DNCA INVEST
CONVERTIBLES
EUROPEAN CONVERTIBLE BONDS

Investment objective

The Sub-Fund seeks to provide capital appreciation with low volatility by investing in convertible bonds. Investors' attention is drawn to the fact that the management style is discretionary and integrates environmental, social / societal and governance (ESG) criteria. As part of a discretionary management approach, the portfolio composition will not attempt to replicate the composition of a benchmark index from a geographical or sectoral perspective. Even so, the Refinitiv Eurozone Focus Hedged - EUR - index may be used as ex-post benchmark indicator. To achieve its investment objective, the investment strategy is based on active discretionary management.

Financial characteristics

NAV (€)	170.38
Net assets (€M)	329
Delta	37%
Average yield	1.05%
Average premium	102.93%
Average modified duration	2.26
Average maturity (years)	3.70
Number of lines	44
Average rating	BBB-

Performance (from 28/02/2014 to 29/02/2024)

Past performance is not a guarantee of future performance



(1)EUROZONE FOCUS TR EUR Hedged

Annualised performances and volatilities (%)

	1 year	2 years	5 years	10 years	Since inception
I Share	+2.43	-1.26	+0.03	+0.48	+3.57
Reference Index	+2.82	-1.21	+0.14	+1.17	+3.60
I Share - volatility	5.79	6.99	6.38	5.38	4.81
Reference Index - volatility	5.39	6.47	6.11	5.74	5.87

Cumulative performances (%)

	1 month	YTD	1 year	2 years	5 years	10 years
I Share	+0.75	+0.32	+2.43	-2.51	+0.14	+4.95
Reference Index	+1.69	+1.55	+2.82	-2.40	+0.70	+12.32

Calendar year performances (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
I Share	+7.33	-14.65	+1.87	+2.24	+7.98	-8.78	+6.88	+1.54	+5.22	+0.51
Reference Index	+4.23	-14.20	-0.25	+6.03	+7.60	-5.18	+6.99	-0.21	+6.08	+3.06

Risk indicator

1 2 **3** 4 5 6 7

Lower risk — Higher risk

Synthetic risk indicator according to PRIIPS. 1 corresponds to the lowest level and 7 to the highest level.

	1 year	3 years	5 years	10 years
Sharpe Ratio	0.42	-0.28	0.00	0.09
Tracking error	3.08%	2.78%	2.77%	2.76%
Correlation coefficient	0.85	0.91	0.90	0.88
Information Ratio	-0.13	0.23	-0.04	-0.25
Beta	0.91	0.97	0.94	0.82

Main risks: risk relating to discretionary management, interest-rate risk, credit risk, risk of capital loss, equity risk, risk related to exchange rate, sustainability risk, ESG risk, specific risks associated with OTC derivative transactions, risk of investing in derivative instruments as well as instruments embedding derivatives

Main positions+

	Weight
STMicroelectronics NV 0% 2027 CV	3.52%
Schneider Electric SE 1.97% 2030 CV	3.51%
Cellnex Telecom SA 0.5% 2028 CV	3.47%
Nexi SpA 0% 2028 CV	3.30%
Prysmian SpA 0% 2026 CV	3.26%
Elis SA 2.25% 2029 CV	3.20%
Neoen SA 2.88% 2027 CV	3.19%
SPIE SA 2% 2028 CV	3.17%
Saipem SpA 2.88% 2029 CV	3.17%
Fnac Darty SA 0.25% 2027 CV	3.11%
	32.90%

Maturity breakdown

	Weight (%)		Modified duration	
	Fund	Index	Fund	Index
< 1 year	1.6%	10.6%	0.0	0.1
1 - 2 years	14.6%	26.7%	0.2	0.4
2 - 3 years	6.3%	12.1%	0.1	0.3
3 - 4 years	26.5%	14.0%	0.6	0.5
4 - 5 years	21.6%	17.9%	0.6	0.7
> 5 years	18.1%	18.8%	0.6	1.1

Rating breakdown

	Fund	Index
AA	1.5%	0.9%
A	6.7%	17.6%
BBB	43.0%	26.3%
BB	21.1%	8.0%
NR	27.7%	47.2%

Country breakdown

	Fund	Index
France	39.0%	32.0%
Italy	15.6%	15.1%
Spain	11.5%	7.9%
Netherlands	11.4%	11.0%
Germany	5.8%	24.0%
United Kingdom	3.2%	-
Korea (South)	3.1%	-
USA	2.7%	5.5%
Switzerland	2.3%	-
Austria	2.3%	-
Luxembourg	2.1%	2.8%
Taiwan	0.9%	-
Other Countries	-	1.7%

Sector breakdown (ICB)

	Fund	Index
Industrial Goods and Services	25.1%	27.9%
Technology	16.8%	10.1%
Travel and Leisure	10.6%	4.2%
Telecommunications	6.4%	3.3%
Construction and Materials	5.1%	1.6%
Utilities	5.1%	4.3%
Retail	5.0%	-
Automobiles and Parts	4.9%	1.9%
Energy	4.0%	15.0%
Consumer Products and Services	2.6%	3.4%
Basic Resources	2.2%	-
Financial Services	2.0%	12.0%
Real Estate	1.6%	3.1%
Banks	1.4%	6.0%
Health Care	1.2%	3.3%
Food, Beverage and Tobacco	1.0%	3.9%
Cash and equivalents	5.1%	N/A

Changes to portfolio holdings*

In: Global Payments Inc 1.5% 2031 CV and LEG Immobilien SE 0.4% 2028 CV (6.3)

Out: Delivery Hero SE 1% 2027 CV (3.1)

*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

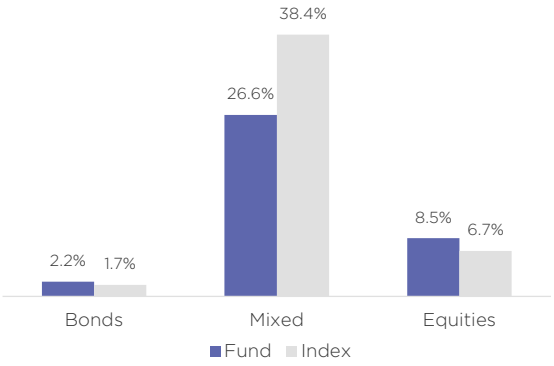
Delta

	Fund	Index
Delta	37.3%	46.8%
Effective delta	29.8%	39.2%
Input spread	152.6	84.0
Implicite spread	121.9	75.3

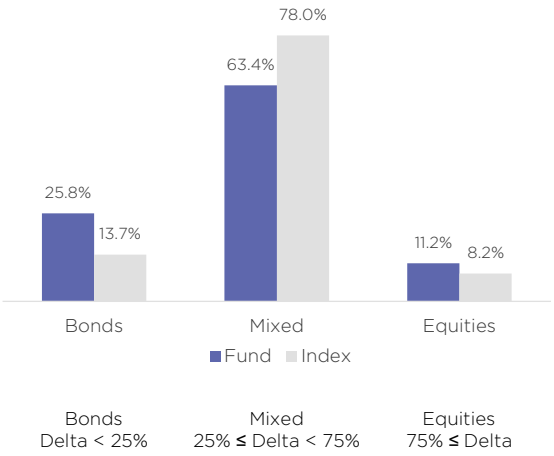
Main deltas

	%
Safran SA 0.88% 2027 CV	99.0%
SK Hynix Inc 1.75% 2030 CV	89.7%
BE Semiconductor Industries NV 1.88% 2029 CV	80.2%
Schneider Electric SE 0% 2026 CV	78.8%
Elis SA 2.25% 2029 CV	75.6%
Safran SA 0% 2028 CV	70.4%
Prysmian SpA 0% 2026 CV	69.5%
Saipem SpA 2.88% 2029 CV	66.5%
Amadeus IT Group SA 1.5% 2025 CV	65.3%
Global Payments Inc 1.5% 2031 CV	64.7%

Profile breakdown (delta contribution)



Profile breakdown (weight)



Bonds
Delta < 25%

Mixed
25% ≤ Delta < 75%

Equities
75% ≤ Delta

Delta contribution per country

	Delta		Effective delta	
	Fund	Index	Fund	Index
France	15.8%	16.4%	12.7%	13.7%
Italy	5.9%	7.3%	5.1%	6.1%
Netherlands	4.6%	5.1%	3.8%	4.3%
Spain	3.7%	3.8%	2.5%	3.0%
Korea (South)	2.5%	-	2.3%	-
USA	1.3%	2.7%	1.1%	2.4%
Germany	1.3%	10.5%	0.9%	8.7%
United Kingdom	0.8%	-	0.6%	-
Austria	0.5%	-	0.4%	-
Luxembourg	0.4%	1.0%	0.2%	0.8%
Taiwan	0.4%	-	0.3%	-
Switzerland	0.2%	-	0.0%	-
Belgium	-	0.2%	-	0.1%

Delta contribution per sector

	Delta		Effective delta	
	Fund	Index	Fund	Index
Industrial Goods and Services	12.0%	16.5%	10.7%	14.8%
Technology	8.5%	5.6%	7.4%	5.0%
Travel and Leisure	3.4%	2.0%	2.4%	1.5%
Automobiles and Parts	2.3%	0.9%	2.0%	0.8%
Energy	2.2%	5.7%	1.7%	4.4%
Telecommunications	2.1%	1.3%	1.2%	0.9%
Construction and Materials	1.7%	0.9%	1.5%	0.8%
Utilities	1.0%	2.1%	0.6%	1.8%
Consumer Products and Services	0.9%	1.6%	0.3%	0.9%
Banks	0.8%	3.7%	0.7%	3.4%
Retail	0.6%	-	0.3%	-
Basic Resources	0.5%	-	0.4%	-
Real Estate	0.5%	0.5%	0.2%	0.3%
Financial Services	0.4%	3.3%	0.2%	2.6%
Health Care	0.2%	1.2%	0.1%	0.9%
Food, Beverage and Tobacco	0.1%	1.5%	0.1%	1.1%

*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

Portfolio managers comments

The main equity indices are continuing their upward trend, buoyed in particular by good corporate results in certain sectors. This was against a backdrop of more mixed macroeconomic data releases, which also gave rise to a few periods of tension on the fixed-income markets. The start of the year has seen a return to decorrelation between the two main asset classes. The sequence of economic activity and inflation figures on both sides of the Atlantic has necessitated an adjustment in the expectations of the corresponding monetary policies. While a debate is beginning to emerge on the need for the FED to remain accommodative in 2024, current implied expectations point to an inflexion as early as June. In addition, the credit market is still buoyant, thanks to continued investment flows, particularly in Investment Grade. Conversely, the pace of investment is robust, with a record trend for the year. Against this backdrop, the primary convertible bond market disappointed, failing to offer any investment opportunities.

Since the start of the year, the fund has returned 0.32% versus 1.55% for its benchmark, the Refinitiv Eurozone Focus Hedged CB (EUR). Activity on the secondary market was mainly driven by the pace of annual earnings releases. Increases were made on two stocks in the semiconductor segment, both of which have the same growth and profitability sequencing: Soitec 2025 and STMicroéléctronics 2027. The end markets addressed and the management of order books should enable them to post a material rebound in the second half of the year. These increases were financed by profit-taking on stocks with remarkable track records, and with what are now "equity" profiles on convertible securities (Schneider Electric 2026, Prysmian 2026, Amadeus 2025). The FEMSA/Heineken exchangeable bond has also been reduced in size due to its convertible bond profile. Too short, it is difficult to anticipate the amortisation of its conversion premium. Finally, two stocks have been included in the selection because their mixed-bond profile has become relevant again: MTU Aero Engines 2027 and Leg Immobilien 2028. These two securities offer an attractive return (3% and 4% respectively) and allow us to regain a measured exposure to the underlying equities.

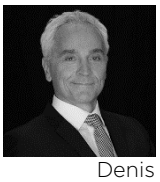
After a lacklustre first month, convertible bonds are regaining traction on their various performance drivers. Nonetheless, convertibles continue to lag their post-2022 rebound phase in relative terms. This is particularly true of its equity and technical components (implied volatility). The portfolio's bias towards certain themes (technology, energy transition, small and mid caps) should enable it to continue this momentum, while maintaining a cautious approach (sensitivity to the equity market is close to 35%).

While the various geographic regions have given a clear boost to their primary activity, Europe has got off to a timid start, thwarting investors' hopes. The end of the publication season in Europe should trigger a stronger wave. The arguments in favour of convertible investments are too strong for companies to ignore. Particularly in the small and mid-cap segment, which faces significant debt maturities.

Text completed on 06/03/2024.



Félix Haron, CFA



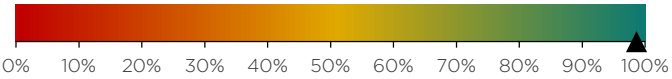
Denis Passot



Jean-Paul Ing, CFA

Internal extra-financial analysis

ABA coverage rate+(98.6%)

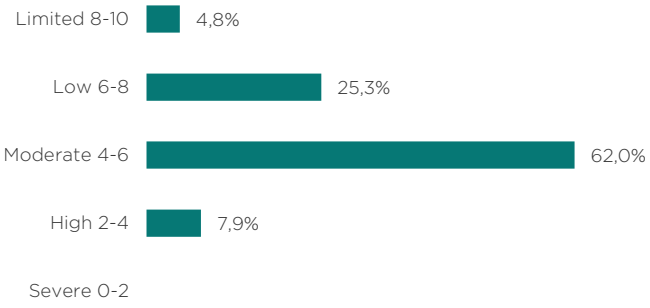


Average Responsibility Score: 5.4/10

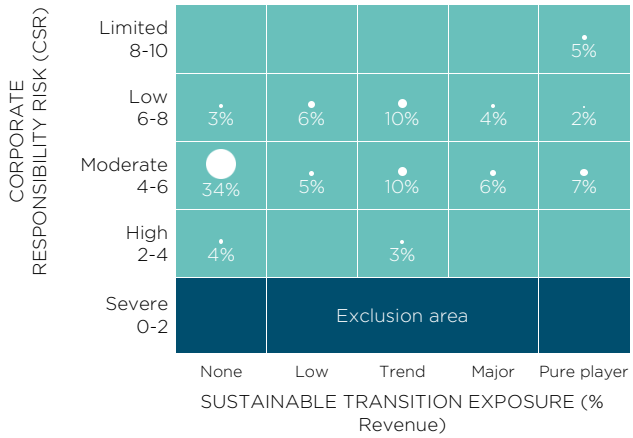
Selectivity universe exclusion rate



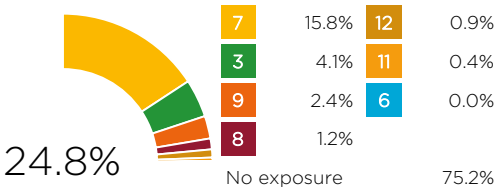
Responsibility risk breakdown(1)



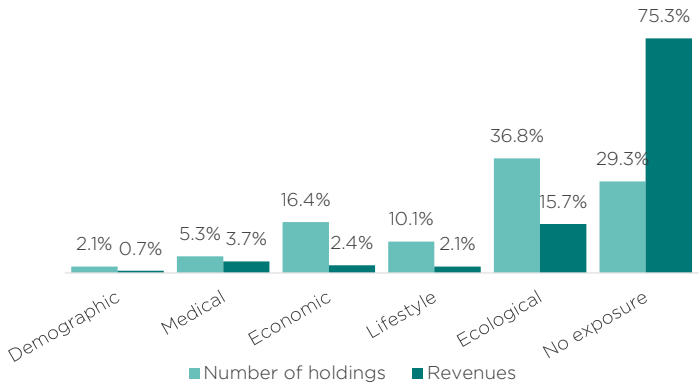
Transition/CSR exposure(2)



SDG's exposure(3) (% of revenues)



Sustainable transitions exposure(4)



Analysis methodology

We develop proprietary models based on our expertise and conviction to add tangible value in the selection of portfolio securities. DNCA's ESG analysis model, Above & Beyond Analysis (ABA), respects this principle and offers a rating that we control the entire construction. Information from companies is the main input to our rating. The methodologies for calculating ESG indicators and our responsible investor and engagement policy are available on our website by clicking here.

(1) The rating out of 10 integrates 4 risks of responsibility: shareholder, environmental, social and societal. Whatever their sector of activity, 24 indicators are evaluated, such as social climate, accounting risks, suppliers, business ethics, energy policy, quality of management.

(2) The ABA Matrix combines the Responsibility Risk and the Sustainable Transition exposure of the portfolio. It allows us to It allows companies to be mapped using a risk/opportunity approach.

(3) 1 No poverty. 2 Zero hunger. 3 Good health and well-being. 4 Quality education. 5 Gender equality. 6 Clean water and sanitation. 7 Clean and affordable energy. 8 Decent work and economic growth. 9 Industry, innovation and infrastructure. 10 Reduced inequalities. 11 Sustainable cities and communities. 12 Sustainable consumption and production. 13 Tackling climate change. 14 Aquatic life. 15 Terrestrial life. 16 Peace, justice and effective institutions. 17 Partnerships to achieve the goals.

(4) 5 transitions based on a long-term perspective of the financing of the economy allow the identification of activities with a positive contribution to sustainable development and to measure the exposure of companies in terms of turnover as well as exposure to the UN Sustainable Development Goals.

+The coverage rate measures the proportion of issuers (equities and corporate bonds) taken into account in the calculation of the extra-financial indicators. This measure is calculated as a % of the fund's net assets adjusted for cash, money market instruments, derivatives and any vehicle outside the scope of "listed equities and corporate bonds".

Principal Adverse Impacts

PAI	Unit	Fund		Ref. Index	
		Coverage	Value	Coverage	Value
PAI Corpo 1_1 - Tier 1 GHG emissions	T CO_2	97%	29,970	90%	456
PAI Corpo 1_2 - Tier 2 GHG emissions	T CO_2	97%	6,002	90%	93
PAI Corpo 1_3 - Tier 3 GHG emissions	T CO_2	97%	130,580	90%	2,476
PAI Corpo 1T - Total GHG emissions	T CO_2	97%	164,989	90%	3,020
PAI Corpo 2 - Carbon footprint	T CO_2/EUR million invested	97%	511	90%	481
PAI Corpo 3 - GHG intensity	T CO_2/EUR million sales	97%	874	91%	850
PAI Corpo 4 - Share of investments in companies active in the fossil fuel sector		6%	2%	9%	9%
PAI Corpo 5 - Share of non-renewable energy consumption and production		91%	68%	91%	71%
PAI Corpo 6_TOTAL - Energy consumption intensity by sector with high climate impact NACE	GWh / EUR million sales	93%	0.5	91%	0.4
PAI Corpo 7 - Activities with a negative impact on biodiversity-sensitive areas		3%	0%	0%	0%
PAI Corpo 8 - Water discharges	T Water Emissions	10%	43	6%	17
PAI Corpo 9 - Hazardous or radioactive waste ratio	T Hazardous Waste	57%	1,349,725	53%	1,246,191
PAI Corpo 10 - Violations of UNGC and OECD principles		97%	0%	91%	0%
PAI Corpo 11 - Lack of UNGC and OECD compliance processes and mechanisms		97%	26%	91%	22%
PAI Corpo 12 - Unadjusted gender pay gap		24%	14%	22%	7%
PAI Corpo 13 - Gender diversity in governance bodies		97%	42%	91%	42%
PAI Corpo 14 - Exposure to controversial weapons		97%	0%	91%	0%
PAI Corpo OPT_1 - Water use	m^3/EUR mln sales	8%	1	1%	0
PAI Corpo OPT_2 - Water recycling		6%	0%	1%	0%
PAI Corpo OPT_3 - Number of days lost due to injury, accident, death or illness		53%	163	41%	2

Source : MSCI

Administrative information

Name: DNCA INVEST Convertibles
ISIN code (Share I): LU0401808935
SFDR classification: Art.8
Inception date: 17/12/2008
Investment horizon: Minimum 5 years
Currency: Euro
Country of domicile: Luxembourg
Legal form: SICAV
Reference Index: EUROZONE FOCUS TR EUR Hedged
Valuation frequency: Daily
Management company: DNCA Finance

Portfolio Managers:
Félix HARON, CFA
Denis PASSOT
Jean-Paul ING, CFA

Minimum investment: 200,000 EUR
Subscription fees: 2% max
Redemption fees: -
Management fees: 0.90%
Ongoing charges as of 30/12/2022: 0.95%
Performance fees: 15% of the positive performance net of any fees above the index: Refinitiv Eurozone Focus Hedged with High Water Mark

Custodian: BNP Paribas - Luxembourg Branch
Settlement: T+2
Cut off: 12:00 Luxembourg time

Legal information

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Past performance is not a reliable indicator of future performance.

Sub-fund of DNCA INVEST Investment company with variable capital (SICAV) under Luxembourg law in the form of a Société Anonyme - domiciled at 60 Av. J.F. Kennedy - L-1855 Luxembourg. It is authorised by the Commission de Surveillance du Secteur Financier (CSSF) and subject to the provisions of Chapter 15 of the Law of 17 December 2010.

DNCA Finance is a limited partnership (Société en Commandite Simple) approved by the Autorité des Marchés Financiers (AMF) as a portfolio management company under number GP00-030 and governed by the AMF's General Regulations, its doctrine and the Monetary and Financial Code. DNCA Finance is also a Non-Independent Investment Advisor within the meaning of the MIFID II Directive. DNCA Finance - 19 Place Vendôme-75001 Paris - e-mail: dnca@dnca-investments.com - tel: +33 (0)1 58 62 55 00 - website: www.dnca-investments.com.

Any complaint may be addressed, free of charge, either to your usual contact (within DNCA Finance or within a delegate of DNCA Finance), or directly to the Head of Compliance and Internal Control (RCCI) of DNCA Finance by writing to the company's head office (19 Place Vendôme, 75001 Paris, France).

This Fund is being marketed as a public offering in Luxembourg. You can contact the DNCA Finance branch:

DNCA Finance Luxembourg Branch - 1 Place d'Armes - L-1136 Luxembourg

This product promotes environmental or social characteristics, but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.

This product is subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

If the portfolio investment process can incorporate ESG approach, the portfolio's investment objective is not primarily to mitigate this risk. The sustainability risk management policy is available on the website of the Management Company.

The reference benchmark as defined in the Regulation 2019/2088 (article 2(22)) does not intend to be consistent with the environmental or social characteristics promoted by the fund.

Glossary

Beta. Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.
Correlation coefficient. The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.
Dividend yield. Annual dividends per share / Price per share
EV (Enterprise Value). Market value of common stock + market value of preferred equity + market value of debt + minority interest - cash and investments.
ND/EBITDA (Net Debt / EBITDA). A measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.
P/B. The Price to Book Ratio is the ratio of the market value of equity (market capitalisation) to its book value. It is used to compare the market valuation of a company with its book value.
P/CF (Share price/Cash Flow per Share). The price-to-cash-flow ratio is an indicator of a stock's valuation.
PER (Price Earnings Ratio). A company's share price divided by the amount of profits it makes for each share in a 12-month period. PE ratios are normally calculated on the base of all the profit made in the period, whether or not the profit is paid out to shareholders in that period.
ROE (Return On Equity). The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.
Sharpe Ratio. A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).
Sharpe Ratio. The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.
Tracking error. Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.