

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 +1.3% in July, underperforming the IBOXX Liquid High Yield (+3.8%) and JPM CEMBI HY+ (+2.1% in EUR) indexes, mainly due to generalized decrease on offshore drilling issuers, whose recovery depends on investments restart from oil sector companies. Despite the widespread drop of economic indicators during the second quarter (33% decline in the United States GDP, 12% at Eurozone level), several positive drivers have impacted the emerging corporate debt universe, in particular the faster than expected rebound of economic activity in the United States, positive expectations concerning a probable vaccine and, finally, the constitution of a 750 bn€ European Recovery Fund. On its behalf, the CEMBI HY+ achieved a +2.2% monthly performance. Country-wise, the best performers are Argentina (+7.8%), Brazil (+4.4%), and Indonesia (+3.5%).

Argentina's positive performance is explained by the strong probability in a conclusive agreement between bondholders and the government, benefiting its corporate universe. Successful exchange offers proposed by issuers such as YPF or Telecom Argentina are supportive to the capacity of refinancing from these Argentinean issuers. Similarly, Brazil positively performed, thanks to robust BB issuers (Petrobras, Cosan, Rumo, JBS), besides some idiosyncratic events for certain bonds (Oi). After a progressive decreasing tendency at the beginning of the month (-1%), Indonesian companies have satisfactorily recovered by the end of July (+4.5%), specially specific oil companies (Medco, which is close to an increase in capital), and real estate developers (Modernland, recently accomplishing its restructuring).

Concerning oil sector, this month, Brent remained above 40\$ and increased by +5%, still boosted by Chinese demand growth, economies reopening and revival global mobility. Even if several renewed lockdowns occur, the restart on global mobility, both in terms of road and air traffic, is likely to positively impact the upward trend on oil's demand, in forthcoming months.

Despite the apparent economic recovery, risks (renewed lockdowns, delay on potential vaccine or treatment development, deterioration of the United States-China relationship, and decrease of cash injections from governments...) are still present and remain under our careful monitoring scope. Taking into account these risks, we still manage to identify opportunities on highly discounted bonds, in absolute terms compared to their intrinsic issuer's credit quality, and in relative terms compared to issuers in developed countries but also to issuers in emerging countries with strong intervention capacities (China, Russia). In order to reduce our exposure to these short-term risks, we maintain our investment strategy, targeting issuers with long duration bonds and strong quality (significant cash level, controlled indebtedness...), along with strongly assets-based bonds, such as infrastructures, which are long term assets and likewise, companies whose both operating and fixed expenses are fairly controlled.

In July, the largest contributor to performance was Brazilian telecommunications provider **Oi 2026**-bond, after announcing better than expected tender offers regarding the acquisition of its mobile business line, besides positive progression concerning its other assets sales. Following these announcements, we have reinforced our position on this bond, since we expect further improvements in the medium term. Moreover, we continue to profit from the situation in order to increase our geographical diversification and exposure to BB/BBB bonds with longer durations, issued by major international groups or whose issuers are strongly infrastructural-based (**Braskem, DP World, ACI Airport, Autopistas del Sol**). Finally, we initiated a position on **Coazucar**, first sugar manufacturer in Peru, on which we identify significant upside potential coupled with a weak credit risk, currently pursuing deleveraging and belonging to a very robust Peruvian conglomerate (group Gloria).

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% | +1,3% | - | - | - | - | - | -12,9% |
| 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 | +1,3% |
| 3 months | +22,4% |
| 6 months | -14,2% |
| 12 months | -12,7% |
| 3 years | -7,5% |
| 5 years | +10,4% |

KEY FIGURES

LU1165644672

| | |
|--------------------|----------------|
| Inception Date | April 24, 2015 |
| NAV as of 31-07-20 | 108,17 |
| Fund Net Assets | 413,2M€ |

RETURN

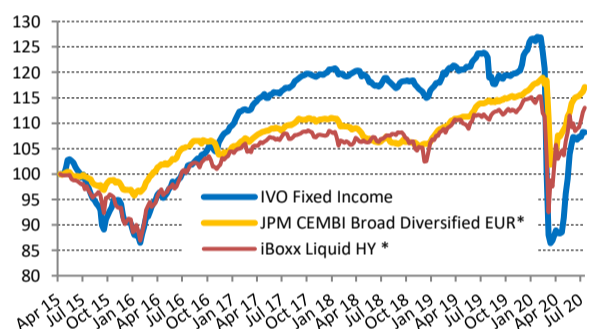
| | Bonds part | Fund |
|--------------------------|------------|-------|
| Yield to maturity* (EUR) | 23,9% | 22,6% |
| Yield to worst* (EUR) | 23,5% | 22,2% |
| Adjusted yield** (EUR) | 12,5% | 11,8% |

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

| | |
|--------------------------------|--------|
| Performance MTD | +1,3% |
| Performance YTD | -12,9% |
| Annualized 5 years performance | +2,0% |
| Annualized 5 years volatility | +11,4% |

NAV EVOLUTION



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

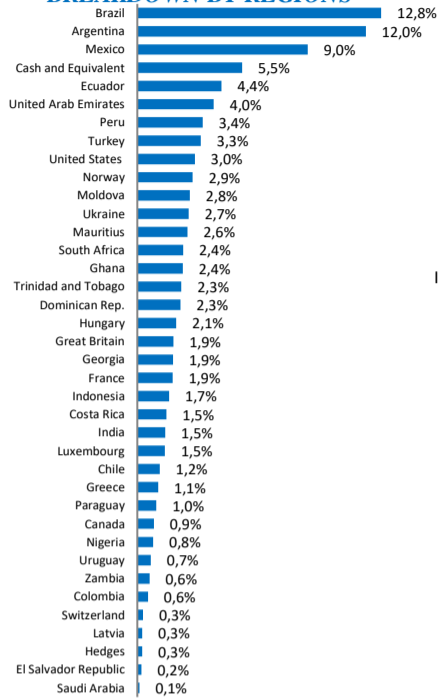
FUND CHARACTERISTICS

| | |
|---------------------|---------------------------------|
| 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 |

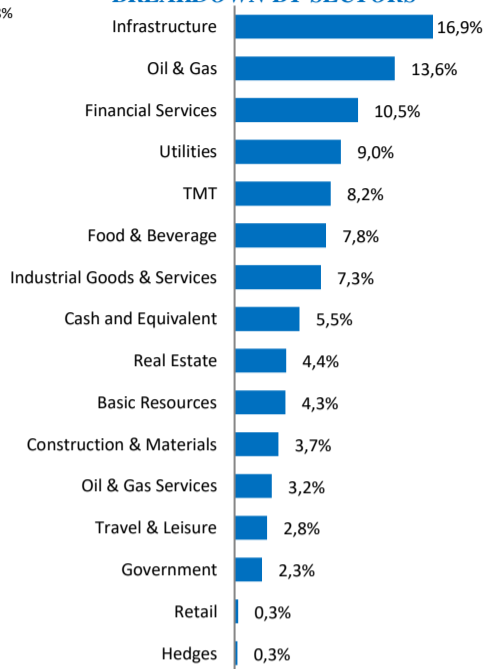
OPERATING PROCEDURES

| | |
|------------------------|-------------------------------|
| 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 |

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

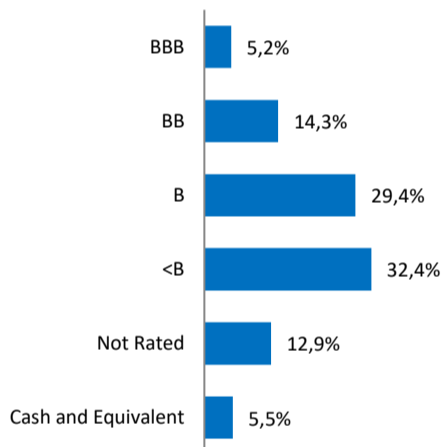
| | |
|------------------------------------|-------|
| Yield to Maturity* (EUR) | 22,6% |
| Yield to Worst* (EUR) | 22,2% |
| Adjusted Yield** (EUR) | 11,8% |
| USD Exposure | 1,8% |
| Average Running Coupon | 10,4% |
| Number of Issuers | 82 |
| Average Maturity | 6,4 |
| Average Duration | 4,0 |
| Adjusted Duration** | 4,3 |
| Average Rating | B |
| Average Issued Amount (\$ million) | 579 |
| Average Percentage Holding | 2,4% |

*hedging costs included : Bloomberg 1Y EURUSD Forward

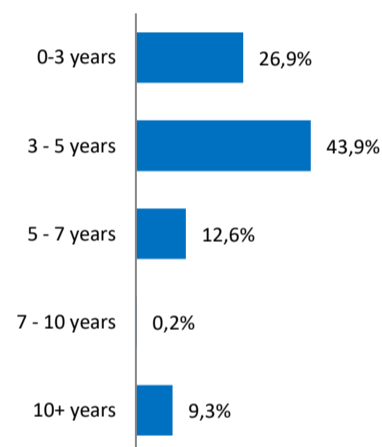
BONDS METRICS (Weighted Average)

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

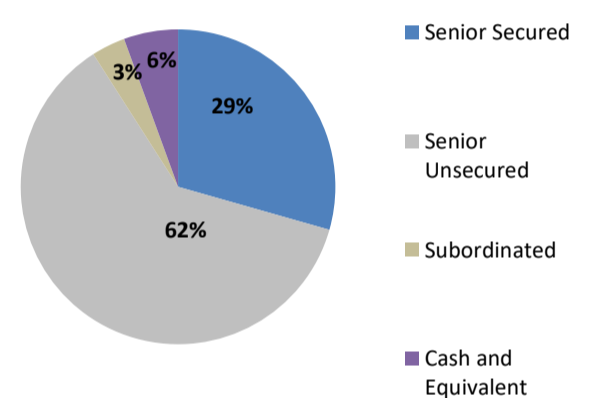
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

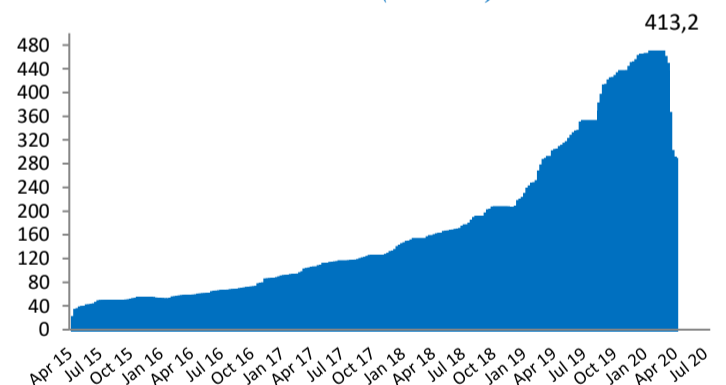
| | COUNTRY | SECTOR | WEIGHT |
|-------------------------------|------------------------|----------------------------|--------|
| INTL AIRPORT FINANCE SA 2033 | \$ Ecuador | Infrastructure | 3,9% |
| PERU LNG SRL 2030 | \$ Peru | Infrastructure | 3,3% |
| PETROBRAS GLOBAL FINANCE 2049 | \$ Brazil | Pétrole & Gaz | 2,8% |
| ARAGVI FINANCE INTL 2024 | \$ Moldova | Aliments et boissons | 2,8% |
| BAYPORT MANAGEMENT 2022 | \$ Mauritius | Services Financiers | 2,5% |
| OI SA 2025 | \$ Brazil | TMT | 2,4% |
| TELECOM OF TRIN & TOBAGO 2029 | \$ Trinidad and Tobago | TMT | 2,3% |
| AEROPUERTOS DOMINICANOS 2029 | \$ Dominican Republic | Infrastructure | 2,3% |
| AES ARGENTINA GENERACION 2024 | \$ Argentina | Services aux collectivités | 2,3% |
| TULLOW OIL PLC 2025 | \$ Ghana | Pétrole & Gaz | 2,2% |

10 largest positions **26,8%**

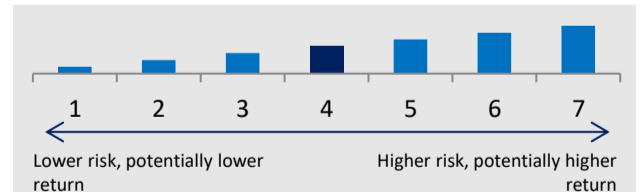
RISK INFORMATION

- 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 and below 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".

NET ASSETS EVOLUTION (€ millions)



RISK / REWARD PROFILE



The lowest category does not mean risk-free

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