



**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**

In terms of performance, February 2018 will remain the worst month in two years for the S&P500, which closed down 3.9%, after experiencing a low at -10% and after a series of 15 consecutive positive months. Volatility is back and that's good news! So do not panic and see how our fund has worked:

- First, convertible bonds as an asset class played their role: If we look at the US market for example, convertibles lost 1.59% whilst their underlyings (the companies whose shares are received when one converts the bond into shares) lost 3.63% and the S&P500 3.69%. Convertibles were therefore less sensitive to the decline.

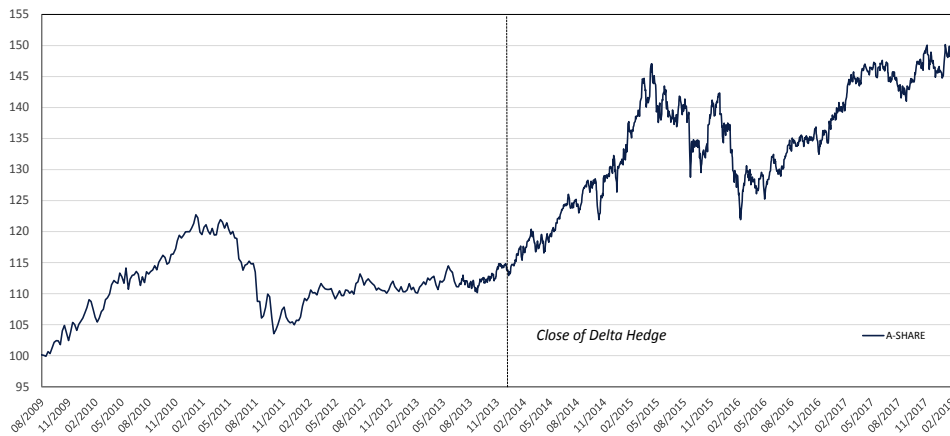
- Then, on 2nd February which marked the biggest historic points drop in the Dow Jones 30 index, our first reflex was not to press the "emergency exit" button. We calmly reviewed our portfolio line by line, to check where we stand in our investment scenarios; in short, to ensure that with strong winds we will stay on course for our long-term goals. We are investors and do not want volatility to turn us into gamblers or weather-vanes. And this is good because many companies announced their annual results in January/February.

If we review our top5, we have:

- Ablynx, which is about to be bought by Sanofi.
- Spansion is the subject of speculation but also displays excellent results especially in its products for connected cars.
- Marine Harvest, the world's leading producer of farmed salmon, has confirmed expectations and an historical EBIT record in 2017.
- Sony, which is experiencing a loss of profitability in mobile telephony but increases everywhere else (game & network services, music, financial services and semiconductors).
- Deutsche Post reached its profit targets with a 7% rise to 3.74 billion euros.

Finally, February illustrates the good performance of our merger and acquisition targets. Following the announcement of Qualcomm's takeover bid for Dutch chipmaker NXP, we chose to keep our investment because the hedge fund Elliott Management who built a 6% stake in NXP bluntly explained that the stock was undervalued and that he intended to negotiate a better price. This month, Qualcomm raise its offer with a premium of 15% on its first proposal!

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



**PERFORMANCE**

	A	B	C*	H*
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	58%	58%	58%	15%
VOLATILITY	6.26%	6.24%	5.95%	3.24%
NAV/SHARE	149.71	139.39	121.62	107.61
MONTH	0.67%	0.72%	-0.53%	1.35%
2018	3.43%	3.53%	3.44%	3.25%
2017	4.90%	5.33%	10.40%	-0.19%
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% **

\*\*Since 01/07/2013

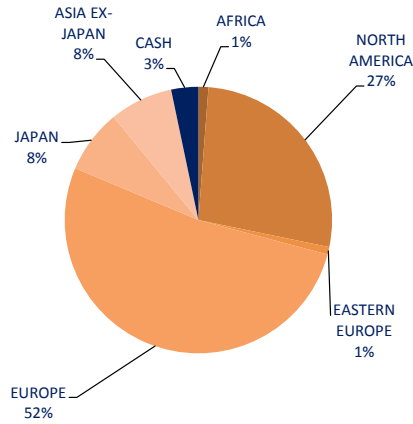
\*Soft closed share classes

**MAIN HOLDINGS**

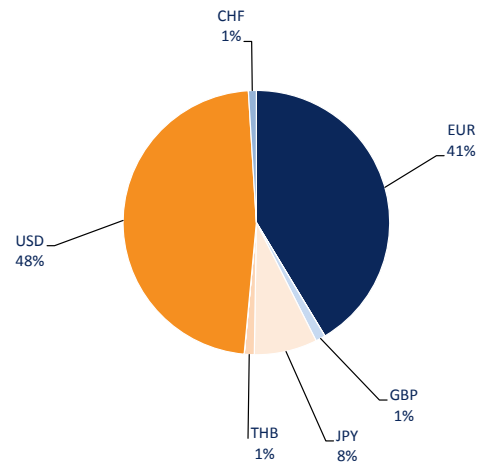
TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)
ABLYNX 3.25% 2020	EUR	27/05/2020		3.06%	99%	0.00%	RED HAT 0.25% 2019 0.20%
SONY CORPORATION 0% 2022	JPY	30/09/2022		3.06%	66%	0.00%	MICRON TECHNOLOGY 3% 2043 0.17%
SPANSION 2% 2020	USD	01/09/2020		2.96%	98%	0.00%	MARINE HARVEST 0.125% 2020 0.15%
FORTIS CASHES 2.305 2049	EUR	29/12/2049		2.84%	1%	1.82%	SERVICENOW 0% 2018 0.08%
FORTIS FRESH 1.686% 2049	EUR	29/08/2049		2.68%	2%	1.44%	SONY CORPORATION 0% 2022 0.07%
GENFIT 3.5% 2022	EUR	16/10/2022		2.59%	60%	3.50%	
MARINE HARVEST 0.125% 2020	EUR	05/11/2020		2.55%	79%	0.00%	PREMIER OIL 2.5% 2018 -0.32%
RAG STIFTUNG 0% 2021	EUR	18/02/2021		2.26%	48%	0.00%	ALLERGAN 5.5% 2018 -0.15%
BANK OF AMERICA 7.25% PERP	USD			2.17%	-19%	5.72%	PACIRA PHARMACEUTICALS 3.25% 2019 -0.15%
AMERICA MOVIL 0% 2020	EUR	28/05/2020		2.04%	11%	0.50%	APERAM 0.625% 2021 -0.13%
							SIEMENS FINANCIERINGSMAT 1.65% 2019 -0.11%
<b>NAV</b>		<b>4.90</b>		<b>100%</b>	<b>58%</b>	<b>0.91%</b>	



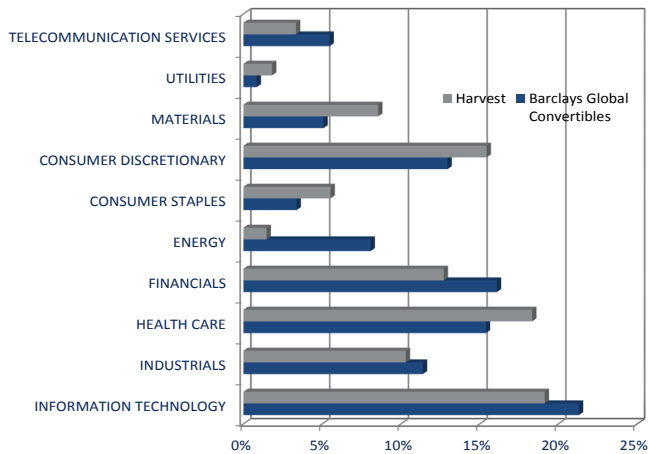
**GEOGRAPHIC ALLOCATION**



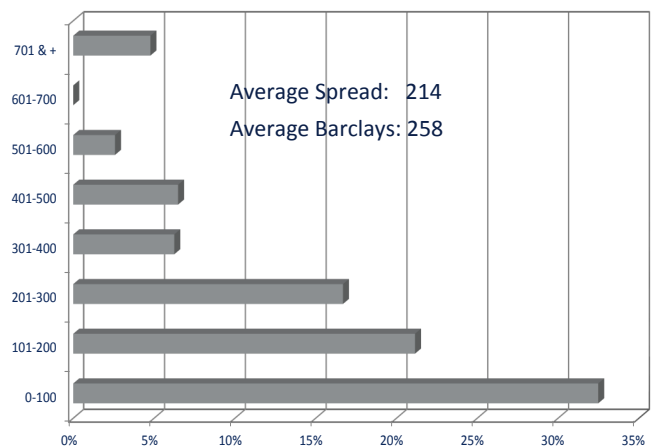
**CURRENCY ALLOCATION**



**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
<b>A</b>	LU0442197868	03/08/2009	1.85%	15% ABOVE 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1.000	CAPITALISATION	EUR 48 MILLIONS	DAILY 12:00 AM
<b>B (INSTITUTIONAL)</b>	LU0518233621	12/07/2010	1.20%		€ 1.000.000			
<b>C (CURRENCY HEDGE)</b>	LU0662027985	16/08/2011	1.85%		€ 1.000			
<b>H (DELTA &amp; CCY HEDGE)</b>	LU0944844058	01/07/2013	1.85%		€ 1.000			

DEPOSITARY BANK	<b>VP Bank (Luxembourg) SA</b>	MANAGEMENT COMPANY	<b>Bellatrix Asset Management S.A.</b>
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		AUDITOR	<b>KPMG Luxembourg Société Coopérative</b>
		LEGAL ADVISOR	<b>Elvinger Hoss 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.