
Harvest Investment Fund

Harvest Investment Fund - Global Convertible

R.C.S. Luxembourg B 128 420

Audited Annual Report
as at June 30, 2017

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

Annual Report and Audited Financial Statements as at June 30, 2017

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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

Depository Bank and Paying Agent:

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 Company:

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

Harvest Investment Fund

Report of the Board of Directors

Harvest Investment Fund - Global Convertible

Overview

Global convertible bond picking

Our investment portfolio is focused on a buy and hold strategy. Generally, our time horizon, in normal circumstances, is at least of 2 years. We invest in around 70 companies in the world through convertible bonds. Our approach is unconstrained. We focus on selecting companies that offer an interesting perspective through their convertible bonds. We look for yield and, or equity rise participation.

Convertible bond unique characteristics

Convertible securities originated more than a century ago, when railroad companies in the then-emerging US economy needed to raise capital. Following the success of these early years, the convertible market has evolved into a dynamic and robust global arena where the basic structure of mixing debt and equity in a single investment remains unchanged. Convertibles combine equity and debt features, allowing investors to participate in potential equity price appreciation with limited downside risk, provided by the debt feature.

Review of the performance

The difference in share class performance derives from their different characteristics:

Harvest Investment Fund - Global Convertible - Class A shares returned 10.52%. The global convertible portfolio of Class A shares has no currency or delta hedges. It is composed of convertible bonds, mandatorily and preferred shares mainly denominated in USD (46.17%) and EUR (33.36%) and marginally in CHF, GBP, JPY and THB. The top-10-positions represent 23.20% of the portfolio and the main positions are held in Allergan 5.5% 2018, Take Two Interactive 1% 2018, Sony 0% 2022, Micron 1.625% 2033, Spansion 2% 2020. Compared to the Barclays Global Convertible Index we were underweighted in financials and industrials sectors and overweighted in healthcare, consumer discretionary.

Class B shares of Harvest Investment Fund - Global Convertible, being Class A shares of the Sub-Fund for institutional investors, returned 11.03%.

Class C shares of Harvest Investment Fund - Global Convertible, where we hedge on a best effort basis the non-EUR currencies, returned 10.46%. Effectively, global convertible bonds are mainly (around 60% of the investment universe) issued in USD terms. In the year under review, the EUR was nearly flat compare to the USD, explaining only a slightly lower performance of Class C shares versus Class A shares.

Class H shares of Harvest Investment Fund – Global Convertible, where we look for a reduced volatility, using delta and/or currency discretionary hedges, returned 0.64%. The lower performance of Class H shares compared to Class A shares comes from the cost of currency and delta hedges. Class H shares had during the year under review a volatility of 3.39% compared to Class A shares volatility of 6.30% so that the Class H shares lower volatility target compared to Class A shares was fulfilled.

Portfolio outlook

Once again, Mergers & Acquisitions (“M&A”) have been positive drivers for equity and convertible bond markets. Convertible bonds, due to specific clauses like poison puts and ratchets, are positively impacted when an acquisition occurs. The sub-fund due to its size and investment characteristics tends to benefit from high M&A activity because convertible bonds are mainly issued by small and mid cap companies that are often the targets of bigger players. On the bond side, we tend to avoid high yield/distressed convertible bonds segment apart from very specific situations. On a sectorial point of view, we have suffered during the period under review from the underperformance of the pharmaceutical sector compare to the index, but we expect the sector to unlock value. Our leaders in terms of performance for the period are Micron 1.625% 2033, Take-Two Interactive 1% 2018 and Alibaba 2019. They are an illustration of the outperformance of the technology sector, and also of our picking.

Harvest Investment Fund

Convertible bond market and outlook

On a global basis, primary market that gives the trend for pricing, specific clauses and demand thus basically of the attractiveness of convertible bonds is in-line with forecast. The refinancing activity has been strong ahead of a potential pickup in interest rates.

In this perspective, we are positive on convertible bonds because issuers will be able to make more significant savings on their debt costs, whereas in a zero-interest-rate environment, the marginal savings are weak compared to loans and straight bonds. This could be reinforced by US tax reforms, which, along with a drop in the corporate tax rate, pave the way for interest charges to no longer be deductible. Also when analysing convertible bond performance over more than a decade during periods of rate rises, convertible bonds showed positive performances, sometimes even outperforming equity markets while corporate bonds saw declines.

Overall, global convert markets have held firm, and compare to 2016, all regions except for Japan are well-ahead of last year's performance in USD terms and we estimate that not only the asset class but also the fund is well positioned for the future.

Ultimately and once again, we express our gratitude for shareholders' trust and continuing support.

The information in this report represents historical data and is not an indication of future results.

Luxembourg, July 15, 2017

Harvest Investment Fund

Harvest Investment Fund - Global Convertible

Statement of net assets

as at June 30, 2017

	Note	EUR
ASSETS		
Investment portfolio at market value		47,151,295.93
<i>Cost</i>		43,398,622.92
Cash held with depositary bank		6,074,219.35
Interest receivable on bonds		159,857.19
Dividends receivable		11,125.08
Unrealised gain on futures contracts		35,271.70
Unrealised gain on forward foreign exchange contracts		50,445.62
TOTAL ASSETS		53,482,214.87
LIABILITIES		
Initial margin on futures contracts		-35,271.70
Other liabilities	(8)	-270,198.39
TOTAL LIABILITIES		-305,470.09
Total net assets		53,176,744.78
Net assets per share		
Class A		144.25
Class B		133.78
Class C		115.09
Class H		106.05
Number of shares		
Class A		152,296.450
Class B		194,634.356
Class C		11,255.556
Class H		36,529.330

Statement of changes in net assets for the year from July 1, 2016 to June 30, 2017

	Note	EUR
Net assets at the beginning of the year		49,092,824.04
Subscriptions		
Class A		2,727,864.39
Class B		3,235,131.37
Class C		0.00
Class H		0.00
Redemptions		
Class A		-1,314,765.25
Class B		-1,897,223.99
Class C		-737,351.29
Class H		-2,537,222.08
Result for the year		4,607,487.59
NET ASSETS AT THE END OF THE YEAR		53,176,744.78

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

Harvest Investment Fund

Harvest Investment Fund - Global Convertible Changes in the number of shares in issue

Class A	
Shares in issue at the beginning of the year	142,825.126
Number of shares subscribed	18,965.759
Number of shares redeemed	-9,494.435
Shares in issue at the end of the year	152,296.450
Class B	
Shares in issue at the beginning of the year	184,200.696
Number of shares subscribed	25,238.660
Number of shares redeemed	-14,805.000
Shares in issue at the end of the year	194,634.356
Class C	
Shares in issue at the beginning of the year	17,973.226
Number of shares subscribed	0.000
Number of shares redeemed	-6,717.670
Shares in issue at the end of the year	11,255.556
Class H	
Shares in issue at the beginning of the year	60,596.243
Number of shares subscribed	0.000
Number of shares redeemed	-24,066.913
Shares in issue at the end of the year	36,529.330

Statement of operations for the year from July 1, 2016 to June 30, 2017

	Note	EUR
INCOME		
Dividends		227,812.77
Interest on bonds		556,409.65
Bank interest		41.86
Other income		11.10
TOTAL INCOME		784,275.38
CHARGES		
Bank interest		-3,778.39
Performance fee	(6)	-92,891.58
Management company and investment advisory fee	(4)	-790,067.03
Depository bank and central administration fee	(5)	-110,539.05
Taxe d'abonnement	(7)	-15,757.77
Trading fees on futures contracts		-2,306.44
Audit fees		-20,900.30
Other charges		-33,251.88
TOTAL CHARGES		-1,069,492.44
Net income		-285,217.06
Realised gain on investments		2,829,120.79
Realised loss on foreign exchange		-17,156.27
Realised loss on futures contracts		-472,636.13
Realised loss on forward foreign exchange contracts		-236,092.85
Net Realised Result		1,818,018.48
Change in net unrealized gain / loss		2,789,469.11
Result for the year		4,607,487.59

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

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Statement of investments as at June 30, 2017

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	1,522,358.46	2.9
Total Ireland			1,808,144.35	1,522,358.46	2.9
United States					
Bank of America Corp 7.25% US0605056821	1,000	USD	1,018,811.59	1,106,580.70	2.1
Tyson Foods Inc 4.75% 15/07/2017 US9024943014	3,000	USD	190,377.03	178,299.45	0.3
Total United States			1,209,188.62	1,284,880.15	2.4
Total Equities			3,017,332.97	2,807,238.61	5.3
Convertible Bonds					
Austria					
Steinhoff Finance Holding GmbH 1.25% 21/10/2023 XS1398317484	500,000	EUR	498,399.55	483,785.00	0.9
Steinhoff Finance Holding GmbH 4.00% 30/01/2021 XS1023684282	500,000	EUR	715,000.00	650,830.00	1.2
Total Austria			1,213,399.55	1,134,615.00	2.1
Belgium					
Ablynx NV 3.25% 27/05/2020 BE6278650344	400,000	EUR	464,400.00	447,564.00	0.8
Nyrstar 2022 5% 11/07/2022 BE6288132101	500,000	EUR	524,535.63	515,625.00	1.0
Total Belgium			988,935.63	963,189.00	1.8
Bermudas					
Jazz Investments I Ltd 1.875% 15/08/2021 US472145AB79	500,000	USD	454,831.82	481,581.25	0.9
Total Bermudas			454,831.82	481,581.25	0.9
Cayman Islands					
China Overseas Finance Investment Cayman V Ltd 0% 05/01/2023 XS1333468301	400,000	USD	360,855.85	361,614.50	0.7
Ctrip.com International Ltd 1.25% 15/10/2018 US22943FAD24	500,000	USD	685,285.99	618,567.29	1.2
Vipshop Holdings Ltd 1.50% 15/03/2019 US92763WAA18	500,000	USD	481,374.99	434,296.91	0.8
Total Cayman Islands			1,527,516.83	1,414,478.70	2.7

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Statement of investments (continued) as at June 30, 2017

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Cyprus					
Aroundtown Prop Var 18/01/2021 XS1336607715	500,000	EUR	525,787.50	535,900.00	1.0
Total Cyprus			525,787.50	535,900.00	1.0
Denmark					
GN Store Nord XS1622415245	200,000	EUR	200,300.00	203,055.00	0.4
Total Denmark			200,300.00	203,055.00	0.4
France					
Korian ewig Var FR0013266087	15,000	EUR	614,119.80	604,590.00	1.1
Orpea 1.75% 01/01/2020 FR0011534874	8,000	EUR	483,426.05	826,432.00	1.6
Pierre & Vacances SA 3.50% 01/10/2019 FR0011732759	15,000	EUR	560,011.01	734,040.00	1.4
Carrefour 0% 16/06/2023 FR0013261062	400,000	USD	349,494.79	343,852.95	0.6
Vinci 0.375% 16/06/2023 FR0013237856	200,000	USD	187,560.83	191,417.18	0.4
Total France			2,194,612.48	2,700,332.13	5.1
Germany					
Deutsche Post AG 0.60% 06/12/2019 DE000A1R0VM5	500,000	EUR	631,500.00	800,425.00	1.5
Total Germany			631,500.00	800,425.00	1.5
Great Britain					
Vodafone Group PLC 0.00% 26/11/2020 MTN XS1325649140	500,000	GBP	587,645.18	562,414.23	1.1
Inmarsat PLC 3.875% 09/09/2023 XS1486508887	600,000	USD	537,804.04	606,817.89	1.1
Total Great Britain			1,125,449.22	1,169,232.12	2.2
Hong Kong					
Bagan Capital Ltd 0.00% 23/09/2021 XS1486565507	1,000,000	USD	907,709.85	927,816.52	1.7
Total Hong Kong			907,709.85	927,816.52	1.7
Italy					
Safilo Group SpA 1.25% 22/05/2019 XS1069899232	500,000	EUR	455,000.00	486,035.00	0.9
Total Italy			455,000.00	486,035.00	0.9
Japan					
Asics Corp 0.00% 01/03/2019 XS1030986613	50,000,000	JPY	420,561.31	404,222.12	0.8
Lixil Group Corp 0.00% 04/03/2022 XS1189655829	50,000,000	JPY	416,486.49	407,402.05	0.8
Sony Corp 0.00% 30/09/2022 JP343500PF78	150,000,000	JPY	1,246,150.50	1,342,009.64	2.5

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Statement of investments (continued) as at June 30, 2017

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Suzuki Motor Corp 0.00% 31/03/2023 XS1374502919	50,000,000	JPY	433,997.92	534,634.48	1.0
Total Japan			2,517,196.22	2,688,268.29	5.1
Jersey					
PT Jersey Ltd 0.50% 19/11/2019 XS1139088402	500,000	EUR	587,129.38	626,235.00	1.2
Remgro Jersey GBP Ltd 2.625% 22/03/2021 XS1383319974	500,000	GBP	637,318.50	574,218.86	1.1
Premier Oil Finance Jersey Ltd 2.50% 27/07/2018 MTN XS0849021877	900,000	USD	792,835.51	693,205.52	1.3
Total Jersey			2,017,283.39	1,893,659.38	3.6
Luxembourg					
OHL Investments SA 4.00% 25/04/2018 XS0911796364	500,000	EUR	512,500.00	497,790.00	0.9
SAF-Holland SA 1.00% 12/09/2020 DE000A1ZN7J4	500,000	EUR	617,250.00	676,975.00	1.3
Aperam 0.625% 08/07/2021 XS1084287322	600,000	USD	699,599.40	649,275.15	1.2
Total Luxembourg			1,829,349.40	1,824,040.15	3.4
Mexico					
America Movil SAB de CV 0.00% 28/05/2020 XS1238034695	1,000,000	EUR	999,500.00	982,890.00	1.8
Total Mexico			999,500.00	982,890.00	1.8
Netherlands					
Koninklijke BAM Groep NV 3.50% 13/06/2021 XS1431302741	500,000	EUR	490,250.00	578,945.00	1.1
OCI 3.875% 25/09/2018 XS0974154550	500,000	EUR	503,754.50	508,730.00	1.0
NXP Semiconductors NV 1.00% 01/12/2019 US62952QAB68	500,000	USD	484,344.75	523,722.84	1.0
Siemens Fin Nv 1.65% 16/08/2019 +Wts DE000A17D8Q6	1,000,000	USD	1,094,011.67	1,099,355.42	2.1
Yandex NV 1.125% 15/12/2018 US98474TAB35	500,000	USD	378,675.22	425,681.82	0.8
Total Netherlands			2,951,036.14	3,136,435.08	5.9
Norway					
Marine Harvest ASA 0.125% 05/11/2020 NO0010748742	1,000,000	EUR	1,154,654.61	1,167,050.00	2.2
Total Norway			1,154,654.61	1,167,050.00	2.2
Spain					
Indra Sistemas 1.25% 07/10/2023 XS1500463358	500,000	EUR	517,525.13	538,750.00	1.0
NH Hotel Group SA 4.00% 08/11/2018 XS0989390249	500,000	EUR	542,687.81	597,745.00	1.1
Pescanova** SA 5.125% 20/04/2017 XS0617215099	250,000	EUR	226,875.00	10,035.00	0.0
Total Spain			1,287,087.94	1,146,530.00	2.2

Harvest Investment Fund

Harvest Investment Fund - Global Convertible

Statement of investments (continued) as at June 30, 2017

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Switzerland					
Basilea Pharmaceutica AG 2.75% 23/12/2022 CH0305398148	500,000	CHF	466,711.39	486,083.13	0.9
Total Switzerland			466,711.39	486,083.13	0.9
Thailand					
Bangkok Dusit Medical 0% 18/09/2019 XS1108673440	20,000,000	THB	574,932.03	550,279.44	1.0
Total Thailand			574,932.03	550,279.44	1.0
United Arab Emirates					
Aabar Investments PJSC 0.50% 27/03/2020 MTN XS1210352784	500,000	EUR	500,000.00	446,940.00	0.8
Aabar Investments PJSC 1.00% 27/03/2022 MTN XS1210362239	500,000	EUR	500,000.00	426,650.00	0.8
Total United Arab Emirates			1,000,000.00	873,590.00	1.6
United States					
Advanced Micro 2.125% 01/09/2026 US007903BD80	200,000	USD	302,048.93	307,102.78	0.6
Biomarin Pharm 1.5% 15/10/2020 US09061GAF81	500,000	USD	574,049.95	516,686.09	1.0
Brookdale Senior Living Inc 2.75% 15/06/2018 US112463AA27	500,000	USD	488,431.22	435,699.87	0.8
Citrix Systems Inc 0.50% 15/04/2019 US177376AD23	500,000	USD	481,075.07	529,457.46	1.0
Depomed Inc 2.50% 01/09/2021 US249908AA20	500,000	USD	414,880.85	381,431.39	0.7
Intel 15/12/2035 Var US458140AD22	500,000	USD	638,120.22	573,970.95	1.1
Liberty Media Corp 1.375% 15/10/2023 US531229AB89	500,000	USD	448,484.26	516,247.66	1.0
Live Nation Ent 2.5% 15/05/2019 US538034AJ81	500,000	USD	503,372.33	501,998.79	0.9
Palo Alto Networks Inc 0.00% 01/07/2019 US697435AB13	500,000	USD	572,320.28	578,723.49	1.1
Red Hat 0.25% 01/10/2019 US756577AD47	500,000	USD	573,319.14	609,080.17	1.1
Royal Gold Inc 2.875% 15/06/2019 US780287AA66	500,000	USD	414,425.40	473,312.52	0.9
RTI International Metals Inc 1.625% 15/10/2019 US74973WAB37	500,000	USD	364,079.24	470,033.08	0.9
salesforce.com Inc 0.25% 01/04/2018 US79466LAD64	500,000	USD	555,979.49	584,962.31	1.1
ServiceNow Inc 0.00% 01/11/2018 US81762PAB85	500,000	USD	371,874.39	635,762.83	1.2
Take-Two Interactive Software Inc 1.00% 01/07/2018 US874054AD16	500,000	USD	387,095.72	1,498,135.37	2.8
The Priceline Group Inc 1.00% 15/03/2018 US741503AQ92	500,000	USD	671,556.60	865,178.47	1.6
Total United States			7,761,113.09	9,477,783.23	17.8
Total Convertible Bonds			32,783,907.09	35,043,268.42	65.9
Total Exchange-traded securities			35,801,240.06	37,850,507.03	71.2

Harvest Investment Fund

Harvest Investment Fund - Global Convertible

Statement of investments (continued) as at June 30, 2017

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
Transferable Securities dealt on another regulated market					
Equities					
Bermudas					
Bunge Ltd 4.875% BMG169622047	5,000	USD	423,554.67	457,060.03	0.9
Total Bermudas			423,554.67	457,060.03	0.9
Israel					
Teva Pharmaceutical Industries Ltd 7.00% 15/12/2018 IL0062905489	600	USD	426,379.39	312,773.74	0.6
Total Israel			426,379.39	312,773.74	0.6
United States					
Mandatory Exchangeable Trust 5.75% 03/06/2019 US56262P1093	5,000	USD	522,562.34	717,262.01	1.3
Post Holdings Inc 2.50% US7374468079	4,000	USD	298,383.05	518,027.68	1.0
Total United States			820,945.39	1,235,289.69	2.3
Total Equities			1,670,879.45	2,005,123.46	3.8
Convertible Bonds					
Belgium					
BNP Paribas Fortis SA FRN BE0933899800	1,500,000	EUR	790,000.00	1,172,250.00	2.2
Recticel SA 5.00% 23/07/2017 BE0933133903	500,000	EUR	493,750.00	503,100.00	0.9
Total Belgium			1,283,750.00	1,675,350.00	3.2
Germany					
Fresenius Medical Care 1.125% 31/01/2020 DE000A13R491	500,000	EUR	614,420.25	629,600.00	1.2
Total Germany			614,420.25	629,600.00	1.2
Luxembourg					
Ageasfinlux SA FRN XS0147484074	1,750,000	EUR	786,012.54	1,047,462.09	2.0
Total Luxembourg			786,012.54	1,047,462.09	2.0
Portugal					
Parpublica - Participacoes Publicas SGPS SA 5.25% 28/09/2017 MTN PTPETROM0005	1,000,000	EUR	1,005,588.30	1,018,630.00	1.9
Total Portugal			1,005,588.30	1,018,630.00	1.9
Spain					
Pescanova** SA 8.75% 17/02/2019 XS0746573897	500,000	EUR	508,750.00	19,890.00	0.0
Total Spain			508,750.00	19,890.00	0.0

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Harvest Investment Fund - Global Convertible

Statement of investments (continued) as at June 30, 2017

Security Description	Quantity / Face value	Ccy	Cost in EUR	Valuation in EUR	%-NAV
United States					
Micron Technology Inc 1.625% 15/02/2033 US595112AU73	500,000	USD	909,551.97	1,203,337.13	2.3
Pacira Pharmaceuticals Inc/DE 3.25% 01/02/2019 US695127AB69	300,000	USD	347,211.11	523,821.05	1.0
Spansion LLC 2.00% 01/09/2020 US84649PAL94	500,000	USD	471,219.24	1,177,575.17	2.2
Total United States			1,727,982.32	2,904,733.35	5.5
Total Convertible Bonds			5,926,503.41	7,295,665.44	13.7
Total Transferable Securities dealt on other regulated market			7,597,382.86	9,300,788.90	17.5
TOTAL SECURITIES			43,398,622.92	47,151,295.93	88.7
DERIVATIVES					
EUSTX50 Future Sep/17	-20	EUR	-	25,600.00	0.0
MSCI EM Mini Future Sep/17	-1	USD	-	-179.76	0.0
Nasdaq 100 E-Mini Fut Sep/17	-5	USD	-	8,378.34	0.0
Russell 2000 Mini Fut Sep/17	-3	USD	-	828.63	0.0
S&P500 E-Mini Future Sep/17	-2	USD	-	644.49	0.0
TOTAL DERIVATIVES			-	35,271.70	0.1
TOTAL INVESTMENT PORTFOLIO			43,398,622.92	47,186,567.63	88.7

** These securities are in default - please refer to Note 14.

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.

Harvest Investment Fund

Notes to the Audited Annual Report as at June 30, 2017

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 June 20, 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.

Since the Company's business activity as at June 30, 2017 related only to the sub-fund Harvest Investment Fund - Global Convertible, the sub-fund's statements of assets represent at the same time the Company's consolidated figures.

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.

Harvest Investment Fund

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 Sub-Fund'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 "Management company and investment advisory fee" 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 "Depositary bank and central administration fee" in the statement of operations.

Harvest Investment Fund

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 year ended June 30, 2017, EUR 92,891.58 have been paid to the Investment Advisor and Coordinator as performance fees.

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, depositary bank and central administration fees, 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 (EUR 2,306.44) are disclosed in the statement of operations under “Trading fees on futures contracts” for open positions and in the net realised on future contracts for the closed positions. They are representing depositary and broker transaction fees during the reporting period.

For the year ended June 30, 2017 the transaction costs amounted to a total of EUR 72,761.81.

Harvest Investment Fund

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	=	0.87804	GBP
1	EUR	=	128.14736	JPY
1	EUR	=	9.55355	NOK
1	EUR	=	1.09220	CHF
1	EUR	=	38.74286	THB
1	EUR	=	1.14044	USD

11. 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 June 30, 2017, 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.

12. Future contracts

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

As at June 30, 2017 the following future contracts were open for class H:

	Quantity	Description	Currency	Commitment	% of NAV
Sale	-5	Nasdaq 100 E-Mini Fut Sep/17	USD	495,663.52	0.93
Sale	-1	MSCI EM Mini Future Sep/17	USD	44,206.58	0.08
Sale	-3	Russell 2000 Mini Fut Sep/17	USD	186,020.14	0.35
Sale	-2	S&P500 E-Mini Future Sep/17	USD	212,277.53	0.40
Sale	-20	EUSTX50 Future Sep/17	EUR	686,200.00	1.29
Total Sales				1,624,367.77	3.05

13. Forward foreign exchange contracts

As at June 30, 2017 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	Unrealised gain / loss
September 29, 2017	51,452.09	EUR	0.8746	45,000.00	GBP	287.92
September 29, 2017	66,434.20	EUR	120.4199	8,000,000.00	JPY	4,063.39
September 29, 2017	504,170.87	EUR	1.0909	550,000.00	USD	23,888.53
December 29, 2017	217,599.44	EUR	1.1489	250,000.00	USD	285.14

Class H:

Maturity	Purchases	Currency	Contract Rate	Sales	Currency	Unrealised gain / loss
September 29, 2017	458,421.20	EUR	1.0907	500,000.00	USD	21,800.89
December 29, 2017	90,313.84	EUR	0.8858	80,000.00	GBP	-450.53
December 29, 2017	435,198.89	EUR	1.1489	500,000.00	USD	570.28

The unrealised result on these forward foreign exchange transactions amounts to EUR 28,524.98 for those dedicated to Class C and to EUR 21,920.64 for those dedicated to Class H. The unrealised result amounting to EUR 50,445.62 is disclosed in the Statement of net assets.

Harvest Investment Fund

14. Illiquid securities

As at June 30, 2017, the following securities were in default:

ISIN	Security description	Situation
XS0617215099	PESCANOVA SA 200411 / 200417 5.125%	Low liquidity since March 2013, however, pricing sources are still available
XS0746573897	PESCANOVA SA 170212 / 170219 8.75%	Low liquidity 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, 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
June 30, 2017	EUR	53,176,744.78	EUR	144.25	EUR	133.78	EUR	115.09	EUR	106.05

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.

Harvest Investment Fund

Unaudited supplementary information as at June 30, 2017

Total Expense Ratio

The calculation of the “Total Expense Ratio” is based on the stipulated fees and commissions paid by the relevant Sub-Fund on the average net assets during the financial year.

Harvest Investment Fund - Global Convertible

Total Expense Ratio (TER) - Class A EUR	2.23%	including performance fees:	2.30%
Total Expense Ratio (TER) - Class B EUR	1.54%	including performance fees:	1.85%
Total Expense Ratio (TER) - Class C EUR	2.22%	including performance fees:	2.35%
Total Expense Ratio (TER) - Class H EUR	2.22%	including performance fees:	2.22%

Portfolio Turnover Rate

For the year ended June 30, 2017:

Harvest Investment Fund - Global Convertible

Portfolio Turnover Rate (PTR): 42.74%

The “Portfolio Turnover Rate” indicates the turnover rate of the holdings of the Sub-Fund and is computed using the following formula:

$PTR = [(Total\ 1 - Total\ 2) / M] * 100$, with:

Total 1 = Total of securities transactions during the relevant period = X + Y,

where X = purchases of securities and Y = sales of securities.

Total 2 = Total of transactions in Shares of the Sub-Fund during the relevant period = S + T,

where S = subscriptions of Shares of the Sub-Fund and T = redemptions of Shares of the Sub-Fund

M = Average net assets of the Sub-Fund

Global Exposure

The global exposure of the Sub-Fund is calculated using the commitment approach as detailed in applicable laws and regulations including but not limited to CSSF Circular 11/512.

Corporate Governance Statement

The Board of Directors of the Fund confirms its adherence with the principles contained in the ALFI (Association Luxembourgeoise des Fonds d'Investissements) Code of Conduct for Luxembourg Investment Funds.

Transparency of Securities Financing Transactions and their Reuse

During the financial year of the fund no securities financing transactions and total return swaps in the sense of Regulation (EU) 2015/2365 of the European Parliament and the Council of November 25, 2015 on transparency of securities financing transactions and of reuse and amending Regulation 648/2012 have taken place. As a consequence, no information according to article 13 of the aforementioned Regulation need to be disclosed to the fund's investors.

Remuneration Policy

Pursuant to the Law of 2010, the Management Company has drawn up a remuneration policy for staff categories, including general management, risk takers, individuals in a supervisory position, and any employee who, in terms of overall remuneration, is in the same salary bracket as the general management, and risk takers whose work has a substantial impact on the risk profiles of the Management Company or SICAV, in accordance with the following principles:

a) the remuneration policy is compatible with, and fosters, healthy and effective risk management, and does not encourage risk taking in a manner incompatible with the SICAV's risk profiles, regulations or incorporating documents;

b) the remuneration policy is consistent with the economic strategy, objectives, values and interests of the Management Company, SICAV and investors in the SICAV, and includes measures to avoid conflicts of interest;

Harvest Investment Fund

c) performances are evaluated as part of a long-term approach adapted to the SICAV investors' recommended holding period, to guarantee that it is in line with the SICAV's long-term performance and investment risks, and that the actual payment of performance-related pay is spread over the same period;

d) a suitable balance is struck between fixed and variable components of overall remuneration. The fixed part accounts for a sufficiently high percentage of the total, such that a fully flexible policy can be followed for the variable components, in particular the possibility of not paying any bonus.

The Management Company's updated remuneration policy, including, inter alia, a description of the methods used to calculate remuneration and benefits together with details of the staff responsible for setting remuneration and benefits is available on the website <http://www.bellatrix.lu>. A paper copy is available free of charge on request from the Management Company's registered office.

Indication of the remuneration

Remuneration of the Management Company during the financial year from January 1, 2016 until December 31, 2016:

Total remuneration paid by the Management Company	0.379 million EUR
Thereof fixed remuneration	0.331 million EUR
Thereof variable remuneration	0.048 million EUR
Number of Beneficiaries	4
Thereof Senior management and risk takers	2
Carried interest paid by the Management Company	n/a
Total remuneration paid to Senior management and risk takers	0 million EUR



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To the Shareholders of
Harvest Investment Fund
26, Avenue de la Liberté
L-1930 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Harvest Investment Fund and each of its sub-funds ("the Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at 30 June 2017 and the statement of operations and the statement of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Harvest Investment and each of its sub-funds as at 30 June 2017, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under those Law and standards are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of Réviseur d'Entreprises agréé thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of Board of Directors of the Fund and Those Charged with Governance for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.

- Conclude on the appropriateness of Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, September 27, 2017

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé



Nic Müller