

## 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

After an annus horribilis in 2022 for all asset classes apart cash, expectations for 2023 were very low, ranging from "higher for longer", "soft landing" and "hard landing" all imaginable. The year was quite complicated and on the verge of another bad year until end of October. Still, a quicker than expected decline in inflation coupled with a strong employment level, relaunched the sooner than expected scenario of interest rates cuts and the relaxation of restrictive monetary policy. Good job Jerome!

All year long, we haven't tried to time the market. The portfolio was positioned on the safe side of the curve and enabled a positive return over cash rates. China investments had a negative impact as this post Covid recovery trades failed to perform due to real estate sector collapse and economy weakness. Hopefully, we have been quite protected by the bond component of our investments. On the positive side, Safran, Microsoft and Bharti Airtel for instance had a nice positive impact on the performance.

As for the 2024 outlook: the macro picture is clearer (inflation come close to target, soft landing is plausible and employment level is high), yields are positive and remunerate risk, convertible valuations are supportive.

As for 2023, we have a portfolio concentrated on strong equity views with Safran, SBI Holdings and Microsoft.

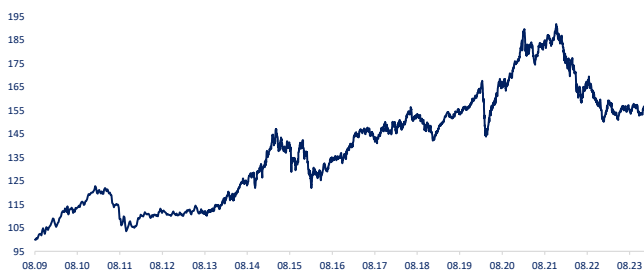
We have investments in China that priced a lot of bad news already and may be the good surprise in 2024. Anta Sports which multi-brand strategy has been proved successful with FILA now contributing more than 50% of Anta revenue and the soon to come IPO its US business which should de-risk the credit side of the bond and unlock some of the equity value. Wynn Macau which stock declined -40% from recent highs but which credit was upgraded to BB- by S&P. Macau-related stocks are trading below mid-cycle minus one standard deviation EV/EBITDA.

On the yield side (a positive if rates decline) we have Bank of America Preferred (USD) and Fortis Cashes (EUR) both with yields over 6%, should benefit for a more constructive rate environment. We have a cash cushion over 5% to enable new investments.

Finally, if we look at currencies: we are still supportive of the US dollar compared to EURO. The market anticipates a quicker interest rate cut in the USD, but Europe is in a bad shape with its exports, debt level, real estate all that advocate for a weak-er- euro. Not mentioning that an international currency exposition in a global portfolio for a euro-based investor makes sense.

All in all, the investment portfolio comprised around 40 positions with over 40% delta a positive yield and a duration of less than 2 years. Managing global convertible bonds for decades it must be said that such features present all what a convertible bond investor like and that we haven't seen that for a long time. So that, we are optimistic on Convertible Bond as an asset class not forgetting that the Convertible bonds performed well when rates were at a similar level to now, back in the early to mid 2000s.

### NAV PER SHARE (CLASS A)



### SUMMARY

	A	B
HEDGED	/	/
NAV/SHARE	156.07	150.69
YTD	3.94%	4.66%
MONTH	1.22%	1.27%
DELTA	44.05%	44.05%
VOLATILITY	6.61%	6.60%
MATURITY/DURATION	1.94	
AVERAGE DELTA	44%	
CURRENT YIELD	1.46%	
AVERAGE SPREAD	150	
CASH	7.77%	

### Performance History

	2015	2016	2017	2018	2019	2020	2021	2022	YTD
<b>A</b>	4.69%	0.50%	4.90%	-1.27%	12.13%	10.33%	5.17%	-19.24%	3.94%
<b>B</b>	5.37%	1.20%	5.33%	-0.65%	12.72%	10.99%	5.80%	-18.68%	4.66%

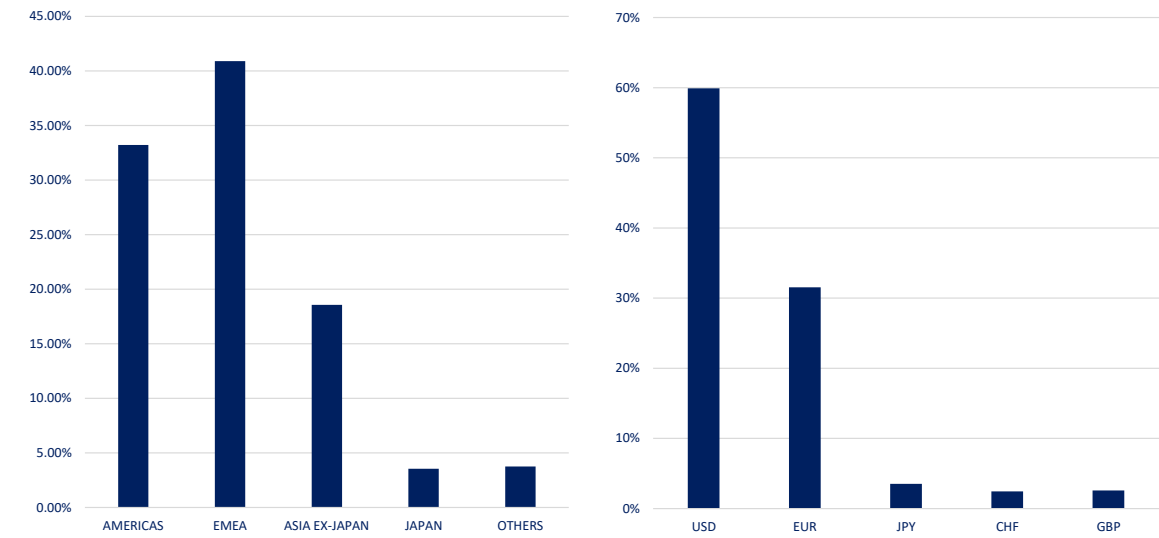
### TOP 5 / BOTTOM 5 (ATTRIBUTION)

ON SEMICONDUCTOR 0.50% 2029	0.30%	SAFRAN 0.875% 2027	-0.09%
BANK OF AMERICA 7.25% PERP	0.25%	ANLLIAN CAPITAL/ANTA SPORTS 0% 2025	-0.08%
LIVE NATION 2% 2025	0.13%	BARCLAYS 0% 2025	-0.05%
CYBERARK 0% 11/15/24	0.13%	SBI HOLDINGS 0% 2025	-0.04%
EXACT SCIENCES 0.875% 2027	0.12%	SWISS RE 3.25% 2024	-0.04%

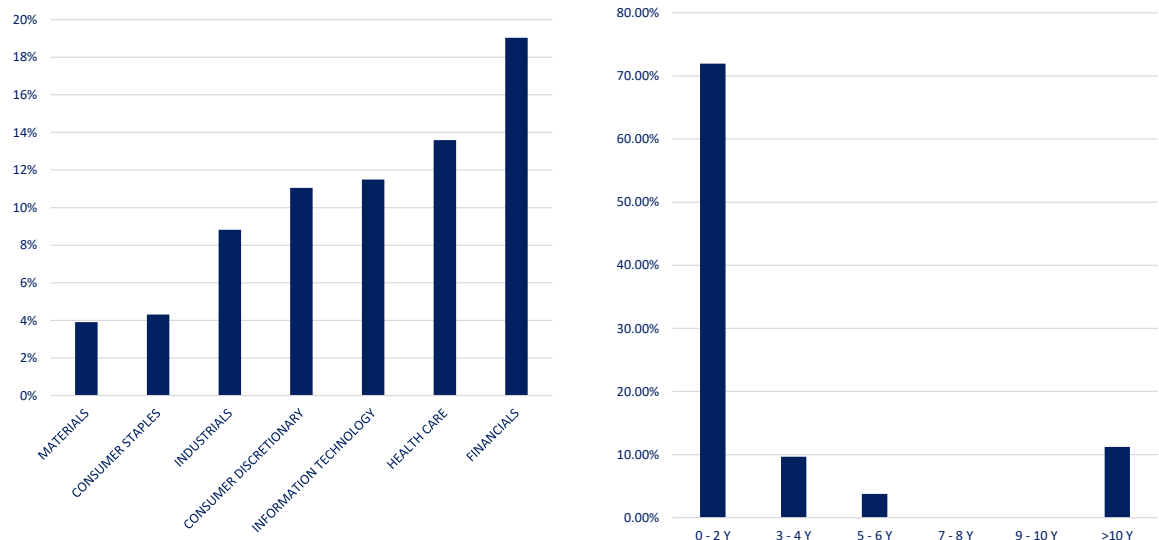
### MAIN HOLDINGS

TOP 10	CCY	MATURITY	PUT	%	DELTA	CURRENT YIELD
SAFRAN 0.875% 2027	EUR	15/05/2027		5.14%	99.34%	0.58%
FORTIS CASHES Float 2049	EUR			5.09%	1.85%	4.80%
BANK OF AMERICA 7.25% PERP	USD			4.31%	0.00%	6.02%
GLENCORE 0% 2025	USD	27/03/2025		3.91%	57.01%	0.00%
ANLLIAN CAPITAL/ANTA SPORTS 0% 2025	EUR	05/02/2025		3.87%	47.17%	0.77%
LEG IMMO 0.875% 2025	EUR	01/09/2025		3.80%	23.50%	0.90%
LIVE NATION 2% 2025	USD	15/02/2025		3.77%	52.66%	1.89%
ON SEMICONDUCTOR 0.50% 2029	USD	01/03/2029		3.77%	74.23%	0.47%
QIAGEN 1% 2024	USD	13/11/2024		3.68%	62.02%	0.97%
POSEIDON/POSTAL SAVINGS 0% 2025	USD	01/02/2025		3.56%	35.98%	7.06%

GEOGRAPHICAL ALLOCATION	CURRENCY ALLOCATION
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SECTOR ALLOCATION	MATURITY ALLOCATION
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GENERAL INFORMATION								
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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 25,2 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		
		ADVISOR	Harvest Advisory S.A.
		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.