IVO FIXED INCOME (EUR) - UCITS

FACTSHEET - JULY 2019

IVO CAPITAL PARTNERS

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 performed +0.7% in July, outperforming the JPM CEMBI HY+ index (+0.4% in EUR) and the IBOXX Liquid High Yield index (-0.2% in EUR). The fund is up +8.1% in EUR in YTD, slightly outperforming the emerging high yield debt (+7.8% in EUR for the JPM CEMBI HY+ index). Financial markets were relatively calm at the beginning of summer until the end of July and the renewed interest for the Fed's monetary policy on the one hand and the trade conflict between the United States and China on the other hand. The Fed's decision to lower its key interest rate by 25 bps was expected. The message delivered by its Chairman, Jerome Powell, who insisted that this was not the beginning of a new monetary easing cycle, was less so. The next day, President Trump's decision to implement a new set of tariffs against $300 billion worth of Chinese products also contributed to the return of volatility in the markets. Volatility affects equity markets more than bond markets, which benefit from the significant decline in sovereign rates (-11 bps to 1.66% for the US 5-year sovereign rate).

In the emerging markets, credit spreads on CEMBI HY+ ended the month slightly higher (+7 bps to 498 bps). However, performance has been mixed across countries. As last month, the best performances can be attributed to Ukraine (-82 bps to 467 bps), while the new president reiterated his commitment to cooperate with the IMF, and Turkey (-26 bps to 587 bps), while the markets surprisingly welcomed the rate cuts decided by the CBRT. The worst performances were achieved by Indonesia (+146 bps to 684 bps), which was negatively affected by the poor individual performances of several issuers, and China (+21 bps to 587 bps), which dropped out in early August following the implementation of new trade retention measures by the United States. In Argentina, credit spreads widened slightly (+20 bps to 716 bps) as the mandatory primary elections on August 11th approached, which will not be of substantial importance in the run-up to the presidential elections, but will give a good indication of the current power balance between the main candidates. According to the latest polls, President Macri has partly made up for lost ground compared to the Fernandez-Fernandez ticket but remains about 3 to 5 points behind.

This month, the IVO Fixed Income fund outperformed the CEMBI HY+ index (+0.7% vs. +0.4%), mainly due to its limited presence in Asia and the individual performance of several portfolio lines. Credit spreads in the emerging High Yield universe remain at an attractive level compared to historical levels (~520 bps as of August 5th, compared to a 3-year average of 440 bps). The change in monetary policy of the main central banks since the beginning of the year also offers interesting support to bond markets in general, and the July cut in US key rates (the first since 2008) definitively confirms this change, despite Powell's ambiguous remarks. Only the difficulties in the Sino-American trade negotiations partly tarnish the overall landscape. It should be noted, however, that emerging countries are not affected in the same way by the deterioration of China/US relations, some may even benefit from it, such as Mexico. The fund also has no direct exposure to China and limited exposure to China's main Asian partners. In addition, most emerging countries have relatively low inflation levels and therefore have some room for manoeuvre to adjust their key interest rates in order to boost their economies if necessary (as was the case this month in Turkey and Brazil, without negative market reactions). Nevertheless, in our opinion, the volatile context justifies maintaining a moderate duration. The return on the fund including cash is currently 6.7% in euros net of hedging, for a duration of 2.8 years.

This month the main contributor to the performance was the fund's 1st position, the 2021 bond issued by Andrade Gutierrez. The Brazilian construction company benefited from several factors: on the one hand, from the upward review of its expected EBITDA for 2019 following the signature of several contracts, in particular with the mining giant Vale for the consolidation of its dams, and on the other hand, from the revaluation of the bond's collateral, which now covers nearly 200% of the principal following the assessment of the motorway company CCR's share. Regarding the main operations of the month, we participated in the new euro issue of the Ukrainian national hydrocarbon company Naftogaz, the largest company in Ukraine, the country's leading gas producer and transporter and the largest contributor to the State budget. The company benefited from the regulatory change implemented by the Poroshenko administration to drastically improve its operating results and cash-flow generation. Debt leverage is very low (at 0.5x). The bond was subscribed for nearly 20% of the total amount by the European Bank for Reconstruction and Development.

KEY FIGURES — *LU1165644672*

Inception Date	April 24, 2015
NAV as of 02-08-19	123,66
Fund Net Assets	339,6M€
Overall Morningstar™ Rating *	★★★★★
Quantalys Rating*	★★★★★

RETURN

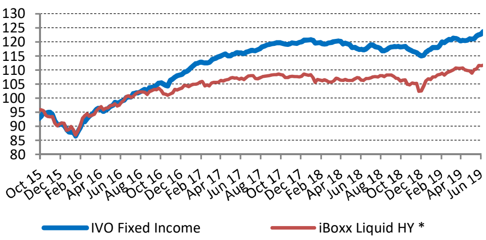
	Bonds part	Fund
Yield to maturity* (EUR)	9,9%	9,4%
Yield to worst* (EUR)	9,5%	9,0%
Adjusted yield** (EUR)	7,1%	6,7%

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

Performance MTD	+0,7%
Performance YTD	+7,6%
Annualized 3 years performance	+7,1%
Annualized 3 years volatility	+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

MONTHLY PERFORMANCE

	Jan.	Fév.	Mar.	Avr.	Mai	Jui.	Jui.	Aoû.	Sep.	Oct.	Nov.	Déc.	YTD
2019	+2,6%	+1,8%	+0,6%	-0,1%	+0,4%	+1,5%	+0,7%	-	-	-	-	-	**+7,6%**
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	+0,7%
3 months	+2,4%
6 months	+7,6%
12 months	+5,3%
3 years	+23,2%

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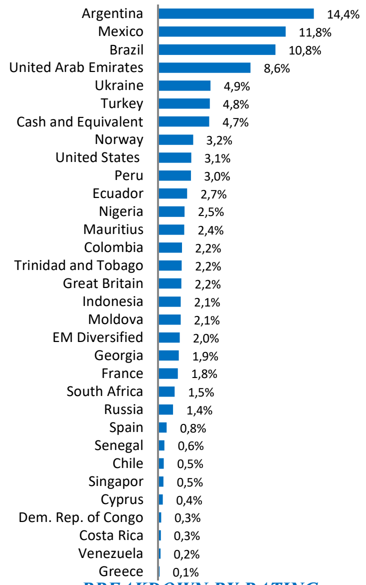
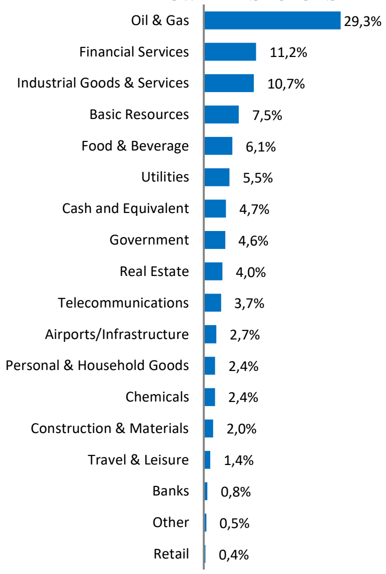
PORTFOLIO - JULY 2019

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

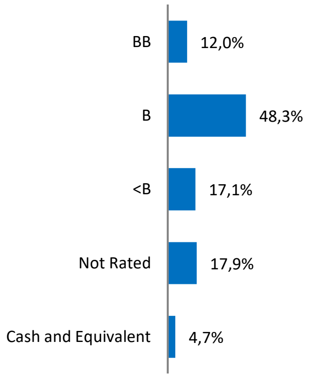
Yield to Maturity* (EUR)	9,4%
Yield to Worst* (EUR)	9,0%
Adjusted Yield** (EUR)	6,7%
USD Exposure	3,4%
Average Running Coupon	8,6%
Number of Issuers	71
Average Maturity	3,9
Average Duration	2,8
Adjusted Duration**	2,8
Average Rating	B+
Average Issued Amount	532
Average Percentage Holding	2,0%

*hedging costs included : Bloomberg 1Y EURUSD Forward

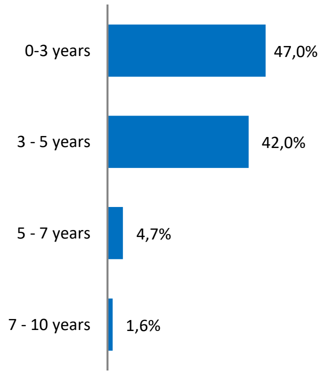
BONDS METRICS (Weighted Average)

Revenue ($ millions)	3 898
EBITDA ($ millions)	1 054
Leverage	2,8

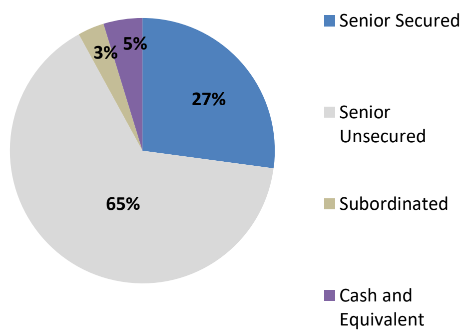
BREAKDOWN BY RATING



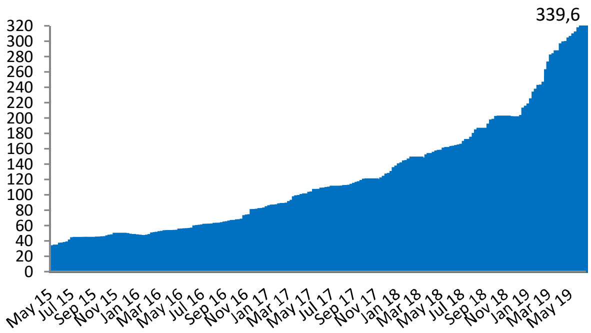
BREAKDOWN BY DURATION



SENIORITY RANK DISTRIBUTION



NET ASSETS EVOLUTION (€ millions)



10 MAIN ISSUERS

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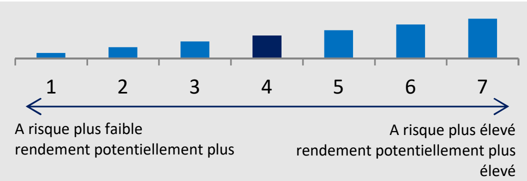
ANDRADE GUTIER INT SA 2021	$	Brazil	Industrial	3,5%
AJECORP BV 2022	$	Peru	Industrial	3,0%
SHELF DRILL HOLD LTD 2025	$	Inited Arab Emirate	Oil & Gas	2,8%
AES ARGENTINA GENERACION 2024	$	Argentina	Utilities	2,7%
INTL AIRPORT FINANCE SA 2033	$	Ecuador	Infrastructures	2,7%
REPUBLIC OF ARGENTINA 2033	€	Argentina	Government	2,6%
RONESANS GAYRIMENKUL YAT 2023	$	Turkey	Real Estate	2,5%
BAYPORT MANAGEMENT 2022	$	Mauritius	Financial Services	2,4%
GRUPO IDESA SA DE CV 2020	$	Mexico	Chemicals	2,4%
KONDOR FINANCE PLC (NAK) 2024	€	Ukraine	Oil & Gas	2,3%
10 largest positions				**27,0%**

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.