

INVESTMENT POLICY

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

2023 is slowly coming to an end. And the least that one can say is that it hasn't been as bad as expected one year ago. In a rising interest rate environment, equities are mainly up, as are bonds. In that category, convertible bonds did quite well. And, if the sequels of 2022 performances due to a decade-old pivot in terms of interest rates are there, we have to keep in mind as investors, that money during that time recovered value and interest. This enables investors to look for long-term opportunities with a yield and a nice participation rate for convertible bonds.

At the asset class level, what drove high primary issue should continue as companies try to minimize the borrowing costs induced by higher interest rates. In terms of the investment universe, it is thrilling to watch an increase in investment cases, especially with positive yields and delta.

For the month, the top performers were Safran, CyberArk and Microsoft while on the downside, we had Anta Sports, SBI Holdings, and Wynn Macau.

Safran, our top position, and top monthly contributor to the performance, continues a superb year-to-date performance benefiting from its air and defense sector leadership. CyberArk is a cybersecurity specialist and global leader in Identity Security. Microsoft is still running hot with its traditional activities, including cloud, but also the frantic AI mania where its Open AI investment is bearing fruit. Microsoft seems so far ahead of others so it's a nice way to get exposure to the burgeoning artificial intelligence sector.

On the downside, Anta seems to suffer from a sector-related weakness. Jefferies reckoned that the sector is under pressure at the moment on the back of disappointing earnings results but we still like Anta and Bosideng. On a fundamental basis, Anta's multi-brand strategy has proven to work. Fila contributes more than 50% of group business. Amer sports IPO is happening soon etc. Bosideng, although a relatively smaller cap, has only been focused for winter. But it's a BBB-credit, and from a carry + gamma point of view, it's an interesting profile here.

Finally, to be mentioned, 2 of our top 3 holdings are yield instruments, one in Euro, from Fortis (CASHES) and one in USD from Bank of America (preferred). Both yield over 5% per annum. These two yield investments suffered in 2022 from the interest rate rise but still, in a balanced and diversified portfolio may be a strong basis for performance at the end of 2023 and for 2024.

NAV PER SHARE (CLASS A)



SUMMARY

	A	B
HEDGED	/	/
NAV/SHARE	154.19	148.8
YTD	2.68%	3.35%
MONTH	0.97%	1.03%
DELTA	42.77%	42.77%
VOLATILITY	6.80%	6.79%
MATURITY/DURATION	1.93	
AVERAGE DELTA	43%	
CURRENT YIELD	1.52%	
AVERAGE SPREAD	152	
CASH	6.97%	

Performance History

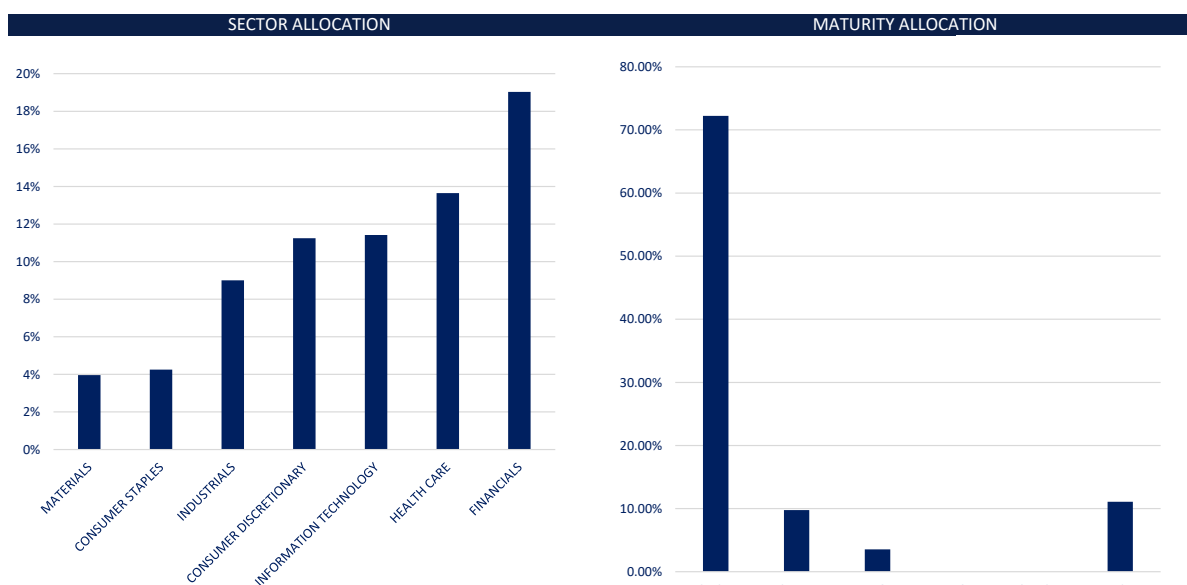
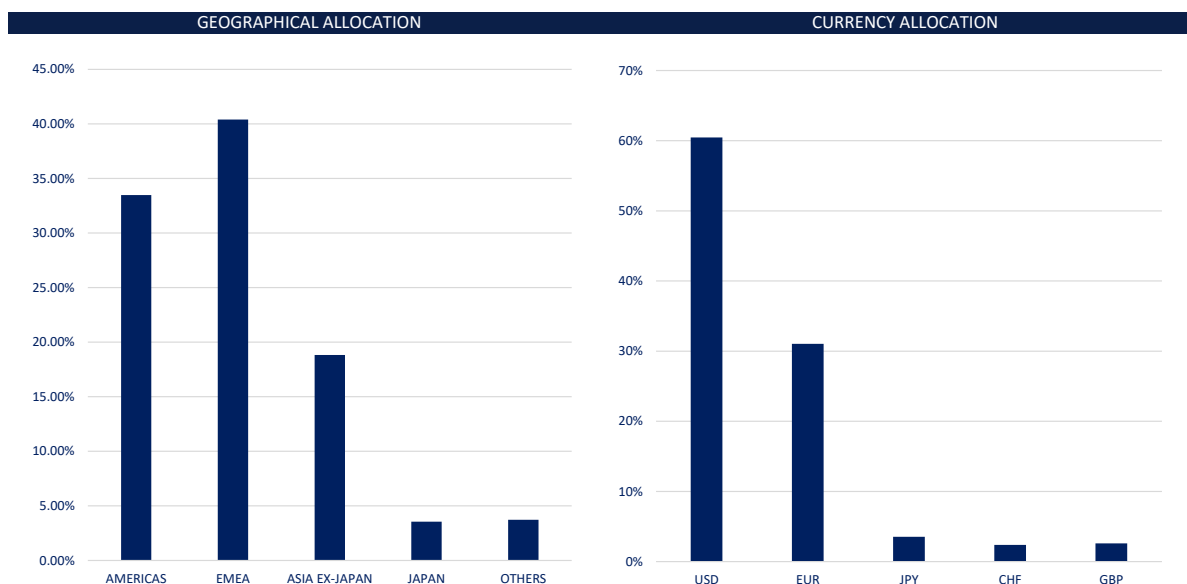
	2015	2016	2017	2018	2019	2020	2021	2022	YTD
A	4.69%	0.50%	4.90%	-1.27%	12.13%	10.33%	5.17%	-19.24%	2.68%
B	5.37%	1.20%	5.33%	-0.65%	12.72%	10.99%	5.80%	-18.68%	3.35%

TOP 5 / BOTTOM 5 (ATTRIBUTION)

SAFRAN 0.875% 2027	0.39%	ANLLIAN CAPITAL/ANTA SPORTS 0% 2025	-0.23%
CYBERARK 0% 11/15/24	0.38%	SBI HOLDINGS 0% 2025	-0.07%
BARCLAYS 0% 2025	0.37%	WYNN MACAU 4.5% 03/07/29	-0.06%
BHARTI AIRTEL 1.50% 2025	0.34%	FORTIS CASHES Float 2049	-0.02%
KORIAN 0.875% 2027	0.29%	SANOFI 0% 01/14/25	-0.02%

MAIN HOLDINGS

TOP 10	CCY	MATURITY	PUT	%	DELTA	CURRENT YIELD
SAFRAN 0.875% 2027	EUR	15/05/2027		5.32%	99.85%	0.57%
FORTIS CASHES Float 2049	EUR			5.07%	1.75%	5.34%
BANK OF AMERICA 7.25% PERP	USD			4.14%	0.00%	6.43%
ANLLIAN CAPITAL/ANTA SPORTS 0% 2025	EUR	05/02/2025		4.03%	51.30%	0.00%
GLENCORE 0% 2025	USD	27/03/2025		3.97%	54.91%	0.00%
LEG IMMO 0.875% 2025	EUR	01/09/2025		3.78%	18.49%	0.92%
LIVE NATION 2% 2025	USD	15/02/2025		3.75%	42.56%	1.96%
QIAGEN 1% 2024	USD	13/11/2024		3.72%	50.11%	0.98%
POSEIDON/POSTAL SAVINGS 0% 2025	USD	01/02/2025		3.62%	34.53%	0.00%
SBI HOLDINGS 0% 2025	JPY	25/07/2025		3.55%	99.78%	0.00%



GENERAL INFORMATION

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)	€ 10,000.00	CAPITALISATION	EUR 24,95 MILLIONS	DAILY 12:00 AM
B (INSTITUTIONAL)	LU0518233621	12/07/2010	1.20%		€ 500,000.00			

DEPOSITARY BANK	VP Bank (Luxembourg) SA	MANAGEMENT COMPANY	Bellatrix Asset Management S.A. 31, bd Prince Henri L-1724 Luxembourg (+352) 26 25 66 20 info@bellatrix.lu
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FUND	HARVEST INVESTMENT FUND 2 Rue Edward Steichen L-2540 Luxembourg		
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		AUDITOR	KPMG Luxembourg
		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 key information document 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.