

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

Oil & Gas sell-off: Aabar 2020, 2022 and Premier Oil 2.5% 2018

With declines over 20%, these convertibles paid a huge tribute to the oil price/equity correlated decline. But Premier Oil 2018 for instance now yields 4.5% over the Premier Oil 2020 straight bond, which is not normal. On the credit risk, the company is in production mode. It's \$1.2bn available liquidity at year end is sufficient to cover the cash burn in 2016 and 17 at current oil prices and no major debt is due before 2019 and no funding gap by mid-2017 under a "stress" case. These are favourable risk/return investments, representing less than 5% of our total portfolio. But still, we do not intend to add allocation in the sector.

Better than a glass half full, half empty: SanDisk 1.5% 2017 USD

Sandisk declined by nearly 10% and is beneath the low price offered by Western Digital after a broker implied a 25% chance that the deal would fail. The market did choose to see the 25% chance to fail instead of the 75% chance to succeed... We decided to "Be Fearful When Others Are Greedy and Greedy When Others Are Fearful" (Warren Buffet). The company is a worldwide leader, net cash and should be repurchased.

Watch the size of your sushis: Marine Harvest 0.875% 2019 EUR

Salmon prices stand at 30 years high after record sales for Sushi. Norway accounts for about half of the world's salmon and Marine Harvest, one of our top 5 investments, is the world's biggest supplier of farmed Atlantic salmon and has rallied 18% since the end of August. Global salmon consumption was about 2.3 million tons last year, with almost half in the EU, where demand rose more than 7% (Seafood Council data). Sushi restaurants account for 10 to 15% of Norway's salmon exports. The portion of the sushi meal that is actually fish is very low. The bits and pieces can be adjusted slightly up and down, so it's easier to hide the price increase.

On the sell side, we have tendered our **Vedanta Resources 2016** bonds at 91% to the company early redemption offer, in order to reduce our risk allocation to commodities and considering that the 2018 straight bond price was at 57%. We have also exercised our poison put on **Expedia/HomeAway 2019** convertible bond to be reimbursed at par.

NAV PER SHARE SINCE INCEPTION (CLASS A)



PERFORMANCE

	A	C	H
	NO	CURRENCY	CURRENCY & DELTA
HEDGE			26%
DELTA	50%	50%	5.99%
VOLATILITY	11.77%	8.36%	5.99%
NAV/SHARE	129.14	102.07	106.76
MONTH	-5.95%	-6.19%	-3.86%
YTD	-5.95%	-6.19%	-3.86%
2015	4.69%	-1.58%	0.95%
2014	14.17%	5.59%	9.85%
2013	3.88%	7.63%	0.15% *
2012	4.66%	1.40%	
2011	-12.34%	-7.26%	

* Since 01/07/2013

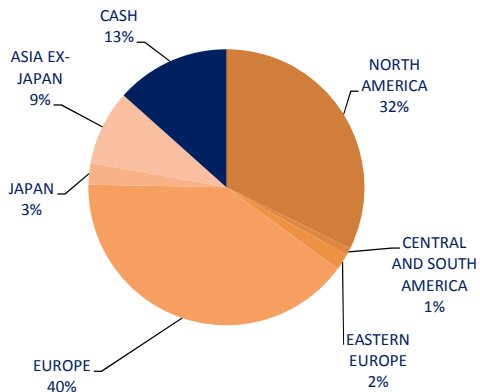
MAIN HOLDINGS

TOP 10	CCY	MATURITY	PUT	%	DELTA	YTM/YTP
ALLERGAN PLC	USD	01/03/18		3.95%	73%	8.88%
SanDisk 1.5% 2017 USD	USD	15/08/17		3.43%	89%	0.00%
Take-Two Interactive 1% 2018 USD	USD	01/07/18		3.23%	93%	0.00%
Fortis Fresh 1.686% 2049 EUR	EUR	29/08/49		2.88%	21%	2.99%
Teva Pharma C 0.25% 2026 USD	USD	01/02/26	01/02/16	2.81%	100%	0.00%
Marine Harvest 0.875% 2019 EUR	EUR	06/05/19		2.77%	83%	0.00%
POST HOLDING	USD	Perpetual		2.60%	100%	0.00%
Parpublica / GALP 5.25% 2017 EUR	EUR	28/09/17	28/09/15	2.25%	27%	1.36%
Fortis CASHES 2.305% 2049 EUR	EUR	29/12/49		2.33%	9%	3.02%
BANK OF AMERICA CORP	USD	Perpetual		2.16%	32%	6.63%
TOP 10 HOLDINGS				28.42%		
PORTFOLIO		03/05/17		100.00%	49.57%	2.72%

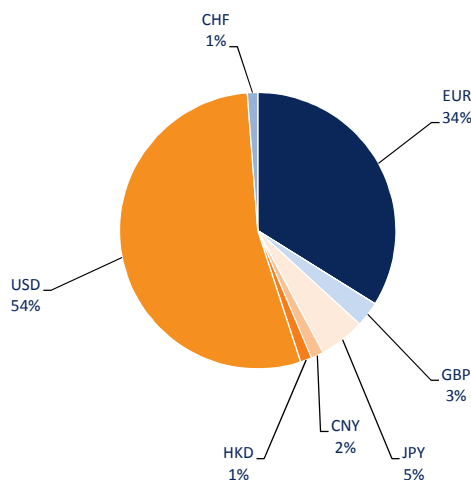
TOP 5 / BOTTOM 5 (ATTRIBUTION)

Bank of America (Perp.)	0.01%
Pierre et Vacances 2019	0.00%
Sina 2018	0.00%
Take-Two Inter. 2018	0.00%
Post Holding (Perp.)	0.00%
SanDisk 2017	-0.24%
Pacira Pharma. 2019	-0.27%
Teva Pharma. 2026	-0.28%
Allergan 2018	-0.30%
Premier Oil 2018	-0.50%

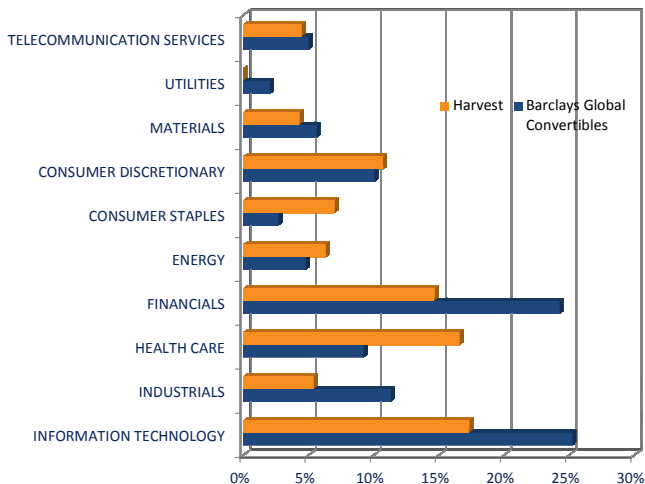
GEOGRAPHIC ALLOCATION



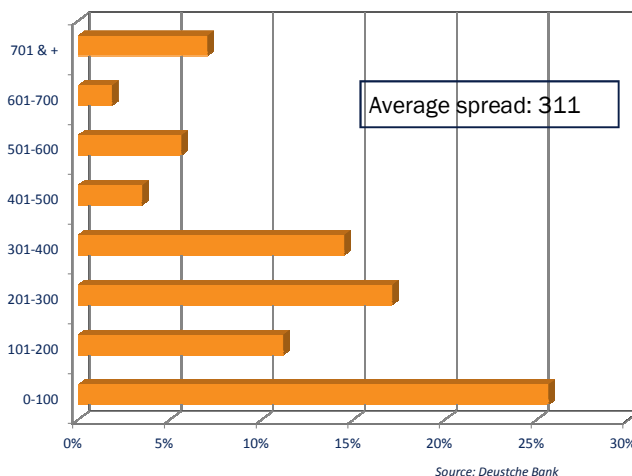
CURRENCY ALLOCATION



SECTOR ALLOCATION



CREDIT RATING



GENERAL INFORMATION

PART	ISIN	LANCEMENT	MAN. FEE	PERF. FEE	MIN. INVEST.	TYPE DE CLASSE	ACTIFS	CUT-OFF
A	LU0442197868	03/08/2009	1.85%	15% AU-DESSUS DU 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1,000	CAPITALISATION	EUR 47 MILLIONS	JOURNALIER 12:00 AM
B (INSTITUTIONNELLE)	LU0518233621	12/07/2010	1.20%		€ 1,000,000			
C (CURRENCY HEDGE)	LU0662027985	16/08/2011	1.85%		€ 1,000			
H (DELTA AND CCY HEDGE)	LU0944844058	01/07/2013	1.85%		€ 1,000			

CUSTODIAN	VP Bank (Luxembourg) SA	INVESTMENT MANAGER	Bellatrix Asset Management S.A.
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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.