

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 +1.9% in August, outperforming the IBOXX Liquid High Yield (+0.8%) and JPM CEMBI HY+ (+1.5% in EUR) indexes, thanks to Argentinean issuers positive performance, besides several securities in portfolio that have benefited from idiosyncratic circumstances. Despite a persistent deteriorated sanitary and economic environment, we perceive an upturn in Europe's mobility and United States consumption, as well as faster than expected progress regarding a vaccine's launch/commercialisation. The CEMBI HY+ has appreciated by +1.5% in August, principally due to credit spreads reduction from 642 bps to 611 bps (still far compared with its historical lows, or even with the 305 bps 2018-level, bearing in mind recent years). On its behalf, the US 5-year rate remains relatively stable and concluded the month at 0.27%.

Among emerging markets, the top performers are India (+4.8%), South Africa (+3.0%) and Ukraine (+2.8%). Average performances on Indian and South African issuers, are mainly attributed to specific companies contribution, that profited from idiosyncratic developments: Vedanta in India, which succeed at raising around \$3 Billion in debt, and Sasol in South Africa, that through its results release, announced significant advances on its costs reduction and assets monetization strategies. In Ukraine, the resurgence of risk appetite have benefited for all issuers. Further in the emerging universe, Argentina's solid performance is explained by the achievement of a conclusive restructuring agreement over 99% of its eligible debt. The agreement involves bonds exchanges, that allows Argentinean government to extends its debt issues payment schedule and to pay small coupons until 2023. Concerning bond holders face value recovery, it is estimated at 55% of the par, taking into account a renewed 10%-yield (in USD) on post-restructuring bonds, and until 63% of the par for the "discounted bonds" issued during restructuring plan in 2005. If post-restructuring yield is weaker, recovery could be larger. Undoubtedly, this restructuring plan represents a positive improvement for Argentinean issuers, insofar as it reduces investors required risk premium for the entire Argentinean universe, in addition to increase government's room for manoeuvre to boost the economy, and reinforce central bank's capacity to offer USD to issuing companies that might require it, in order to comply their debt duties. Similarly, Ecuador achieved to restructure \$17.4 milliards in debt, representing one third of its total international debt.

In the next months, the evolution on Covid-19 epidemic (re-imposition of lockdown measures, vaccine, etc.) and return to normality will be crucial for companies. Most emerging countries, except for India, do not present anymore daily cases increases and have gradually begun to ease lockdown measures which, additionally as a whole, have announced unprecedented economic support plans. Another structural positive circumstances for EM countries such as the Federal Reserve quantitative easing program and the decrease on policy rates, have encouraged emerging countries to decrease their own local rates without any capital flight-to-quality. Recent announcement regarding shift on target inflation from 2% to a 2%-average implies longer-than-expected preservation of low-level interest rates environment, at least until 2022. These monetary environment enables to forecast a continual tightening in credit spreads and therefore, encourage us to reinforce certain positions with long duration bonds, specially on Investment Grade and Quasi-Investment Grade opportunities, in geographies that continue to headline for sanitary and/or political reasons, such as Mexico or Brazil. Similarly, we preserve our exposure to assets that have been affected by Covid, but that possess the capacity to rapidly recover as soon as health crisis will be behind us, due to their strong credit profile (low leverage, significant liquidity, long-term equity value). This is particularly the case of infrastructure and travel/leisure companies, as cruisers operators. For the coming months, U.S presidential elections in November, geopolitical tensions between China and the United States, besides the situation in Eastern Mediterranean, could trigger volatility and should be monitored. For those reasons, we underweight our exposure to Chinese, Russian and Turkish companies, considering that performances offered by these countries are already low.

This month, **Sasol** was among the main contributors to performance, after the release of better-than-expected annual results, besides positive advance on several asset's sale, which will enable it to reduce its indebtedness. Additionally, we continue to reinforce our exposure to securities with collateral assets as infrastructure, in particular highways (**Autosol**) and airports (**Quiport**, **ACI Airports**, **Aerodom**). Following to Argentina's restructuring, we reduced our position in certain issuers that had already satisfactorily performed (**CGC**, **Transportadora de Gas del Sur**).

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%	+1,9%	-	-	-	-	-11,3%
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	+1,9%
3 months	+11,2%
6 months	-11,1%
12 months	-6,4%
3 years	-6,2%
5 years	+12,5%

KEY FIGURES

	LU1165644672
Inception Date	April 24, 2015
NAV as of 31-08-20	110,18
Fund Net Assets	424,5M€

RETURN

	Bonds part	Fund
Yield to maturity* (EUR)	10,8%	9,8%
Yield to worst* (EUR)	10,7%	9,7%

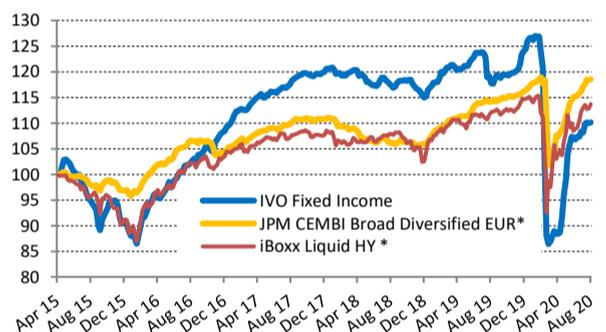
*hedging costs included : Bloomberg 1Y EURUSD Forward

*Adjusted Yield: See notes on the back of the page

FUND PERFORMANCES & RISK

Performance MTD	+1,9%
Performance YTD	-11,3%
Annualized 5 years performance	+2,3%
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

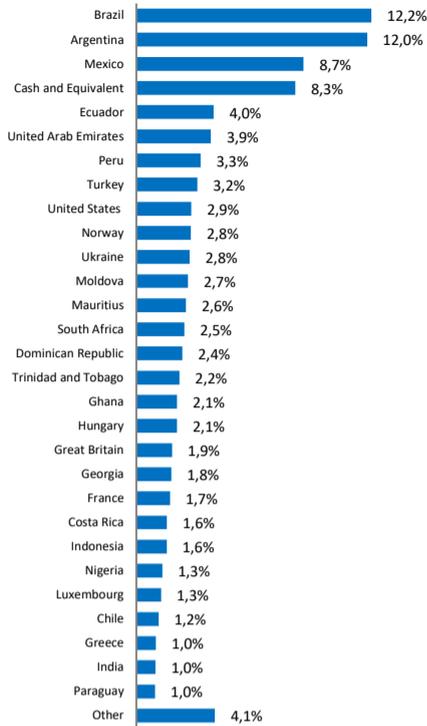
FUND CHARACTERISTICS

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

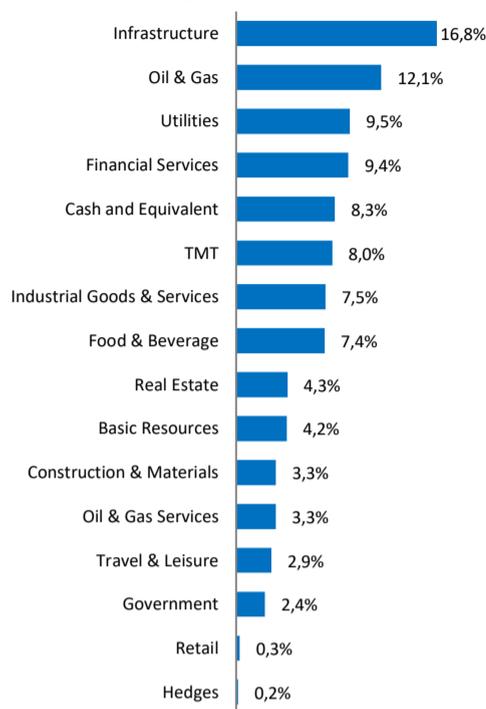
OPERATING PROCEDURES

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

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

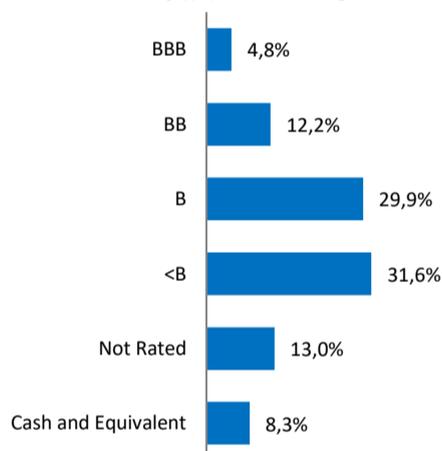
Yield to Maturity* (EUR)	9,8%
Yield to Worst* (EUR)	9,7%
USD Exposure	1,2%
Average Running Coupon	9,3%
Number of Issuers	83
Average Maturity	6,1
Average Duration	3,9
Adjusted Duration**	4,3
Average Rating	B+
Average Issued Amount (\$ million)	563
Average Percentage Holding	2,5%

*hedging costs included : Bloomberg 1Y EURUSD Forward

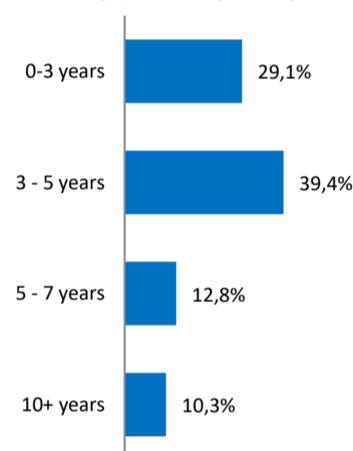
BONDS METRICS (Weighted Average)

Revenue (\$ billions)	1,8
EBITDA (\$ billions)	0,4
Leverage	3,7x

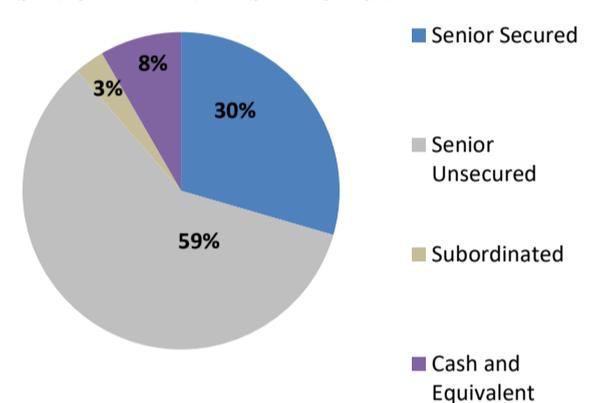
BREAKDOWN BY RATING



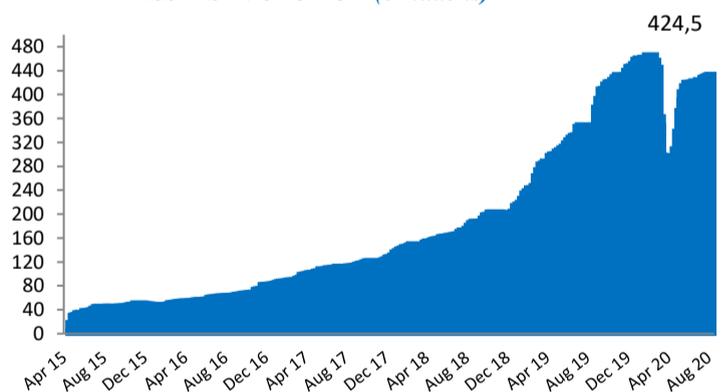
BREAKDOWN BY DURATION



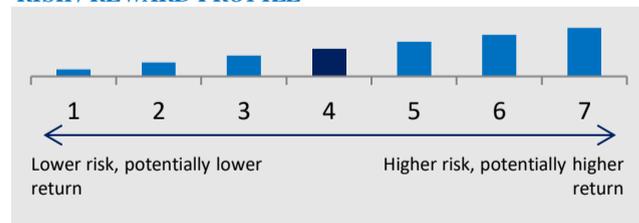
SENIORITY RANK DISTRIBUTION



NET ASSETS EVOLUTION (€ millions)



RISK / REWARD PROFILE



The lowest category does not mean risk-free

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10 MAIN ISSUERS	COUNTRY	SECTOR	WEIGHT
INTL AIRPORT FINANCE SA 2033	\$ Ecuador	Infrastructure	4,0%
PERU LNG SRL 2030	\$ Peru	Infrastructure	3,2%
PETROBRAS GLOBAL FINANCE 2049	\$ Brazil	Oil & Gas	2,8%
ARAGVI FINANCE INTL 2024	\$ Moldova	Food & Beverage	2,7%
BAYPORT MANAGEMENT 2022	\$ Mauritius	Financial Services	2,5%
AEROPUERTOS DOMINICANOS 2029	\$ Dominican Republic	Infrastructure	2,4%
AES ARGENTINA GENERACION 2024	\$ Argentina	Utilities	2,3%
PAMPA ENERGIA SA 2029	\$ Argentina	Utilities	2,3%
OI SA 2025	\$ Brazil	TMT	2,3%
TELECOM OF TRIN & TOBAGO 2029	\$ Trinidad and Tobago	TMT	2,2%

10 largest positions **26,7%**

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".