



**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**

Active management, passive management... what a passionate debate.

For newcomers, the question is whether your manager replicates an index and is therefore passive, or if he invests according to his convictions to make the best of his investment universe.

A passive manager is useful in portfolios based on asset allocation; it is considered that the bulk of the performance comes from the mix of assets and one looks for neutral products. Active management assumes that it is the long-term investments and conviction in the selected companies that make the difference.

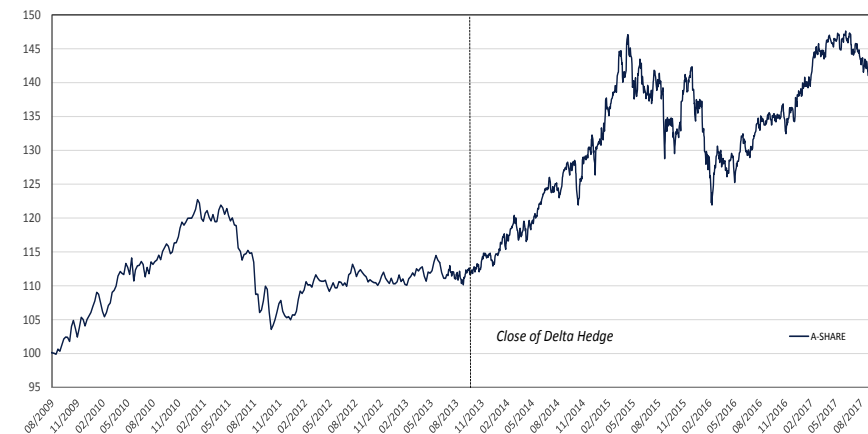
For the last 15 years we have been convinced by convertible bonds, an asset class that offers better risk-adjusted returns compared to equities and bonds, coupled with conviction and stock-picking approaches to segregate the wheat from the chaff. This work of selecting companies, of pricing convertibles and of flow analysis is the basis of our dynamic approach.

In the 2000s, Japanese convertibles were cheap with almost free call options. In 2005-07 Indian convertibles offered a favourable yield/delta mix. Until 2007 the synthetic convertibles were cheap and

broadened the investment universe, and for the last 2 years it is wise to avoid most "non-dilutive" CBs. These non-dilutive issues are generally opportunistic issues that target large index funds and already account for 15% of the European investment universe. Their issuance does not finance a project, an acquisition or the development of the company: the issuer merely purchases a call option (a right to purchase its own stock) from a bank and issues a convertible bond (which is basically a bond plus a call option) at a higher price!

This is what Artemis, the holding company of the Pinault family and the largest shareholder in Kering, has just done issuing a 2023 convertible with a negative yearly yield of -0.4% and a premium over 40%. Making a profit with this convertible appears difficult given the current share price at its highest historical level and after the increase of 139% since its low point of 2016. In short, the convertible investor is not making a good deal and that is why we prefer to look for small and mid-cap companies which are leaders, with quality and motivated management, in addition to being potential acquisition targets by larger players.

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



**PERFORMANCE**

	A	B	C	H
<b>HEDGED</b>	NO	NO	CURRENCIES	CURRENCIES & DELTA
<b>DELTA</b>	57%	57%	57%	13%
<b>VOLATILITY</b>	6.64%	6.62%	4.70%	2.89%
<b>NAV/SHARE</b>	145.35	135.02	117.58	105.26
<b>MONTH</b>	1.64%	1.69%	1.18%	-0.03%
<b>2017</b>	6.49%	6.79%	11.24%	1.58%
<b>2016</b>	0.50%	1.20%	-2.11%	-5.97%
<b>2015</b>	4.69%	5.37%	-1.58%	0.95%
<b>2014</b>	14.17%	14.85%	5.59%	9.85%
<b>2013</b>	3.88%	4.53%	7.63%	0.15% *
<b>2012</b>	4.66%	5.47%	1.40%	

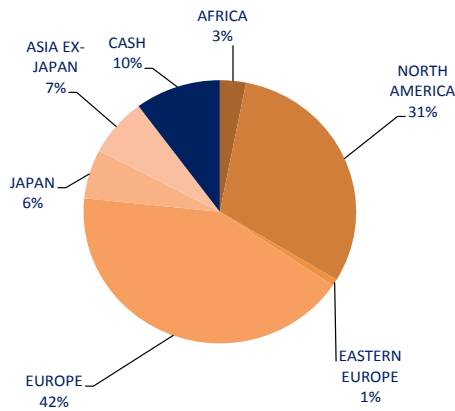
\* Since 01/07/2013

**MAIN HOLDINGS**

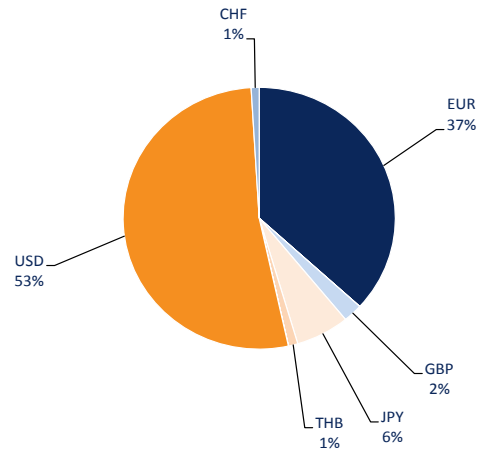
TOP 10	CCY	MATURITY / DURATION	PUT	%	DELTA	YTM/YTP	TOP 5 / BOTTOM 5 (ATTRIBUTION)
TAKE-TWO INTERACTIVE 1% 2018	USD	01/07/2018		3.75%	100%	0.00%	TAKE-TWO INTERACTIVE 1% 2018 0.32%
MICRON TECHNOLOGY 1.625% 2033	USD	15/02/2033	15/02/2018	2.75%	100%	0.00%	ABLYNX NV 3.25% 2020 0.14%
SONY CORPORATION 0% 2022	JPY	30/09/2022		2.42%	44%	0.00%	DEUTSCHE POST AG 0.6% 2019 0.14%
FORTIS CASHES 2.305% 2049	EUR	29/12/2049		2.36%	1%	1.98%	LIVE NATION 2.5% 2019 0.11%
ALLERGAN PLC 5.5% 2018	USD	01/03/2018		2.34%	97%	6.72%	SAF-HOLLAND GROUP 1% 2020 0.10%
MARINE HARVEST ASA 0.125% 2020	EUR	05/11/2020		2.34%	81%	0.00%	
SPANSION 2% 2020	USD	01/09/2020		2.22%	97%	0.00%	ALLERGAN PLC 5.5% 2018 -0.13%
BANK OF AMERICA CORP 7.25% 2049	USD			2.07%	-12%	0.00%	STEINHOFF FINANCE 4% 2021 -0.05%
RAG-STIFTUNG 0% 2021	EUR	18/02/2021		2.06%	51%	0.00%	STEINHOFF FINANCE 1.25% 2023 -0.05%
FORTIS FRESH 1.686% 2049	EUR	29/08/2049		1.99%	2%	1.75%	SALESFORCE.COM INC 0.25% 2018 -0.05%
							LIBERTY MEDIA 1.375% 2023 -0.04%
<b>NAV</b>		<b>4.52</b>		<b>100%</b>	<b>57%</b>	<b>2.75%</b>	



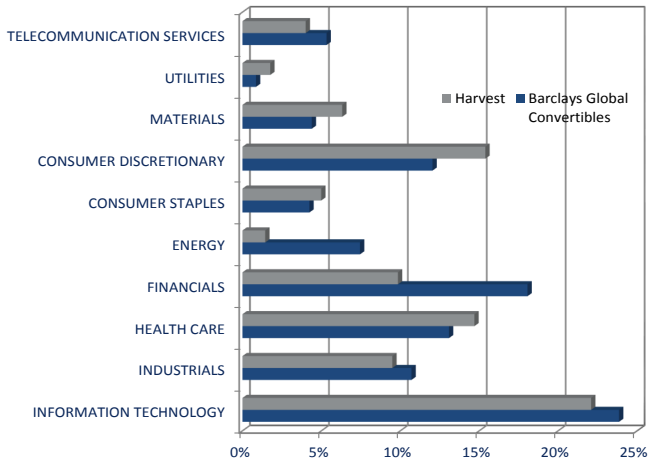
**GEOGRAPHIC ALLOCATION**



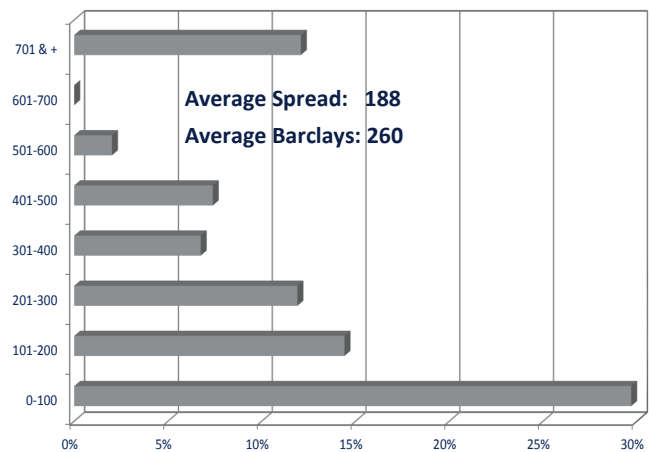
**CURRENCY ALLOCATION**



**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
A	LU0442197868	03/08/2009	1.85%	15% ABOVE 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1.000	CAPITALISATION	EUR 53 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	<b>VP Bank (Luxembourg) SA</b>	MANAGEMENT COMPANY	<b>Bellatrix Asset Management S.A.</b>
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FUND	<b>HARVEST INVESTMENT FUND</b> 26, av. de la Liberté L-1930 Luxembourg	ADVISOR	<b>Harvest Advisory S.A.</b>
		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 KIIDs of the sub-fund 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 KIIDs 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.