



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 the middle of this hot summer, do not think that markets are taking a break: July, with most of the second quarter's results announcements on top of a global trade war escalation, had every ingredient to be hot. It happened to be a good month, with America's biggest companies reporting some of the strongest earnings growth since the recession, boosted by lowered tax rates and a robust U.S. economy. At month end, 85% of S&P500 companies had beaten estimates. In that context, our fund performed nicely with the A share returning 0.59%, outperforming the index, the Barclays Global Convertible EUR (+0.13%) and the C share returning +0.68% versus the index's +0.31%. Our H share continues to pay for its hedges with -0.89%.

In this month comments, we have chosen to focus on our Japanese investments that represent around 7% of the portfolio and where the convertible bond space outperformed the Nikkei (Nikkei +1.29% vs. CB Average +1.74%). There, all our investments did better than the average and we still see the convertible bond market in Japan as very interesting and look to increase our investment in the area:

Kansai Paint +11% generates over 20% of its revenue in India (second to Japan at 35%), whose government announced a cut to local GST that will benefit the company. Our 2019 convertible is getting short dated with some premium (9.9%), bonds trading at 105 and average

1-year analysts' target is -3% so we have a candidate for an exit.

Suzuki +7%, before their earnings which have re-rated the stock through 7000 yen (+7.2% YTD) after falling over 18% since the start of January. This investment has returned over 60% since we participated in the primary issue. We are approaching a maximum exercise acquisition shares clause where basically we take some of our profit and receive shares, which will be a nice exit to the name.

SBI +7% returned a respectable +33% year to date. The earnings were another good delivery with pre-tax profits that were close to double last year's. If this run rate continued for the rest of the year that would put the stock on a cheap PER of 10.

Lixil +4%, despite the July rally it has had a poor 2018, down 24%. The past earnings disappoint and any delta dropped out of the name and we clearly have a slow start to the forward year revenue guidance of ¥1.71b which is also left unchanged. This investment is only here for the bond floor.

Sony +3% experienced a reasonable rally in July and announced results after market on 31st July. They were taken well and met with a 4.75% rally on 1st August. A strong Q1 with operating profits well over expectations and Forward Year forecast raised, the PlayStation business was a big growth driver and a profit was realised from their Spotify stake.

NAV PER SHARE SINCE INCEPTION (CLASS A)



PERFORMANCE

	A	B	Hard closed	
			C *	H *
HEDGED	NO	NO	CURRENCIES	CURRENCIES & DELTA
DELTA	53%	53%	53%	4%
VOLATILITY	6,77%	6,76%	6,73%	3,66%
NAV/SHARE	151,66	141,55	120,80	104,20
MONTH	0,59%	0,65%	0,68%	-0,89%
2018	4,77%	5,13%	2,74%	-0,02%
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

MAIN HOLDINGS

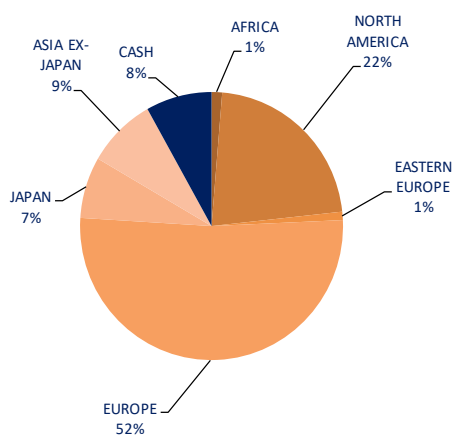
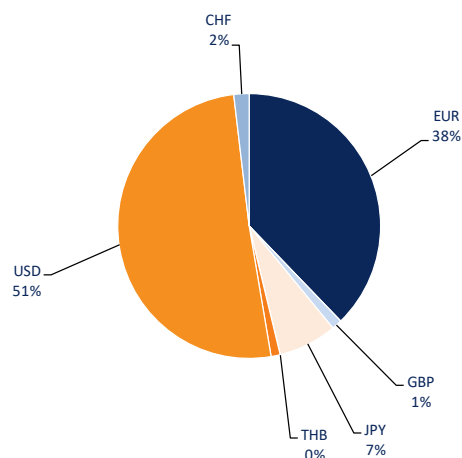
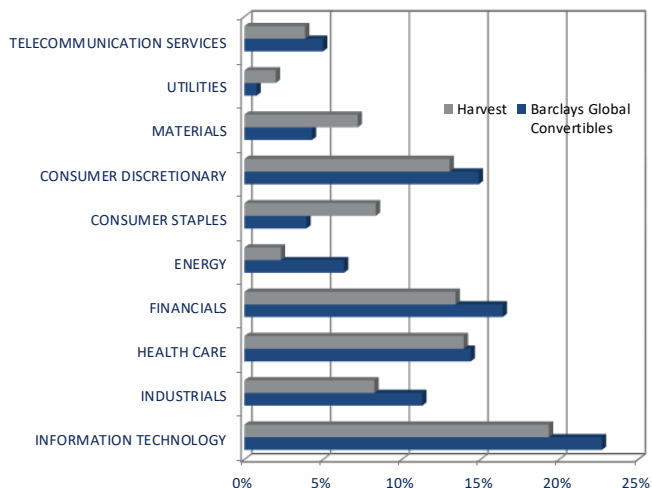
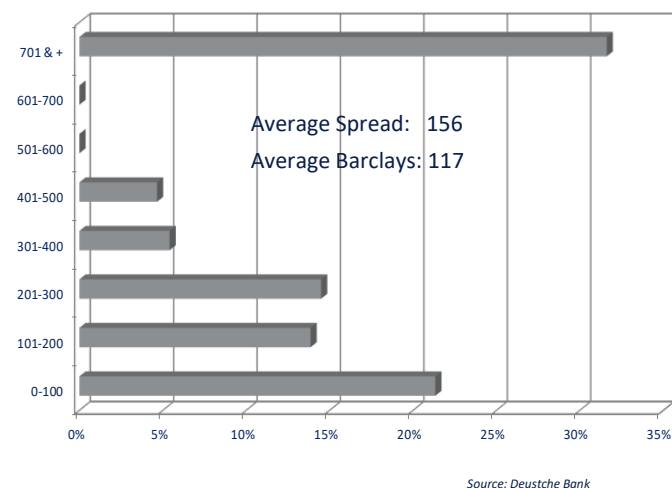
TOP 10		CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)	
SPANSION 2% 2020		USD	01/09/2020		3,44%	99%	0,00%	SPANSION 2% 2020	0,37%
MARINE HARVEST 0.125% 2020		EUR	05/11/2020		3,17%	87%	0,00%	MARINE HARVEST 0.125% 2020	0,22%
GENFIT 3.5% 2022		EUR	16-10-22		2,90%	60%	2,60%	PACIRA PHARMACEUTICALS 3.25% 2019	0,20%
FORTIS CASHES 2.305 2049		EUR	29-12-49		2,84%	1%	2,00%	SONY CORPORATION 0% 2022	0,18%
RAG STIFTUNG 0% 2021		EUR	18-02-21		2,49%	60%	0,00%	SUZUKI MOTOR CORPORATION 0% 2023	0,08%
BANK OF AMERICA 7.25% PERP		USD			2,46%	-16%	5,43%	INMARSAT PLC 3.875% 2023	-0,18%
AGEASFILNUS SA 1.022% PERP		EUR			2,39%	3%	1,77%	NXP SEMICONDUCTOR NV 1% 2019	-0,09%
SONY CORPORATION 0% 2022		JPY	30/09/2022		2,36%	72%	0,00%	FORTIS CASHES 2.305 2049	-0,06%
SIEMENS FINANCIERINGSMAT 1.65% 2019		USD	16-08-19		2,29%	75%	0,00%	PREMIER OIL 2.5% 2022	-0,06%
AMERICA MOVIL 0% 2020		EUR	28/05/2020		2,22%	5%	0,84%	DISH NETWORK 3.375% 2026	-0,06%
NAV			4,73		100%	53%	1,51%		

**BELLATRIX**

ASSET MANAGEMENT

HARVEST INVESTMENT FUND Global Convertible

JULY 2018

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 44 MILLIONS	DAILY 12:00 AM
B (INSTITUTIONAL)	LU0518233621	7/12/2010	1.20%		€ 1.000.000			
C (CURRENCY HEDGE)	LU0662027985	16/08/2011	1.85%		€ 1.000			
H (DELTA & CCY HEDGE)	LU0944844058	7/1/2013	1.85%		€ 1.000			

DEPOSITORY BANK	VP Bank (Luxembourg) SA	MANAGEMENT COMPANY	Bellatrix Asset Management S.A.
SUBSCRIPTIONS / REDEMPTIONS	VP Fund Solutions (Luxembourg) SA		31, bd Prince Henri L-1724 Luxembourg
CENTRAL ADMIN / TRANSFER AGENT	FAX +352 404 770 283 TEL +352 404 770 260 luxfunds@vpbank.com	ADVISOR	(+352) 26 25 66 20 info@bellatrix.lu
FUND	HARVEST INVESTMENT FUND 26, av. de la Liberté L-1930 Luxembourg	AUDITOR	Harvest Advisory S.A.
		LEGAL ADVISOR	KPMG Luxembourg Société Coopérative 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 sub-fund 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 sub-fund depends on market developments. Returns are net of management and performance fees.