

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.

FUND MANAGER'S COMMENTS

In February, financial markets continued on their 2023 positive trend after that Jerome Powell sounded less hawkish in the FOMC statement. He did open the door to the possibility of ending below the peak implied by the December dot plot, which would imply only one more hike. He also opened the door to the possibility of rate cuts this year, if inflation slows more rapidly than projected. The market is now pricing in just one more hike, and a likely pause at the May meeting. It is a big if and quite positive for the pricing, so we stay on the balanced side.

In the convertible bond markets, primary issues were numerous and reignited after a very low and disappointing 2022. With interest rates rising, so is the cost of capital for companies favouring convertible bonds: Issuers are happy to lower their financing costs and/or to offer equity at a premium to market price while investors have a broader and more diversified investment universe. Still, selection is key, as some new issues are on the richer valuation side and struggle in the secondary market.

At the portfolio level, February is always a busy month with the breadth of earnings seasons announcements. It is when investment theses are reconfirmed and objectives reassessed for the prior year and the current one.

On the main delta exposure companies, Palo Alto Networks surpassed projections on earnings and lifted its earnings forecast for the full year. Dipak Golechha, the company's finance chief, was quoted as saying in the statement: "We believe we now meet the criteria for inclusion in the S&P 500,". Palo Alto Networks has now posted three consecutive quarters of profitability following a decade of being in the red. We have nevertheless halved our position to manage our delta exposure which after a nice rise was above our internal target. In the same batch, ON Semiconductor signaled robust demand in auto, energy and medical. However, it was weakness in broader industrial demand but reiterated its \$1bn 2023 SiC (a key component of electrification of things) target, announcing supply agreements with VW, Tesla, Jaguar Land Rover, and Hyundai. Results and forecasts on these two top picks and multi-year investments led the research community to generally increase their target price.

On the credit side, Zur Rose 2025 had a substantial improvement after the company sold part of its bricks-and-mortar pharmacy business to focus on e-pharmacy in Germany. The response to the pharmacy Swiss disposal is very positive, albeit with some concerns re losing a cash cow business. The disposal transforms the capital structure, the company being now net cash positive so the reimbursement risk on our 2025 convertible bond has been greatly reduced. We remain invested due to a nice yield to maturity (2025) especially considering that the company may be taken over.

Ultimately, the strategy consisting, as described in last quarter of 2022, of keeping short-term convertible bonds to maturity enabled us to build a cash cushion of nearly 9% which is ready to be reinvested. The portfolio is at the moment composed around less than 50 companies.

NAV PER SHARE (CLASS A)



SUMMARY

	HARD CLOSED			
	A	B	C	H
HEDGED	/	/	Devises	Devises & Delta
NAV/SHARE	156,96	150,68	112,87	101,16
YTD	4,53%	4,65%	3,95%	2,41%
MONTH	0,74%	0,80%	-0,47%	1,46%
DELTA	46,27%	46,27%	46,27%	0,00%
VOLATILITY	9,19%	9,18%	9,03%	13,18%
MATURITY/DURATION	1,82			
AVERAGE DELTA	46%			
CURRENT YIELD	1,31%			
AVERAGE SPREAD	190			
CASH	9,09%			

Performance History

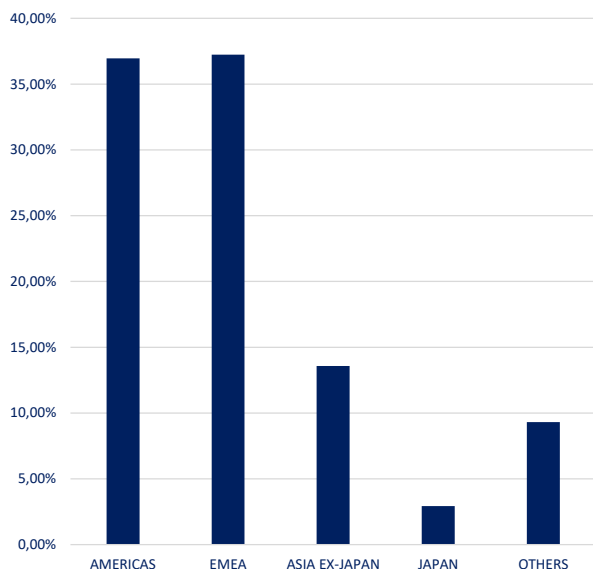
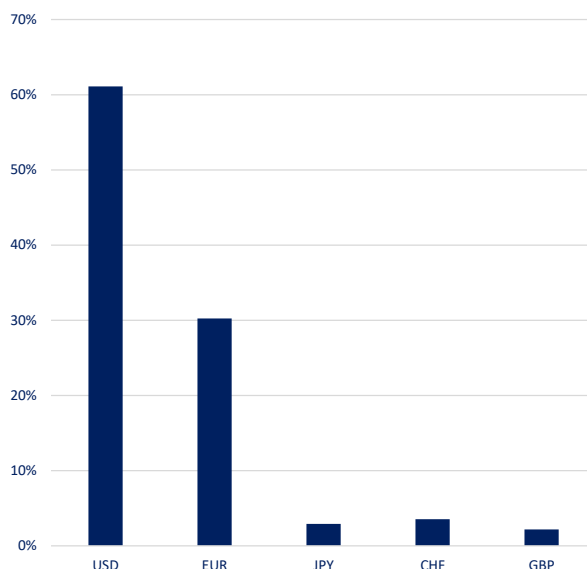
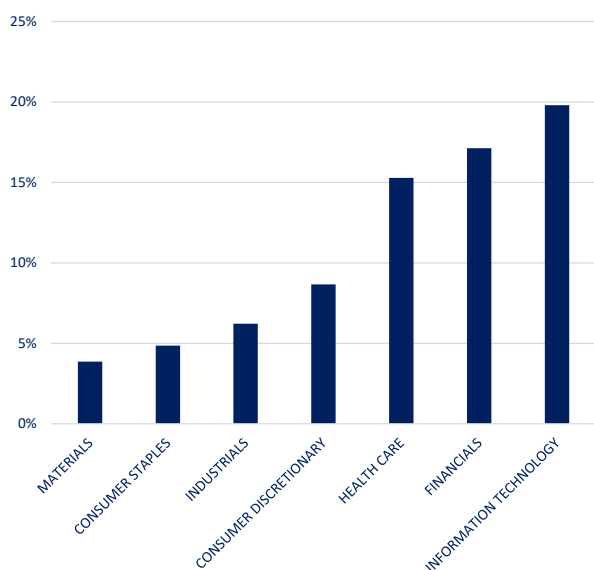
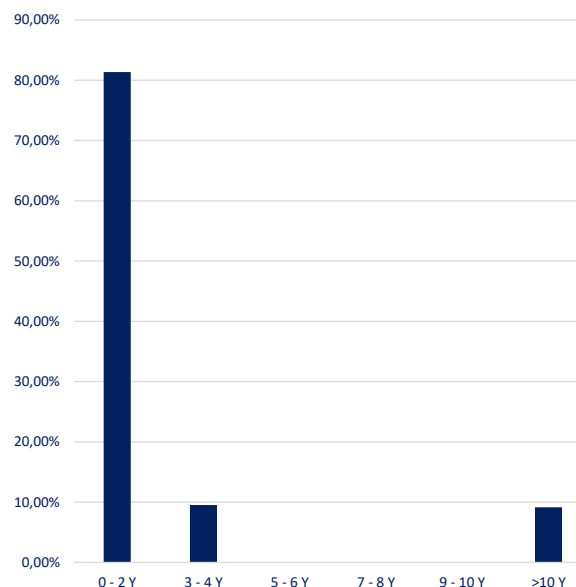
	2014	2015	2016	2017	2018	2019	2020	2021	YTD
A	14,17%	4,69%	0,50%	4,90%	-1,27%	12,13%	10,33%	5,17%	4,53%
B	14,85%	5,37%	1,20%	5,33%	-0,65%	12,72%	10,99%	5,80%	4,65%
C	5,59%	-1,58%	-2,11%	10,40%	-5,32%	10,73%	13,94%	1,55%	3,95%
H	9,85%	0,95%	-5,97%	-0,19%	-0,66%	-0,59%	6,56%	-9,03%	2,41%

TOP 5 / BOTTOM 5 (ATTRIBUTION)

PALO ALTO 0.75% 2023	0,57%	LIBERTY MEDIA 1.375% 2023	-0,25%
ZUR ROSE 2.75% 2025	0,52%	POSEIDON/POSTAL SAVINGS 0% 2025	-0,22%
SBI HOLDINGS 0% 2025	0,09%	ANLLIAN CAPITAL/ANTA SPORTS 0% 2025	-0,17%
KORIAN 0.875% 2027	0,04%	BANK OF AMERICA 7.25% PERP	-0,17%
SAFRAN 0.875% 2027	0,03%	QIAGEN 1% 2024	-0,15%

MAIN HOLDINGS

TOP 10	CCY	MATURITY	PUT	%	DELTA	CURRENT YIELD
ON SEMICONDUCTOR 1.625% 2023	USD	15/10/2023		5,63%	100,00%	0,43%
ANLLIAN CAPITAL/ANTA SPORTS 0% 2025	EUR	05/02/2025		3,88%	77,00%	0,00%
FORTIS CASHES Float 2049	EUR			3,87%	3,81%	5,46%
SAFRAN 0.875% 2027	EUR	15/05/2027		3,66%	91,26%	0,66%
BANK OF AMERICA 7.25% PERP	USD			3,60%	0,00%	5,80%
QIAGEN 1% 2024	USD	13/11/2024		3,32%	80,70%	0,90%
PALO ALTO 0.75% 2023	USD	01/07/2023		3,19%	99,79%	0,35%
POSEIDON/POSTAL SAVINGS 0% 2025	USD	01/02/2025		3,04%	68,53%	0,00%
MITHRA PHARMACEUTICALS 4.25% 2025	EUR	17/12/2025		2,97%	20,28%	6,65%
SPLUNK 0.5% 2023	USD	15/09/2023		2,95%	17,89%	0,51%

GEOGRAPHICAL ALLOCATION

CURRENCY ALLOCATION

SECTOR ALLOCATION

MATURITY ALLOCATION

INFORMATIONS GENERALES

SHARE CLASS	ISIN	LAUNCH DATE	MAN. FEE	PERF. FEE	MIN. INVEST	CLASS SHARES	ASSETS	CUT-OFF
A	LU0442197868	03/08/2009	1,85%	15% ABOVE 3-MONTHS LIBOR EUR (HIGH WATER MARK)	€ 1,000	CAPITALISATION	EUR 31 MILLIONS	JOURNALIER 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 AND CCY HEDGE)	LU0944844058	01/07/2013	1,85%		€ 1,000			

DEPOSITARY BANK	VP Bank (Luxembourg) SA	MANAGEMENT COMPANY	Bellatrix Asset Management S.A.
SUBSCRIPTIONS / REDEMPTION CENTRAL ADMIN / TRANSFER AGENT	VP Fund Solutions (Luxembourg) SA FAX +352 404 770 283 TEL +352 404 770 260 FundClients-LUX@vpbank.com		31, bd Prince Henri L-1724 (+352) 26 25 66 20 info@bellatrix.lu
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		AUDITOR	KPMG Luxembourg Société
		LEGAL ADVISOR	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.