
Harvest Investment Fund

Harvest Investment Fund - Global Convertible

R.C.S. Luxembourg B 128 420

Unaudited Semi-Annual Report
for the period from
July 1, 2016 to December 31, 2016

Investment Company (*société d'investissement à capital variable ("SICAV")*)
pursuant to Part I of the amended Luxembourg Law of
December 17, 2010 on Undertakings for Collective Investment

Harvest Investment Fund

Unaudited Semi-Annual Report for the period from July 1, 2016 to December 31, 2016

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Subscriptions can be accepted only on the basis of the valid Sales Prospectus (with annexes) and the Key Investor Information Document together with the most recent Annual Report and, if the latter was published more than eight months ago, the most recent Semi-Annual Report.

Production: KNEIP (www.kneip.com)

Harvest Investment Fund

Management and Organization

Company:

Harvest Investment Fund
26, avenue de la Liberté
L-1930 Luxembourg, Grand Duchy of Luxembourg

Board of Directors:

Chairman:

Claude Chambre
Managing Director
Harvest Advisory S.A.,
Luxembourg

Members:

Romain Moebus
Member of the Management Committee
VP Bank (Luxembourg) SA,
Luxembourg

François Haquenne
Executive Director
Bellatrix Asset Management SA,
Luxembourg

Stéphane Francfort
181 bd Bineau
F-92200 Neuilly/Seine, France

Philippe Van Sichelen
39, rue Goethe
L-1637 Luxembourg, Grand Duchy of Luxembourg

Management Company:

Bellatrix Asset Management S.A.
31, boulevard Prince Henri
L-1724 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Management Company:

Alain Würbler
Chairman of the Board of Directors
Bellatrix Asset Management S.A.,
Luxembourg

François Haquenne
Executive Director
Bellatrix Asset Management S.A.,
Luxembourg

Philippe Mermod
Director
Bellatrix Asset Management S.A.,
Luxembourg

Pascal Würbler
Director
Bellatrix Asset Management S.A.,
Luxembourg

Administrative and Domiciliary Agent, Registrar and Transfer Agent:

VP Fund Solutions (Luxembourg) SA
26, avenue de la Liberté
L-1930 Luxembourg, Grand Duchy of Luxembourg

Custodian Bank and Paying Agents:

VP Bank (Luxembourg) SA
26, avenue de la Liberté
L-1930 Luxembourg, Grand Duchy of Luxembourg

Investment Manager:

Bellatrix Asset Management S.A.
31, boulevard Prince Henri
L-1724 Luxembourg, Grand Duchy of Luxembourg

Investment Advisor and Coordinator:

Harvest Advisory S.A.
31, boulevard Prince Henri
L-1724 Luxembourg, Grand Duchy of Luxembourg

Auditor of the Fund:

KPMG Luxembourg, Société coopérative
39, avenue John F. Kennedy
L-1855 Luxembourg, Grand Duchy of Luxembourg

Legal Advisor for the company:

Elvinger Hoss Prussen
société anonyme
2, place Winston Churchill
L-1340 Luxembourg

Registration Numbers:

Luxembourg R.C.S. B 128 420
Luxembourg VAT number LU23764919

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Statement of net assets as at December 31, 2016

	Note	EUR
ASSETS		
Investment portfolio at market value		43,520,802.65
<i>Cost</i>		<i>39,806,457.45</i>
Cash held with custodian bank	(11)	5,740,674.78
Variation margin		11,949.01
Interest receivable on current accounts		114,257.81
Dividend receivable		12,029.45
TOTAL ASSETS		49,399,713.70
LIABILITIES		
Unrealised loss on forward contracts (futures)	(13)	-11,949.00
Unrealised loss on forward foreign exchange contracts	(14)	-40,511.36
Other liabilities	(8)	-196,329.07
TOTAL LIABILITIES		-248,789.43
Total net assets		49,150,924.27
Net assets per share		
Class A		137.99
Class B		127.83
Class C		106.50
Class H		104.42
Number of shares		
Class A		140,044.575
Class B		179,097.696
Class C		16,637.254
Class H		49,429.876

Statement of changes in net assets for the period from July 1, 2016 to December 31, 2016

	Note	EUR
Net assets at the beginning of the period		49,092,824.04
Subscriptions		
Class A		454,379.88
Class B		700,725.83
Class C		0.00
Class H		0.00
Redemptions		
Class A		-836,639.76
Class B		-1,350,649.86
Class C		-143,556.30
Class H		-1,175,053.43
Result for the period		2,408,893.87
NET ASSETS AT THE END OF THE PERIOD		49,150,924.27

The accompanying notes form an integral part of these financial statements.

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Changes in number of shares in issue

Class A		
Shares in issue at the beginning of the period		142,825.126
Number of shares subscribed		3,386.000
Number of shares redeemed		-6,166.551
Shares in issue at the end of the period		140,044.575
Class B		
Shares in issue at the beginning of the period		184,200.696
Number of shares subscribed		5,644.000
Number of shares redeemed		-10,747.000
Shares in issue at the end of the period		179,097.696
Class C		
Shares in issue at the beginning of the period		17,973.226
Number of shares subscribed		0.000
Number of shares redeemed		-1,335.972
Shares in issue at the end of the period		16,637.254
Class H		
Shares in issue at the beginning of the period		60,596.243
Number of shares subscribed		0.000
Number of shares redeemed		-11,166.367
Shares in issue at the end of the period		49,429.876

Statement of operations for the period from July 1, 2016 to December 31, 2016

	Note	EUR
INCOME		
Dividends		107,796.54
Interest on bonds		294,266.04
TOTAL INCOME		402,062.58
CHARGES		
Bank interest		-3,020.89
Portfolio management fee	(4)	-50,704.87
Management company and investment advisory fee	(4)	-342,759.22
Depository bank and central administration fee	(5)	-55,703.77
Service fee	(5)	-2,605.93
Taxe d'abonnement	(7)	-7,848.60
Trading fees on securities payable		-3,449.44
Audit fees payable		-13,090.02
Other charges		-7,965.86
TOTAL CHARGES		-487,148.60
Net income		-85,086.02
Realised profit on investment		169,625.80
Realised loss on foreign exchange		-2,345.71
Realised loss on futures contracts		-249,588.44
Realised loss on forward foreign exchange contracts		-249,579.97
Net Realized Result		-416,974.34
Unrealised profit on securities		2,564,156.35
Unrealised profit on foreign exchange		212,675.08
Unrealised loss on futures		-52,820.01
Unrealised profit on forward foreign exchange contracts		101,856.79
Result for the period		2,408,893.87

The accompanying notes form an integral part of these financial statements.

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Composition of Portfolio as at December 31, 2016

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
SECURITIES					
Exchange-traded securities					
Equities					
Ireland					
Allergan PLC 5.50% 01/03/2018 IE00BY9D6T89	2,000	USD	1,808,144.35	1,445,828.83	2.9
Total Ireland			1,808,144.35	1,445,828.83	2.9
United States					
Bank of America Corp 7.25% US0605056821	1,000	USD	1,018,811.59	1,106,283.00	2.3
Tyson Foods Inc 4.75% 15/07/2017 US9024943014	3,000	USD	190,377.03	192,423.84	0.4
Total United States			1,209,188.62	1,298,706.84	2.6
Total Equities			3,017,332.97	2,744,535.67	5.6
Convertible Bonds					
Austria					
Steinhoff Finance Holding GmbH 1.25% 21/10/2023 XS1398317484	500,000	EUR	498,399.55	499,900.00	1.0
Steinhoff Finance Holding GmbH 4.00% 30/01/2021 XS1023684282	500,000	EUR	715,000.00	709,750.00	1.4
Total Austria			1,213,399.55	1,209,650.00	2.5
Belgium					
Ablynx NV 3.25% 27/05/2020 BE6278650344	400,000	EUR	464,400.00	433,992.00	0.9
Total Belgium			464,400.00	433,992.00	0.9
Bermudas					
Jazz Investments I Ltd 1.875% 15/08/2021 US472145AB79	500,000	USD	454,831.82	456,678.33	0.9
Total Bermudas			454,831.82	456,678.33	0.9
Cayman Islands					
Fufeng Group Ltd 3.00% 27/11/2018 XS0992582253	5,000,000	CNY	745,985.43	790,851.04	1.6
China Overseas Finance Investment Cayman V Ltd 05/01/2023 XS1333468301	400,000	USD	360,855.85	378,533.10	0.8
Ctrip.com International Ltd 1.25% 15/10/2018 US22943FAD24	500,000	USD	685,285.99	547,993.13	1.1
Vipshop Holdings Ltd 1.50% 15/03/2019 US92763WAA18	500,000	USD	481,374.99	469,800.50	1.0
Total Cayman Islands			2,273,502.26	2,187,177.77	4.4
France					
Etablissements Maurel et Prom 2.75% 01/07/2021 FR0012738144	50,000	EUR	497,023.97	554,550.00	1.1

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Composition of Portfolio (continued) as at December 31, 2016

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Orpea 1.75% 01/01/2020 FR0011534874	12,000	EUR	725,139.08	978,360.00	2.0
Pierre & Vacances SA 3.50% 01/10/2019 FR0011732759	15,000	EUR	560,011.01	608,265.00	1.2
Suez 27/02/2020 FR0011766120	20,000	EUR	418,400.00	388,040.00	0.8
Total France			2,200,574.06	2,529,215.00	5.1
Germany					
Deutsche Post AG 0.60% 06/12/2019 DE000A1R0VM5	500,000	EUR	631,500.00	746,150.00	1.5
Drillisch AG 0.75% 12/12/2018 DE000A1X3GS9	500,000	EUR	901,250.00	984,470.00	2.0
Total Germany			1,532,750.00	1,730,620.00	3.5
Great Britain					
Vodafone Group PLC 26/11/2020 MTN XS1325649140	500,000	GBP	587,645.18	571,809.49	1.2
Inmarsat PLC 3.875% 09/09/2023 XS1486508887	600,000	USD	537,804.04	597,253.44	1.2
Total Great Britain			1,125,449.22	1,169,062.93	2.4
Hong Kong					
Bagan Capital Ltd 23/09/2021 XS1486565507	800,000	USD	717,736.84	761,715.86	1.5
Total Hong Kong			717,736.84	761,715.86	1.5
Italy					
Azimut Holding SpA 2.125% 25/11/2020 XS0994784030	500,000	EUR	535,250.00	518,165.00	1.1
Safilo Group SpA 1.25% 22/05/2019 XS1069899232	500,000	EUR	455,000.00	474,675.00	1.0
Total Italy			990,250.00	992,840.00	2.0
Japan					
Asics Corp 01/03/2019 XS1030986613	50,000,000	JPY	420,561.31	451,347.81	0.9
Sony Corp JP343500PF78	100,000,000	JPY	785,089.76	857,025.15	1.7
Suzuki Motor Corp 31/03/2023 XS1374502919	50,000,000	JPY	433,997.92	489,512.20	1.0
Unicharm Corp 25/09/2020 XS1280133775	50,000,000	JPY	459,855.34	488,865.97	1.0
Total Japan			2,099,504.33	2,286,751.13	4.7
Jersey					
PT Jersey Ltd 0.50% 19/11/2019 XS1139088402	500,000	EUR	587,129.38	574,500.00	1.2
Remgro Jersey GBP Ltd 2.625% 22/03/2021 XS1383319974	500,000	GBP	637,318.50	588,504.06	1.2
Premier Oil Finance Jersey Ltd 2.50% 27/07/2018 MTN XS0849021877	1,500,000	USD	1,321,392.52	1,031,593.73	2.1
Total Jersey			2,545,840.40	2,194,597.79	4.5

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Composition of Portfolio (continued) as at December 31, 2016

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Luxembourg					
OHL Investments SA 4.00% 25/04/2018 XS0911796364	500,000	EUR	512,500.00	462,350.00	0.9
SAF-Holland SA 1.00% 12/09/2020 DE000A1ZN7J4	500,000	EUR	617,250.00	617,255.00	1.3
Total Luxembourg			1,129,750.00	1,079,605.00	2.2
Mexico					
America Movil SAB de CV 28/05/2020 XS1238034695	1,000,000	EUR	999,500.00	971,550.00	2.0
Total Mexico			999,500.00	971,550.00	2.0
Netherlands					
Koninklijke BAM Groep NV 3.50% 13/06/2021 XS1431302741	500,000	EUR	490,250.00	552,020.00	1.1
NXP Semiconductors NV 1.00% 01/12/2019 US62952QAB68	500,000	USD	484,344.75	539,042.74	1.1
Siemens Financieringsmaatschappij NV 1.05% 16/08/2017 DE000A17D8L7	1,000,000	USD	964,780.69	1,064,280.66	2.2
Yandex NV 1.125% 15/12/2018 US98474TAB35	500,000	USD	378,675.22	452,734.09	0.9
Total Netherlands			2,318,050.66	2,608,077.49	5.3
Norway					
Marine Harvest ASA 0.125% 05/11/2020 NO0010748742	100,000	EUR	100,000.00	123,292.00	0.3
Marine Harvest ASA 0.875% 06/05/2019 NO0010710395	500,000	EUR	546,375.00	897,550.00	1.8
Total Norway			646,375.00	1,020,842.00	2.1
Spain					
NH Hotel Group SA 4.00% 08/11/2018 XS0989390249	500,000	EUR	542,687.81	537,240.00	1.1
Pescanova** SA 5.125% 20/04/2017 XS0617215099	250,000	EUR	226,875.00	9,437.50	0.0
Total Spain			769,562.81	546,677.50	1.1
Switzerland					
Basilea Pharmaceutica AG 2.75% 23/12/2022 CH0305398148	500,000	CHF	466,711.39	471,268.66	1.0
Total Switzerland			466,711.39	471,268.66	1.0
United Arab Emirates					
Aabar Investments PJSC 0.50% 27/03/2020 MTN XS1210352784	500,000	EUR	500,000.00	420,630.00	0.9
Aabar Investments PJSC 1.00% 27/03/2022 MTN XS1210362239	500,000	EUR	500,000.00	384,940.00	0.8
Total United Arab Emirates			1,000,000.00	805,570.00	1.6
United States					
Brookdale Senior Living Inc 2.75% 15/06/2018 US112463AA27	500,000	USD	488,431.22	462,808.01	0.9

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Composition of Portfolio (continued) as at December 31, 2016

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Citrix Systems Inc 0.50% 15/04/2019 US177376AD23	500,000	USD	481,075.07	545,177.17	1.1
Depomed Inc 2.50% 01/09/2021 US249908AA20	500,000	USD	414,880.85	542,522.40	1.1
Liberty Media Corp 1.375% 15/10/2023 US531229AB89	500,000	USD	448,484.26	512,869.50	1.0
Palo Alto Networks Inc 01/07/2019 US697435AB13	500,000	USD	572,320.28	604,904.89	1.2
Royal Gold Inc 2.875% 15/06/2019 US780287AA66	500,000	USD	414,425.40	503,610.97	1.0
RTI International Metals Inc 1.625% 15/10/2019 US74973WAB37	500,000	USD	364,079.24	493,029.79	1.0
salesforce.com Inc 0.25% 01/04/2018 US79466LAD64	500,000	USD	555,979.49	555,559.24	1.1
ServiceNow Inc 01/11/2018 US81762PAB85	500,000	USD	371,874.39	561,769.52	1.1
Take-Two Interactive Software Inc 1.00% 01/07/2018 US874054AD16	1,000,000	USD	774,191.45	2,182,244.67	4.4
The Priceline Group Inc 1.00% 15/03/2018 US741503AQ92	500,000	USD	671,556.60	745,996.74	1.5
Total United States			5,557,298.25	7,710,492.90	15.7
Total Convertible Bonds			28,505,486.59	31,166,384.36	63.4
Total Exchange-traded securities			31,522,819.56	33,910,920.03	69.0
Transferable Securities dealt on other regulated market					
Equities					
Bermudas					
Bunge Ltd 4.875% BMG169622047	5,000	USD	423,554.67	484,069.92	1.0
Total Bermudas			423,554.67	484,069.92	1.0
Israel					
Teva Pharmaceutical Industries Ltd 7.00% 15/12/2018 IL0062905489	1,200	USD	852,758.78	733,855.88	1.5
Israel			852,758.78	733,855.88	1.5
United States					
Mandatory Exchangeable Trust 5.75% 03/06/2019 US56262P1093	3,000	USD	292,316.06	310,108.15	0.6
Total United States			292,316.06	310,108.15	0.6
Total Equities			1,568,629.51	1,528,033.95	3.1
Total Transferable Securities dealt on other regulated market			1,568,629.51	1,528,033.95	3.1

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Composition of Portfolio (continued) as at December 31, 2016

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Unlisted securities					
Equities					
United States					
Post Holdings Inc 2.50% US7374468079	12,000	USD	895,149.14	1,763,882.34	3.6
Total United States			895,149.14	1,763,882.34	3.6
Total Equities			895,149.14	1,763,882.34	3.6
Convertible Bonds					
Belgium					
BNP Paribas Fortis SA FRN BE0933899800	1,500,000	EUR	790,000.00	995,940.00	2.0
Recticel SA 5.00% 23/07/2017 BE0933133903	500,000	EUR	493,750.00	515,285.00	1.0
Total Belgium			1,283,750.00	1,511,225.00	3.1
Luxembourg					
Ageasfinlux SA FRN XS0147484074	1,750,000	EUR	786,288.62	850,220.00	1.7
Total Luxembourg			786,288.62	850,220.00	1.7
Netherlands					
Air Berlin Finance BV 6.00% 06/03/2019 DE000A1HGM38	500,000	EUR	507,500.00	456,515.00	0.9
Total Netherlands			507,500.00	456,515.00	0.9
Portugal					
Parpublica - Participacoes Publicas SGPS SA 5.25% 28/09/2017 MTN PTPETROM0005	1,000,000	EUR	1,005,588.30	1,082,640.00	2.2
Total Portugal			1,005,588.30	1,082,640.00	2.2
Spain					
Pescanova** SA 8.75% 17/02/2019 XS0746573897	500,000	EUR	508,750.00	18,875.00	0.0
Total Spain			508,750.00	18,875.00	0.0
United States					
Micron Technology Inc 1.625% 15/02/2033 US595112AU73	500,000	USD	909,551.97	956,269.21	1.9
Pacira Pharmaceuticals Inc/DE 3.25% 01/02/2019 US695127AB69	300,000	USD	347,211.11	394,709.22	0.8

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Composition of Portfolio (continued) as at December 31, 2016

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Spanion LLC 2.00% 01/09/2020 US84649PAL94	500,000	USD	471,219.24	1,047,512.90	2.1
Total United States			1,727,982.32	2,398,491.33	4.9
Total Convertible Bonds			5,819,859.24	6,317,966.33	12.9
Total Unlisted securities			6,715,008.38	8,081,848.67	16.4
TOTAL SECURITIES			39,806,457.45	43,520,802.65	88.5
DERIVATIVES					
EUSTX50 Future Mar/17	-30	EUR	-	-18,000.00	0.0
MSCI EM Mini Future Mar/17	-1	USD	-	668.43	0.0
Nasdaq 100 E-Mini Fut Mar/17	-7	USD	-	347.97	0.0
Russell 2000 Mini Fut Mar/17	-4	USD	-	3,015.07	0.0
S&P500 E-Mini Future Mar/17	-3	USD	-	2,019.53	0.0
TOTAL DERIVATIVES			-	-11,949.00	0.0
TOTAL INVESTMENT PORTFOLIO			39,806,457.45	43,508,853.65	88.5

** These securities are in default - please refer to note 15.

Minor rounding differences may occur due to the rounding of percentages.

Details of changes in investments for the period concerned are available, free of charge, at the Company's head office as well as at all Paying Agents.

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Notes to the Unaudited Semi-Annual Report for the period from July 1, 2016 to December 31, 2016

1. General

Harvest Investment Fund (the “Fund”) was incorporated as an open-ended investment company (*société d'investissement à capital variable* (“SICAV”)) with multiple sub-funds (“Sub-Funds”) governed by Luxembourg law, established in accordance with the provisions of Part I of the amended Law of December 17, 2010 (the “2010 Law”) relating to undertakings for collective investment.

The Fund was incorporated for an indefinite period on May 10, 2007. The duration of the Sub-Funds may be limited. On incorporation all the Shares representing the initial capital were subscribed for and were fully paid. The Articles of Incorporation were published in the *Mémorial, Recueil des Sociétés et Associations* on July 18, 2007. The Articles of Incorporation are on file with the *Registre de Commerce et des Sociétés of Luxembourg*.

The Fund contains one Sub-Fund with several Classes of Shares which were active at the date of the report:

Harvest Investment Fund - Global Convertible:

- Class A, B, C and H: Shares in EUR
 - o Class A, C and H Shares: are available to all investors
 - o Class B Shares: are available only to institutional investors

As of July 1, 2013 the Board of Directors of the Fund has designated Bellatrix Asset Management S.A. to act as Management Company for the Fund under the terms of the Management Company Services Agreement dated July 1, 2013. The Management Company is a public limited company (“société anonyme”). Its Articles of Incorporation dated March 30, 2007 allow it to act as a Management Company for undertakings for collective investment, currently in accordance with Chapter 15 of the 2010 Law. It exists for an unlimited period of time. As such, the Management Company will perform and render without limitation: (i) investment management services, and (ii) marketing, principal distribution and sales services.

Bellatrix Asset Management S.A. is also acting as Management Company for other Luxembourg investment funds, the names of which are available upon request from the Management Company.

The accounting year of the Company commences on July 1 and ends on June 30 of the following year.

2. Summary of significant accounting policies

The financial statements of the Fund are prepared in accordance with generally accepted accounting policies and Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. The combined financial statements are expressed in EUR.

a) Foreign currency translation

Investments as well as other assets and liabilities stated in foreign currencies are translated at the exchange rates prevailing as at the date of the report. The costs of investments are translated at historical exchange rates. Transactions in foreign currency during the period are translated at the rates prevailing at the date of transaction. Realised and net change in unrealised exchange gains and losses, if any, are recorded in the statement of operations of the Sub-Fund.

b) Investments

The value of securities, which are traded on a stock exchange or traded on another regulated market providing reliable price quotations, are valued at the latest price available on the valuation day.

In the event that any securities held in the portfolio are not listed on any stock exchange or not traded on any other regulated market or if the price obtained as described above is not representative of the fair market value of the securities, the value of such securities will be based on the reasonably foreseeable sales price determined prudently and in good faith in accordance with generally accepted valuation principles.

The cost of investments sold is determined on the basis of the weighted average price method.

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2. Summary of significant accounting policies (continued)

c) Forward foreign exchange contracts

Outstanding forward foreign exchange contracts as of year/period-end are evaluated based on forward currency rates for the remaining period up to final maturity. Realised and net change in unrealised exchange gains and losses, if any, are recorded in the statement of operations of the Sub-Fund. To the extent that forward foreign exchange contracts are contracted to hedge the currency exposure of a given share class, such results are directly attributed to that respective share class.

d) Futures contracts

Initial margin deposits are made upon entering into futures contracts and can be made either in cash or securities. During the period for which the futures contract is open, changes in the value of the contract are recognised as unrealised gains or losses by marking to market on a daily basis to reflect the value of the contract at the end of each day's trading. Variation margin payments are made or received, depending on whether unrealised gains or losses are incurred. When the contract is closed, the Sub-Fund records a realised gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the SubFund's basis in the contract.

Futures contracts remaining open at the closing date are valued by reference to the last known market price. Any unrealised gains and losses are included in the statement of net assets.

e) Income recognition

Interest income is accounted for net on an accrual basis.

Dividends are recorded at the date upon which the relevant security becomes ex-dividend, to the extent information thereon is reasonably available to the Sub-Fund. These are presented for net of any applicable withholding taxes in the relevant country.

3. Net asset value

a) Computation

The net asset value per share is expressed in the currency of the relevant Sub-Fund and is determined as of each business day ("Valuation Day"), by dividing the net assets of the relevant Sub-Fund or Class of Shares by the number of Shares issued and outstanding in the relevant Sub-Fund or Class of Shares.

b) Redemption of Shares

Each shareholder of a Sub-Fund has the right to request at any time the redemption of his/her Shares at an amount equal to the net asset value of the relevant Sub-Fund as described in the preceding paragraph.

For each Sub-Fund, the Fund may temporarily suspend the calculation of the net asset value per share, the redemption and the conversion of Shares under certain well-defined circumstances as disclosed in the prospectus of the Fund.

4. Management company and investment advisory fees

In accordance with the agreements signed on July 1, 2013, the Sub-Fund pays on a quarterly basis to the Investment Advisor and Coordinator a fee accrued on each Valuation Day up to 1.85% p.a. for Class A, Class C and Class H Shares and up to 1.20% p.a. for Class B Shares, calculated on the average net asset value of the respective Classes of Shares, out of which a Management Company fee and Investment Management fee is accrued on each Valuation Day up to 0.50% p.a. for each Classes of Shares, calculated on the average net asset value of the respective Classes of Shares. These fees are recorded under the heading "Investment advisory and management fees" in the statement of operations.

5. Depositary bank and central administration fees

The commissions and fees for the Administrative and Domiciliary Agent, Registrar and Transfer Agent and Depositary Bank and Paying Agent are calculated as a percentage per year of the average total net assets of the related Sub-Fund and paid on a monthly basis as defined in the agreements dated July 1, 2013 and October 1, 2016, respectively.

These fees are recorded under the heading "Custodian and central administration fees" in the statement of operations.

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6. Performance fee

In addition to the “Investment advisory and management fee”, a performance fee may be paid to the Investment Advisor and Coordinator on a quarterly basis in relation to Class A, Class B, Class C and Class H Shares. The Investment Advisor and Coordinator will be entitled to a performance fee calculated and due in relation of each valuation day for each Share and fraction thereof in issue at the rate of 15% of the difference – if positive – between:

- the net asset value per Share before deduction of the daily performance fee to be calculated, but after deduction of all other fees attributable to the respective Class of Shares, including but not limited to the Investment Advisory and management fee;

and

- the greater of (“High Water Mark”)

- i) the highest net asset value per Share of the Class recorded on any preceding day since the launch date of the relevant share class.

and

- ii) the last net asset value per Share of the Class recorded for the immediately preceding Valuation Day when performance fees were provisioned (the “Last Provision”) increased by the performance of the reference index, 3 month EUR Libor (ticker ECCOTR03 Index) since the last provision.

In relation to Classes of Shares launched during the financial year of the Fund, the initial High Water Mark shall be equal to the initial subscription price of such Class of Shares.

The amounts so accumulated during each calendar quarter shall be paid out of the Sub-Fund to the Investment Advisor and Coordinator after each calendar quarter end.

For the period ended December 31, 2016, no performance fee was due.

7. Taxes

Under current law and practice the Fund is not liable to any Luxembourg income tax, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholding tax.

However, the Fund is liable in Luxembourg to a *taxe d'abonnement* of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the net asset value of the Fund at the end of the relevant quarter. The reduced *taxe d'abonnement* rate of 0.01 % per annum will be applicable to Classes of Shares which are exclusively held by Institutional Investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

Under current law and practice, it is anticipated that no Luxembourg capital gains tax will be payable on the realised or unrealised capital appreciation of the assets of the Fund.

Interest and dividend income may be subject to non-recoverable withholding tax in the country of origin.

8. Other liabilities

The item “Other liabilities” includes as yet liabilities from pending transactions and unpaid expenses during the current financial period. This includes inter alia the “*taxe d'abonnement*”, management company fee, all-in fee, audit fee and Advisory fee.

9. Transactions costs

In accordance with the 2010 Law, the transaction costs are included within the cost of the securities when purchased and in the net realised on securities when sold. In relation to futures, these costs are disclosed in the statement of operations under “Trading fees on securities payable” for open positions and in the net realised on future contracts for the closed positions. They are representing custodian and broker transaction fees during the reporting period.

For the period ended December 31, 2016 the transaction costs amounted to a total of EUR 32,027.70.

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10. Exchange rates

The following middle-market rates of exchange as at the balance sheet date were used for the conversion of all assets denominated in currencies other than the Euro:

1	EUR	=	0.85357	British Pounds	(GBP)
1	EUR	=	123.02042	Japanese Yen	(JPY)
1	EUR	=	7.33001	Chinese Yuan	(CNY)
1	EUR	=	1.07200	Swiss Franc	(CHF)
1	EUR	=	1.05470	US Dollars	(USD)

11. Bank deposits/liabilities

The bank deposits/liabilities with the Custodian Bank at the balance sheet date are divided as follows:

Bank deposits/liabilities in foreign currency	Currency	Equivalent in Euro
220,652.84	CHF	205,832.87
1,924,022.52	EUR	1,924,022.52
538,564.86	GBP	630,954.96
3,142,871.95	USD	2,979,864.43
Total		5,740,674.78

12. Related parties

All transactions with related parties were entered into the ordinary course of business and under normal commercial terms. The related parties to the Fund are the Investment Manager, Investment Advisor and Coordinator and the Management Company. The fees for transactions with the related parties are described in Note 4 and Note 6.

As of December 31, 2016, the Sub-Fund had not invested in related parties and there were no significant shareholdings in the Fund by any member of the Board of Directors of the Fund.

13. Future contracts

The transaction costs for the future contracts are disclosed as costs.

As at December 31, 2016 the following future contracts were open for class H:

	Quantity	Description	Currency	Commitment	% of NAV
Sale	-1	MSCI EM Mini Future Mar/17	USD	40,717.62	0.08
Sale	-7	Nasdaq 100 E-Mini Fut Mar/17	USD	645,641.47	1.31
Sale	-3	S&P500 E-Mini Future Mar/17	USD	318,032.66	0.65
Sale	-4	Russell 2000 Mini Fut Mar/17	USD	257,304.66	0.52
Sale	-30	EUSTX50 Future Mar/17	EUR	983,100.00	2.00
Total Sales				2,244,796.41	4.56

14. Forward foreign exchange contracts

As at December 31, 2016 the following forward exchange contracts, only held for hedging purposes and traded with VP Bank (Luxembourg) SA as counterparty were outstanding:

Class C:

Maturity	Purchases	Currency	Contract Rate	Sales	Currency
30.06.2017	236,138.66	EUR	1.0587	250,000.00	USD
31.03.2017	446,588.07	EUR	1.1196	500,000.00	USD
31.03.2017	5,000,000.00	JPY	114.971	43,488.06	EUR
31.03.2017	46,003.45	EUR	0.8695	40,000.00	GBP
31.03.2017	123,719.18	EUR	113.1595	14,000,000.00	JPY
30.06.2017	176,304.65	EUR	0.8508	150,000.00	GBP

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14. Forward foreign exchange contracts (continued)

Class H:

Maturity	Purchases	Currency	Contract Rate	Sales	Currency
31.03.2017	893,176.13	EUR	1.1196	1,000,000.00	USD
31.03.2017	119,104.34	EUR	0.8396	100,000.00	GBP
31.03.2017	15,000,000.00	JPY	115.217	130,189.12	EUR
31.03.2017	397,668.78	EUR	113.1595	45,000,000.00	JPY
30.06.2017	472,277.32	EUR	1.0587	500,000.00	USD
30.06.2017	70,000.00	GBP	0.8654	80,887.45	EUR

The unrealised result on these forward foreign exchange transactions amounts to EUR -40,511.36 and is presented in the Statements of net assets.

15. Illiquid securities

As at December 31, 2016, the following securities were in default:

ISIN	Security description	Situation
XS0617215099	PESCANOVA SA 200411 / 200417 5.125%	Low liquid since March 2013, however, pricing sources are still available
XS0746573897	PESCANOVA SA 170212 / 170219 8.75%	Low liquid since March 2013, however, pricing sources are still available

Statement of changes in net assets

		Net assets		Net assets per share Class A		Net assets per share Class B		Net assets per share Class C		Net assets per share Class H
Harvest Investment Fund - Global Convertible										
June 30, 2014	EUR	41,564,795.82	EUR	124.33	EUR	113.29	EUR	112.56	EUR	106.38
June 30, 2015	EUR	47,336,889.19	EUR	137.59	EUR	126.14	EUR	110.70	EUR	112.04
June 30, 2016	EUR	49,092,824.04	EUR	130.52	EUR	120.49	EUR	104.19	EUR	105.38
December 31, 2016	EUR	49,150,924.27	EUR	137.99	EUR	127.83	EUR	106.50	EUR	104.42

Shareholder Information

The articles of incorporation, the prospectus, the key investor information documents, the statement of changes in the composition of the portfolios, the annual and semi-annual reports are available free of charge at the registered office of Harvest Investment Fund, 26, avenue de la Liberté, L-1930 Luxembourg.

The semi-annual and annual reports contain general information about the Fund as well as data showing the Fund's development and its total net assets.

The financial year of the Fund begins on July 1 and ends on June 30 of the following year.