



**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**

Comments on top/bottom monthly performance contributors:

**Premier Oil 2.5% 2018** continues its come back. The company invested heavily in new oil fields whose production just started but needs to restructure its debt. It is an old and respected company and current talks with borrowers may be complicated or eased by oil price and market views in the next months. The convertible bond is the first debt to mature and represents less than 10% of its total debt.

**ServiceNow 0% 2018** delivered strong Q3 results and is ahead on all metrics (billing growth, profitability level). The company is a solid leader in cloud for the enterprise.

**Spansion 2% 2020** declined in October, but is still up year-to-date. It posted stronger than expected Q3 results and is said to have rejected a \$15 per share offer on the company compared to its actual quote of \$10. New management is in place since end of August.

**Allergan 5.5% 2018** continues to suffer with the pharmaceutical sector on US election fears for new tariffs and regulations. The Q3 results were as expected and Allergan increased its share buyback program and established a dividend.

Portfolio moves:

**LVMH 0% 2021** was sold to take profit after the stock made a nice move after good Q3 numbers. Indeed, the convertible bond now

trades at 30% implied volatility against 25% some weeks ago but still on a 30% premium. We would come back into this index name and good company if valuation comes back to market levels.

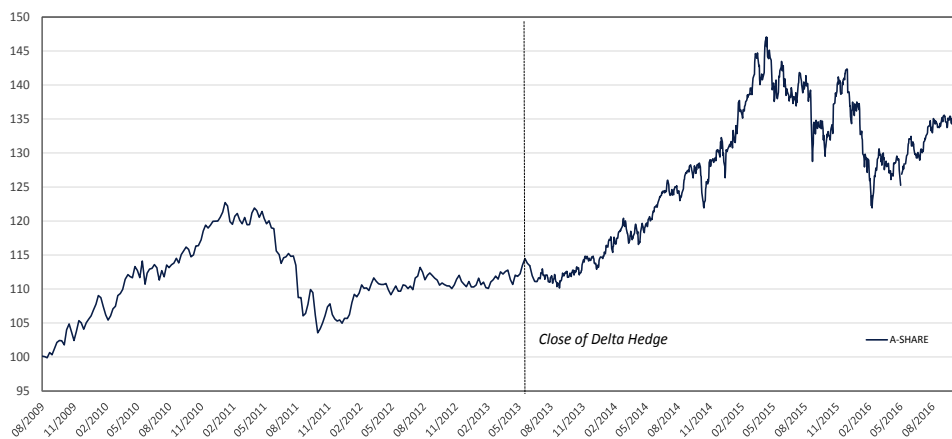
**Teva 0.25% 2026**, a convertible bond with 9% premium but callable, was switched to **Teva 7% 2018**, a preferred share. With this operation, we pick up over 8% yield and increase our delta by 10%. Thus we will outperform the common stock on the way down and all the way up to \$60 (40% over actual price).

**Steinhoff 1.25% 2023**, we increased our position at a price level below par. It is now one of our top 10 positions and we expect over 50% performance into this integrated retailer that manufactures and retails furniture and household goods mainly in Europe and Africa.

**Jazz Pharmaceuticals 1.875% 2021**, keeps its buy rating with Barclays which recognises the YTD pressure but keeps its view that 2016 is transformational for the company with execution on key pipelines assets. Barclays sees over 50% potential on the stock.

We still expect volatility in the financial markets until year-end with the US election to come and FED interest rate rise possibility. Anyway, volatility is part of investment and we consider it as positive as our portfolio is built on long term investments and business developments rather than hype and news hitting the board.

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



**PERFORMANCE**

	A	C	H
<b>HEDGED</b>	NO	CURRENCIES	CURRENCIES & DELTA
<b>DELTA</b>	47%	47%	12%
<b>VOLATILITY</b>	9.49%	7.23%	4.73%
<b>NAV/SHARE</b>	134.52	106.83	105.68
<b>MONTH</b>	0.16%	-1.40%	-0.44%
<b>2016</b>	-1.75%	-1.69%	-4.74%
<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)
TAKE-TWO INTERACTIVE 1% 2018	USD	01/07/2018		3.72%	100%	0.00%	PREMIER OIL 2.5% 2018 0.11%
POST HOLDING 2.5% 2049	USD			3.20%	97%	1.69%	SERVICENOW INC 0% 2018 0.07%
ALLERGAN PLC 5.5% 2018	USD	01/03/2018		2.79%	84%	7.46%	INMARSAT 3.875% 2023 0.03%
BANK OF AMERICA CORP 7.25% 2049	USD			2.23%	12%	5.04%	SUZUKI MOTOR CORP 0% 2023 0.03%
PREMIER OIL 2.5% 2018	USD	27/07/2018		2.15%	3%	15.42%	ASICS CORP 0% 2019 0.03%
PARPUBLICA / GALP 5.25% 2017	EUR	28/09/2017	28/09/2015	2.11%	24%	0.00%	SPANSION 2% 2020 -0.30%
DRILLISCH AG 0.75% 2018	EUR	12/12/2018		2.01%	99%	0.00%	ALLERGAN PLC 5.5% 2018 -0.18%
AMERICA MOVIL SAB DE CV 0% 2020	EUR	28/05/2020		1.97%	21%	0.55%	DEPOMED 2.5% 2021 -0.11%
FORTIS CASHES 2.305% 2049	EUR	29/12/2049		1.95%	3%	3.36%	ORPEA 1.75% 2020 -0.11%
SIEMENS FINANCIERINGSMAT 1.05% 2017	USD	16/08/2017		1.93%	13%	0.00%	TAKE-TWO INTERACTIVE 1% 2018 -0.10%
<b>PORTFOLIO</b>		<b>4.53</b>		<b>100%</b>	<b>47%</b>	<b>3.29%</b>	



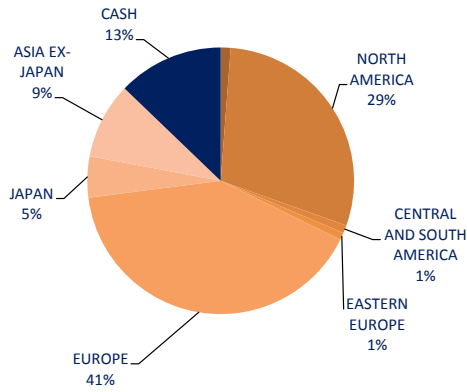
**BELLATRIX**

ASSET MANAGEMENT

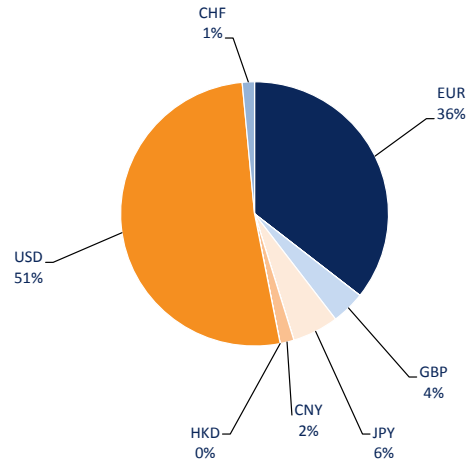
**HARVEST INVESTMENT FUND** Global Convertible UCITS IV

OCTOBER 2016

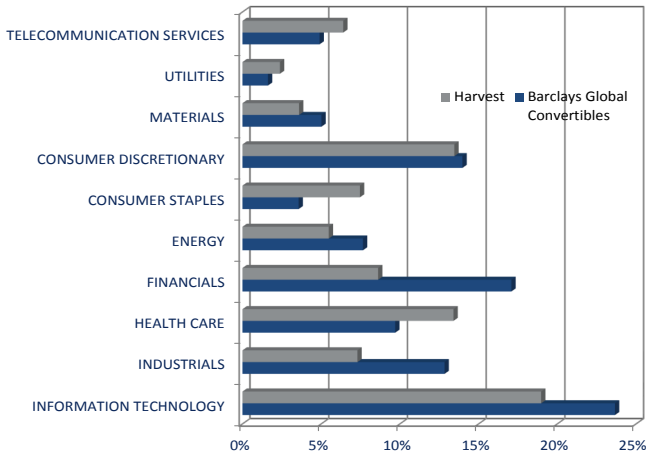
**GEOGRAPHIC ALLOCATION**



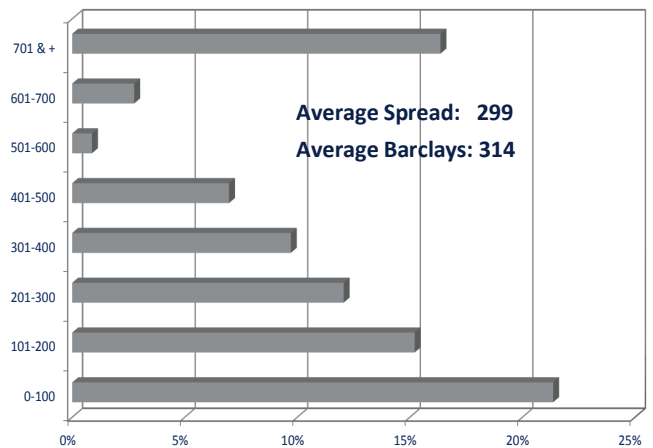
**CURRENCY ALLOCATION**



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