

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 1.8% in February, outperforming the JPM CEMBI HY + index (+ 0.9% in EUR) and the IBOXX Liquid High Yield index (+ 1.4% in EUR).

In line with the previous month, most asset classes are on the rise in February. Emerging High Yield bond markets are no exception to the rule and ended the month up by 0.9% in euros thanks to a decline in credit spreads (-13bps to 465bps for CEMBI HY + in euros), partially offset by a slight rise in US sovereign yields (+ 5bp at 2.11% for the US 5 years). After the end of the Shutdown in the United States at the beginning of the month, the US-China trade conflict was under the spotlight and the prospects of a future agreement continued to favor emerging countries, especially China. The average credit spread on Chinese issuers contracted by 41bps to 552bps this month. Conversely in Russia, the possible introduction of new sanctions by the US Senate affected credit spreads, especially on the bank sector. In the context of a bull market on the emerging universe as a whole, IVO Fixed Income fund manages to outperform the CEMBI HY+ index despite its more defensive positioning, thanks to strong individual performances across the portfolio.

The macroeconomic situation is still favorable to HY emerging markets with encouraging prospects for the US rate environment and US-China trade relations, two factors that have been reasonably clarified in recent weeks. The widening of credit spreads that lasted until early January enabled us to identify a number of opportunities affected by the spillover effect of the sell-off, especially in Mexico. The geographical flexibility of our strategy has also enabled us to reorient the portfolio's exposure from Brazil, where we took some of our profits, to other regions, notably to Mexico and Peru, where we find more opportunities in the current environment. While the duration of the portfolio has increased steadily in recent months with the widening of credit spreads, we still do not see any reason to increase it further, taking into consideration the current interest rate environment.

Like last month, the main contributor to the performance this month is the 2021 issue of the Brazilian manufacturer Andrade Gutierrez, which distributed this month a coupon in-kind. The bond still benefits, on one hand, from the good performance of Brazilian assets following the inauguration of President Bolsonaro on January 1st and, on the other hand, from the strong appreciation of the CCR SA share, while the participation of AG in the company was put in guarantee of our obligation. Regarding the main transactions, we have initiated a position on the Peruvian Aje, an international producer of soft drinks that should significantly reduce its leverage in the coming months.

MONTHLY PERFORMANCE

	Jan.	Fév.	Mar.	Avr.	Mai	Jui.	Jui.	Aoû.	Sep.	Oct.	Nov.	Déc.	YTD
2019	+2,6%	+1,8%	-	-	-	-	-	-	-	-	-	-	+4,3%
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%

KEY FIGURES

	LU1165644672
Inception Date	April 24, 2015
NAV as of 01-03-19	119,98
Fund Net Assets	234,1M€
Overall Morningstar™ Rating *	★★★★★
Quantalys Rating*	★★★★★

RETURN

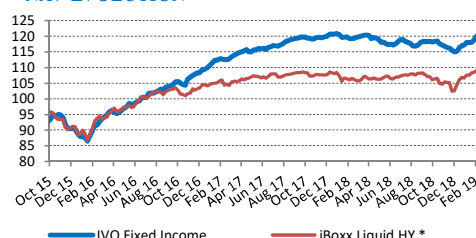
	Bonds part	Fund
Yield to maturity* (EUR)	10,3%	9,7%
Yield to worst* (EUR)	9,8%	9,2%
Adjusted yield** (EUR)	7,4%	7,0%

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

Performance MTD	+1,8%
Performance YTD	+4,4%
Annualized 3 years performance	+10,0%
Fund volatility 1 year	+2,9%

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:	Weekly - Valuation: Daily
Investment Horizon:	At least 3 years
Investment Manager:	IVO Capital Partners
Custodian:	Société Générale
Auditor:	Deloitte

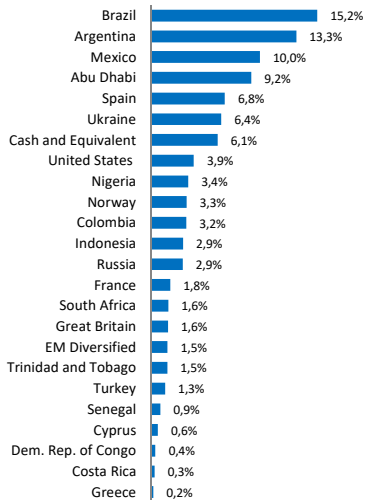
OPERATING PROCEDURES

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

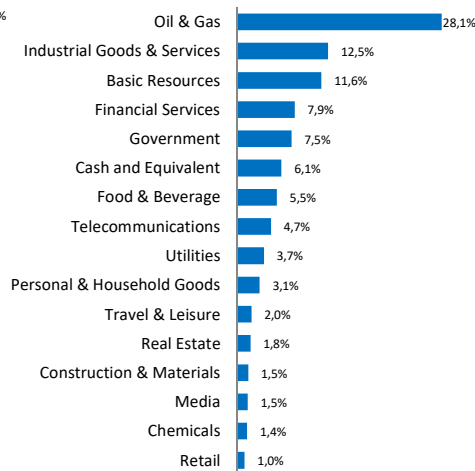
BY PERIOD

1 month	+1,8%
3 months	+2,8%
6 months	+0,9%
12 months	+0,6%
3 years	+33,9%

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

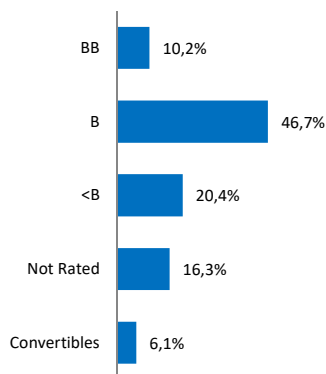
Yield to Maturity* (EUR)	9,7%
Yield to Worst* (EUR)	9,2%
Adjusted Yield** (EUR)	7,0%
USD Exposure	2,4%
Average Running Coupon	9,0%
Number of Issuers	74
Average Maturity	3,4
Average Duration	2,8
Adjusted Duration**	2,9
Average Rating	B+
Average Issued Amount	606
Average Percentage Holding	1,3%

*hedging costs included : Bloomberg 1Y EURUSD Forward

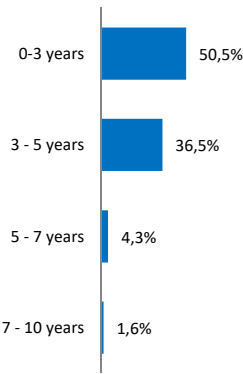
BONDS METRICS (Weighted Average)

Revenue (\$ millions)	5 393
EBITDA (\$ millions)	1 509
Leverage	3,1

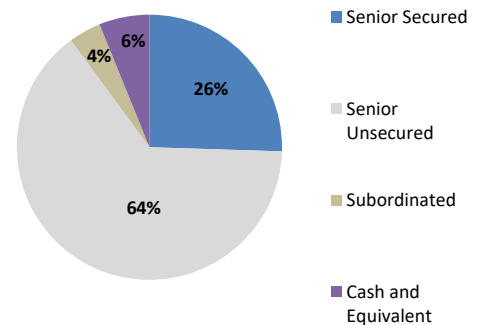
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

ISSUER	COUNTRY	SECTOR	WEIGHT
Andrade Gutierrez 2021	\$ Brazil	Industrial	4,4%
Republic of Argentina 2033	€ Argentina	Government	3,3%
Provinc. De Buenos Aires 2020	€ Argentina	Government	3,0%
Servicios Corp Javier 2021	\$ Mexico	Consumer Goods	2,9%
Compania General 2021	\$ Argentina	Oil & Gas	2,4%
Dtek Finance 2024	\$ Ukraine	Basic Resources	2,4%
MHP 2024	\$ Ukraine	Food & Beverage	2,2%
Sacyr 2019	€ Spain	Industrial	2,2%
Constellation Oil 2024	\$ Brazil	Oil & Gas	2,2%
Ajecorp 2022	\$ Spain	Industrial	2,2%

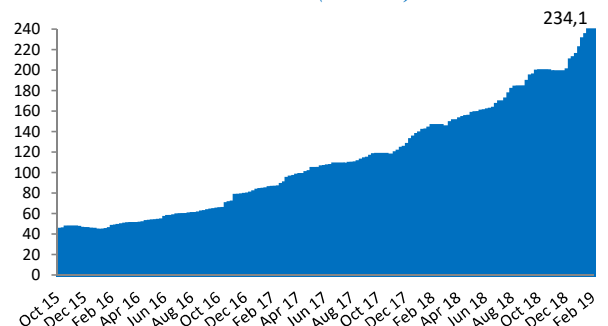
10 largest positions

27,2%

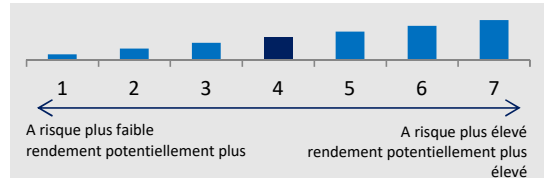
RISK INFORMATION

- 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

For further information, please contact us:

gestion@ivocapital.com

Tel: +33 (1) 45 63 63 13