IVO FIXED INCOME (EUR) - UCITS

FACTSHEET - JUNE 2020

An opportunistic access to international corporate debt markets

Launched in April 2015, IVO Fixed income is a specialized UCITS Fund, investing in corporate bonds in which the manager has his strongest risk/return convictions, either because a revaluation on the price is expected or because there is attractive yield for a given amount of risk. Opportunistic exposure to different segments of corporate debt, ranging from Investment Grade to High Yield, and USD-denominated bonds to EUR-denominated bonds. The hedging instruments aim at reducing the currency risk to a maximum of 30% USD exposure. The approach "Good companies/Bad Country" enables us to combine Value and quality in our investments.

Fund performance review

The fund appreciated by +7.8% in June, overperforming the IBOXX Liquid High Yield (-0.26%) and JPM CEMBI HY+ (+3.7% in EUR) indexes, mainly due to Argentinean issuers performance, besides other bonds which have profited from idiosyncratic reasons. The emerging corporate universe has benefited from the general improvement on risk perception. Debt markets funds invested in hard currencies, registered 4.6 bn$ inflows during June, reducing the year-to date -11.2 bn$ deficit. The CEMBI HY+ achieved a +3.8% performance during the month. Country-wise, the best performers are Argentina (+12.4%), India (+8.3%), Nigeria (+5.9%) and Ukraine (+5.8%).

Argentinean performance was achieved in two steps: the main upward progression occurred during the first month week (+11.8%), while investors were expecting for a conclusive agreement concerning its sovereign debt restructuring. Despite the unfruitful first negotiation round and the deadline's prorogue for July, Argentinean companies have successfully resisted, demonstrating investors' confidence regarding a settled agreement. Positive average performance of Indian issuers is mainly due to progress on the country's main high-yield issuer, which operates in the commodities sector. Nigerian issuers performance is also positive, explained by oil's price recovery, main contributor to the country's GDP. Finally, in Ukraine, economic environment has improved, while structural reforms continue, supported by the IMF assistance programs (5 bn$), among other multilateral institutions (3.6 bn$).

Brent is currently above 40$, and has increased by +12% during the month. Oil market slows down mid-month, caused by a fear in the United States of a potential coronavirus second wave. Nonetheless, Chinese demand growth, gradual economic recovery in the rest of the world and OPEC members discipline concerning limits on production have allowed to offset this decline. On the assumption of a second wave occurring in the second semester, the impact over oil price might be less significant compared to the first one, as lockdowns would probably be less strict and mostly localized compared with the first wave period; likewise the reaction of supplying countries to a declining demand, would likely be faster and more appropriate.

Several risks persist at economic level and main indicators (GDP, unemployment rate, consumers spending) remain as targets to monitor, as well as the outbreak evolution in post-lockdown countries, taking into account that we have already noticed renewed localized lockdowns, in Germany or Pekin. In Latin America, the evolution of the pandemic in the two major economies (Brazil and Mexico), where cases are still growing, will be also carefully followed. The constitution of an European Support Fund, a vaccine's development progress, in addition to the evolution of the United States/China relationship, could similarly impact emerging markets. Considering these risks, we continue to find opportunities in these markets, with discounted bonds within the CEMBI HY+LATAM (still at -8% YTD). According to risks evolution, restructurings might be required or not, but we do not desire to invest under such a binary approach. We endeavor to focus in investment cases, whose underlying businesses are secured by clear long-term equity value. Until now, for emerging companies, defaults with large haircuts have occurred within specific sectors, mainly airline companies (Aeromexico, Latam, Avianca), to which we were not exposed. As opposed to airlines, within the airport industry, when restructuring has been necessary for liquidity reasons, they were satisfactorily concluded (ACI Airports, Aeropuertos Argentina). For this reason, during the last three months, we have implemented an investment strategy based on resilient issuers (significant cash position, controlled indebtedness, asset's value). Additionally, we also see value on the crossover segment, with longer durations.

This month, the main contributor to performance was **Intercement 2024-bond**, subsequent to announcing its bank debt refinancing. After benefiting from the upward trend, we decided to reduce our position on the bond. We have also taken some profit from certain bonds in Argentina, especially those that we introduced during the crisis. Furthermore, we continued to strengthen our position to BB/BBB rated bonds, with long durations (**DP World, Suzano, Autopistas del Sol**). We initiated a position in ACI Airport, main airport in Uruguay, that allowed us to reinforce the fund exposure to a sector that for us is highly attractive, in a country where we were not exposed.

KEY FIGURES

	LU1165644672
Inception Date	April 24, 2015
NAV as of 30-06-20	106,79
Fund Net Assets	411,1M€

RETURN

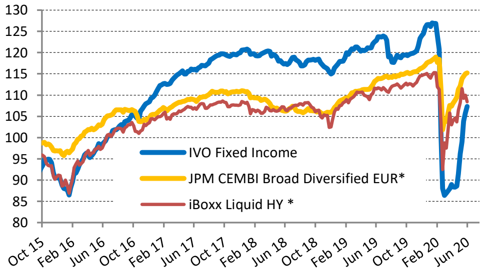
	Bonds part	Fund
Yield to maturity* (EUR)	21,2%	20,1%
Yield to worst* (EUR)	21,1%	20,0%
Adjusted yield** (EUR)	14,2%	13,4%

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

Performance MTD	+7,8%
Performance YTD	-14,0%
Annualized 5 years performance	+1,2%
Annualized 5 years volatility	+11,3%

NAV EVOLUTION



Sources: IVO Capital Partners - Bloomberg
Past performances does not guarantee future performances
*Hedging costs included : Bloomberg 1Y EURUSD Forward

FUND CHARACTERISTICS

- ISIN Code (R): LU1165644672
- Bloomberg Ticker: IVOCAPR LX Equity
- Fund Currency: EUR
- Inception Date: April 24, 2015
- Managers: Roland Vigne and Michael Israel
- Structure: Luxembourg Sicav
- Fund Category: Capitalisation UCITS
- Liquidity: Daily - Valuation: Daily
- Investment Horizon: At least 3 years
- Investment Manager: IVO Capital Partners
- Custodian: Société Générale
- Auditor: Deloitte

OPERATING PROCEDURES

- Minimum Investment: 5 000€
- Annual Management Fee: 1,5%
- Performance Fee: 15% above EURIBOR 3M + 200 BP
- Subscription Fee: up to 4%
- High Water Mark: Yes

MONTHLY PERFORMANCES

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2020	+1,5%	-1,7%	-30,2%	+2,1%	+12,1%	+7,8%	-	-	-	-	-	-	**-14,0%**
2019	+2,6%	+1,8%	+0,6%	-0,1%	+0,4%	+1,5%	+0,7%	-4,8%	+1,0%	+0,3%	+0,7%	+3,6%	**+8,3%**
2018	+0,5%	-1,0%	+0,4%	+0,4%	-1,9%	-0,5%	+1,2%	-1,7%	+1,2%	+0,1%	-1,4%	-1,5%	**-4,2%**
2017	+2,1%	+1,8%	+0,7%	+1,4%	+0,5%	+0,4%	+0,8%	+1,1%	+0,9%	+0,1%	+0,2%	+0,3%	**+10,7%**
2016	-3,2%	+2,0%	+4,4%	+2,3%	+1,3%	+1,5%	+2,0%	+1,8%	+1,2%	+1,5%	+0,7%	+2,1%	**+19,4%**
2015	-	-	-	-	+2,9%	-2,1%	-2,8%	-3,2%	-5,2%	+3,9%	+1,5%	-4,3%	**-9,2%**

BY PERIOD

1 month	+7,8%
3 months	+23,4%
6 months	-14,0%
12 months	-13,1%
3 years	-8,0%
5 years	+6,0%

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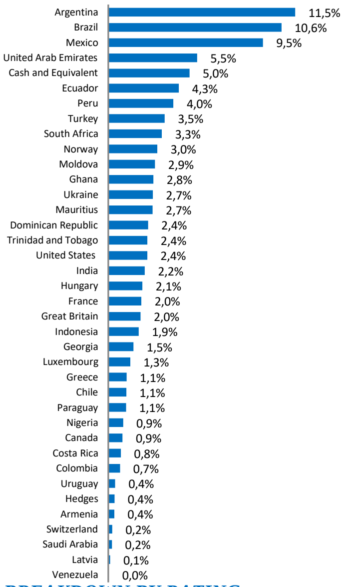
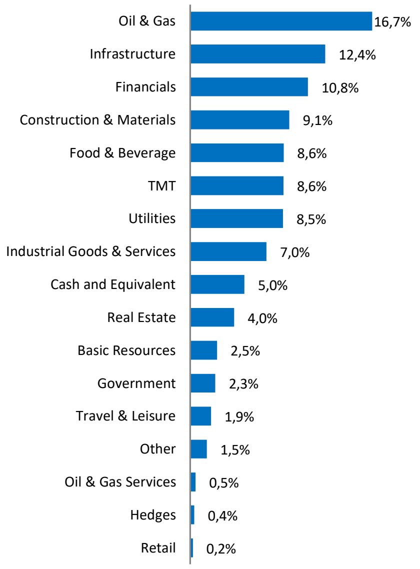
PORTFOLIO - JUNE 2020

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

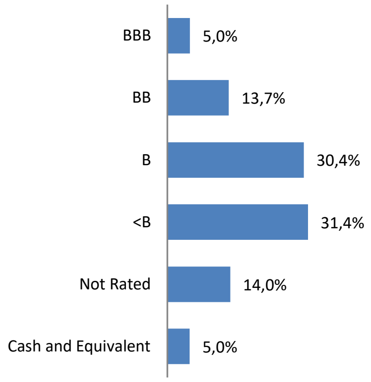
Yield to Maturity* (EUR)	20,1%
Yield to Worst* (EUR)	20,0%
Adjusted Yield** (EUR)	13,4%
USD Exposure	1,9%
Average Running Coupon	10,6%
Number of Issuers	84
Average Maturity	5,9
Average Duration	3,8
Adjusted Duration**	4,1
Average Rating	B
Average Issued Amount ($ million)	575
Average Percentage Holding	2,3%

*hedging costs included : Bloomberg 1Y EURUSD Forward

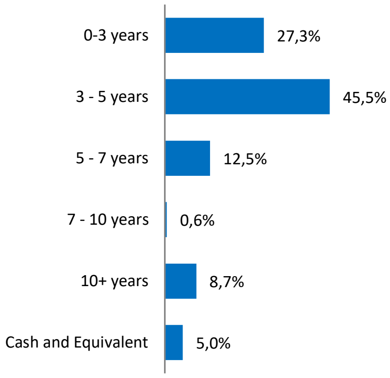
BONDS METRICS (Weighted Average)

Revenue ($ billions)	1,9
EBITDA ($ billions)	0,4
Leverage	3x

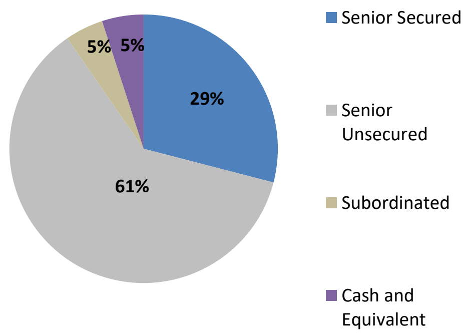
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



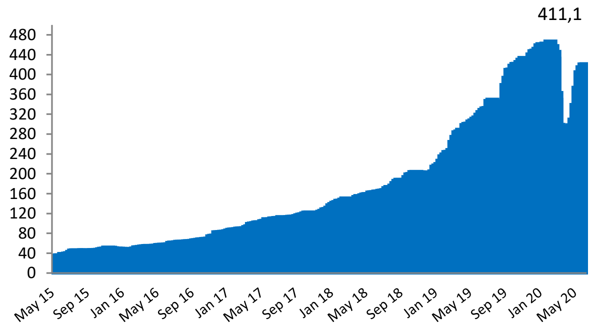
SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

10 MAIN ISSUERS		COUNTRY	SECTOR	WEIGHT
INTL AIRPORT FINANCE SA 2033	$	Ecuador	Infrastructure	3,8%
PERU LNG SRL 2030	$	Peru	Infrastructure	3,6%
ARAGVI FINANCE INTL 2024	$	Moldova	Food & Beverage	2,9%
BAYPORT MANAGEMENT 2022	$	Mauritius	Financials	2,5%
AEROPUERTOS DOMINICANOS 2029	$	Dominican Republic	Infrastructure	2,4%
TULLOW OIL PLC 2025	$	Ghana	Oil & Gas	2,4%
TELECOM OF TRIN & TOBAGO 2029	$	Trinidad and Tobago	TMT	2,4%
AES ARGENTINA GENERACION 2024	$	Argentina	Utilities	2,3%
NITROGENMUVEK VEGYIPARI 2025	€	Hungary	Industrial Goods & Services	2,1%
SASOL FINANCING USA LLC 2028	$	South Africa	Industrial Goods & Services	2,1%
10 largest positions				**26,5%**

NET ASSETS EVOLUTION (€ millions)



RISK INFORMATION

▫ Past performance is not a guide to current and future performance.

▫ The value of your investments and any income from them may fall or rise and you may not get back the full amount you invested.

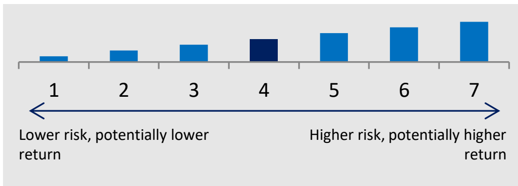
▫ The value of debt securities may change significantly depending on the economic and interest rate conditions, as well as the credit worthiness of the issuer. These risks are typically higher in emerging market andbelow investment grade debt securities.

▫ In addition, emerging markets may be subject to increased risks, including less developed custody and settlement practices, higher volatility and lower liquidity than non emerging market securities.

▫ Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful. Investors may have exposure to currencies other than the currency of their Share Class.

▫ Find further detailed risk information in the Prospectus' Appendix "facteur de risque".

RISK / REWARD PROFILE



The lowest category does not mean risk-free

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** Data adjusted by IVO CP exclude irrelevant yields and take into account the portfolio managers' expectations regarding the most likely redemption date (could be at maturity date, at the next call or put, at another call date or tender). These expectations do not always match the worst-case scenario, reflecting the lowest possible yield, but can also lead us to exclude yields that are too high and unrealistic. False hypothesis can either overestimate or underestimate the yield and duration or sensitivity of the portfolio.