%
FORTIS CASHES 2.305% 2049	EUR	29/12/2049		2.12%	0%	2.20%	BIOMARIN PHARMACEUTICAL 1.5% 2020 -0.05%
ORPEA 1.75% 2020	EUR	01/01/2020		2.11%	100%	0.00%	TEVA PHARMACEUTICAL INDU 7% 2018 -0.04%
BANK OF AMERICA CORP 7.25% 2049	USD			2.09%	25%	6.05%	STEINHOFF FINANCE HLDG 4% 2021 -0.04%

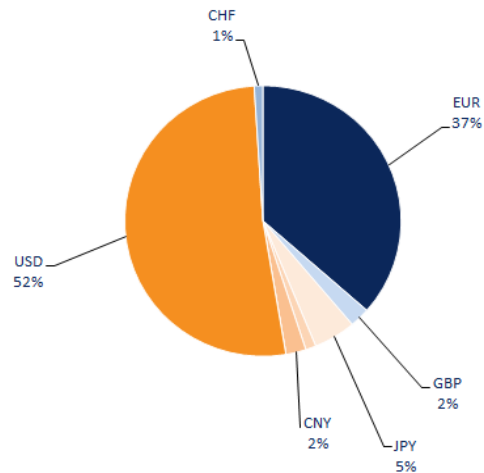
PORTFOLIO	4.12	100%	54%	10.63%
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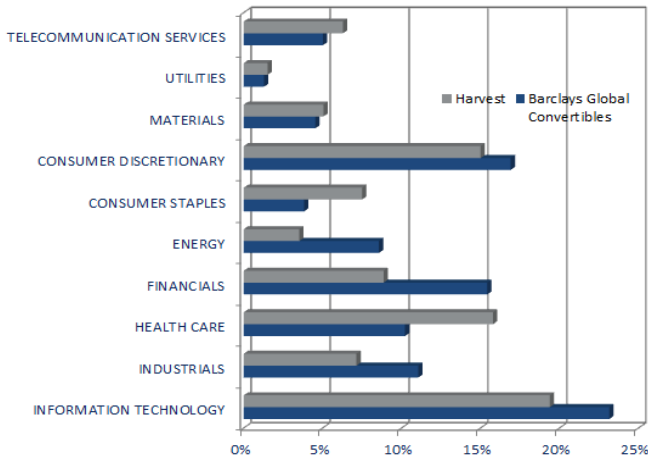
GEOGRAPHIC ALLOCATION



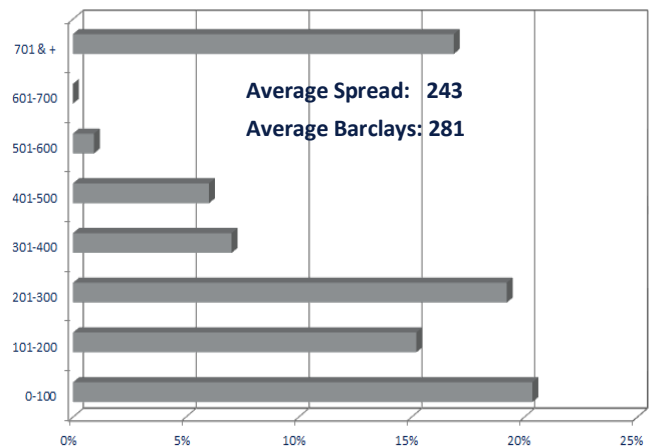
CURRENCY ALLOCATION



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 52.7 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			

DEPOSITARY BANK	VP Bank (Luxembourg) SA	MANAGEMENT COMPANY	Bellatrix Asset Management S.A.
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		AUDITOR	KPMG Luxembourg Société Coopérative
		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.