

### 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 2.6% in January, underperforming the JPM CEMBI HY + index (+3.2% in EUR) and the IBOXX Liquid High Yield Index (+4.9% in EUR).

After a turbulent end of year on financial markets, main asset classes are on the rise this month, with most of them recouping at least half of their December losses. Deteriorating financial conditions and uncertainties in the global economy's health prompted the Fed to soften its strategy, helping to support the markets early this year, in particular the US High Yield market, which particularly suffered in the last quarter of 2018. At the beginning of January, Jerome Powell declared in front of the American Economic Association that the level of inflation, which is still moderate, should allow the Fed to be "patient" about future rate hikes, a message confirmed at the FOMC meeting on January 29th. While the consensus predicted one to two rate hikes in 2019, only 3% of the surveyed analysts are now planning an increase this year, and nearly 18% believe in a decrease. From an economic point of view, the IMF still expects solid growth of 4 to 5% per year on average over the next 5 years for emerging countries, despite of some risks: the slowdown of the Chinese economy, the Brexit and among others the risk of declining global trade activity. Regarding the trade tensions between the United States and China, according to the latest available information the last round of negotiations in early January has been encouraging and an agreement could be reached before the deadline of March the 2nd. In this bull market context, IVO fund is underperforming the HY emerging markets mainly because of its more defensive stance (less duration and more cash), and despite the solid individual performance of several lines in the portfolio.

Going forward, we believe that the end of the FED rates hike cycle and the progress on the USA and China trade deal - if it happens - would clearly be positive elements for Emerging HY markets overall. This being said, we believe that it is important to differentiate the economic and financial situation of each country. Even though we are at the beginning of the cycle in Latin America, after the crisis of 2015-2016 and given that Argentina and Turkey have already experienced a major adjustment in 2018, which has allowed them to significantly improve their trade balance, the slowdown in Chinese growth is a risk for the Asian economies in particular. This could also be an opportunity for us as we remain very under exposed to the country and its main trade partners. Regarding credit spreads, there has been a significant contraction in emerging market corporate spreads since the beginning of the year, however we still stand at interesting levels from an historic point of view (at 478bps for CEMBI HY + as of February 1st), levels that are significantly higher than at the beginning of 2018 (340bps) and even higher than early 2017 (462bps).

The main contributor to the performance this month is the 2021 issue of the Brazilian manufacturer Andrade Gutierrez, which benefitted, on one hand, from the good performance of Brazilian assets following the election of President Bolsonaro on January 1st, and, on the other hand, from the strong appreciation of the CCR SA stock, whose AG's stake in the company was put in guarantee of our bond. Regarding the main transactions, we took profit on several positions that have shown solid performance in recent weeks / months, especially in Brazil where we reduced our exposure to Petrobras. We have also made an entry point on AlphaCredit, a Mexican consumer loan company that specializes in loans to public service workers, whose monthly installments are directly deducted from the borrowers' salaries, a more resilient activity that allows the company to display a rate of NPLs in the low range compared to other players in the sector.

### MONTHLY PERFORMANCES

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2019	+2,6%	-	-	-	-	-	-	-	-	-	-	-	<b>+2,6%</b>
2018	+0,6%	-1,0%	+0,5%	+0,4%	-1,8%	-0,5%	+1,3%	-1,6%	+1,2%	+0,1%	-1,3%	-1,5%	<b>-3,7%</b>
2017	+2,2%	+1,8%	+0,8%	+1,4%	+0,5%	+0,5%	+0,8%	+1,2%	+0,9%	+0,2%	+0,3%	+0,4%	<b>+11,4%</b>
2016	-3,2%	+2,0%	+4,4%	+2,4%	+1,4%	+1,6%	+1,5%	+1,6%	+1,2%	+1,6%	+0,7%	+2,1%	<b>+19,0%</b>
2015	-	-	-	-	+2,9%	-2,4%	-2,7%	-3,1%	-4,9%	+4,0%	+1,5%	-4,2%	<b>-8,9%</b>

### KEY FIGURES

Inception Date	April 24, 2015
NAV as of 01-02-19	119,38
Fund Net Assets	209,9M€
Average Duration	2,6
Average Rating	B+

### RETURN

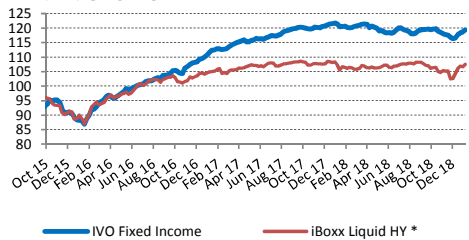
	Bonds part	Fund
Yield to maturity* (EUR)	10,4%	9,1%
Yield to worst* (EUR)	10,6%	9,3%
Adjusted yield** (EUR)	7,6%	6,5%

\*hedging costs included : Bloomberg 1Y EURUSD Forward

### FUND PERFORMANCES & RISK

Performance MTD	+2,6%
Performance YTD	+2,6%
Annualized 3 years performance	+11,7%
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 (I): LU1165637460
ISIN Code (D): LU1732804163
Bloomberg Ticker (I): IVOCAPI 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

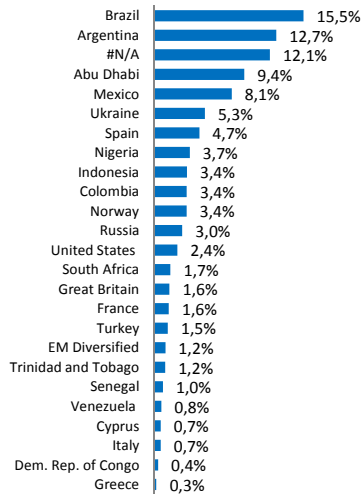
### OPERATING PROCEDURES

Minimum Investment: 500 000€
Annual Management Fee: 1%
Performance Fee: 15% above EURIBOR 3M + 400bps
Subscription Fee: up to 4%
High Water Mark: Yes

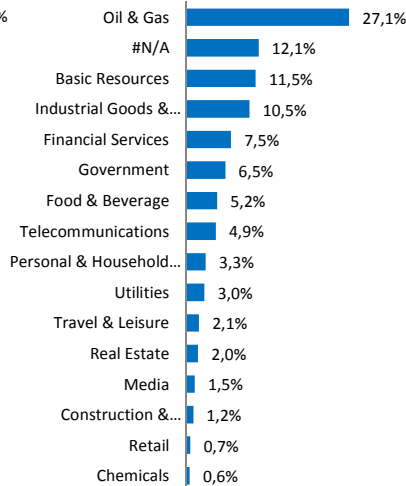
### BY PERIOD

1 month	+2,6%
3 months	-0,2%
6 months	-0,6%
12 months	-1,7%
3 years	+35,3%

### BREAKDOWN BY REGIONS



### BREAKDOWN BY SECTORS



### PORTFOLIO DATA

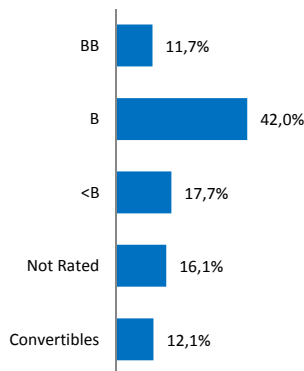
Yield to Maturity* (EUR)	9,1%
Yield to Worst* (EUR)	9,3%
Adjusted Yield** (EUR)	6,5%
USD Exposure	1,9%
Average Running Coupon	7,9%
Weighted average buying price	93
Number of Issuers	64
Average maturity	3,2
Average duration	2,6
Adjusted duration**	2,7
Average rating	B+
Average issued amount	623
Average percentage holding	1,2%

\*hedging costs included : Bloomberg 1Y EURUSD Forward

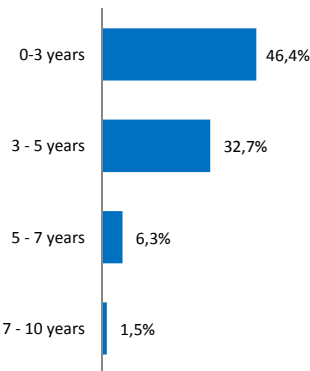
### BONDS METRICS (Weighted Average)

Revenue (\$ millions)	5 847
EBITDA (\$ millions)	1 680
Leverage	3,1

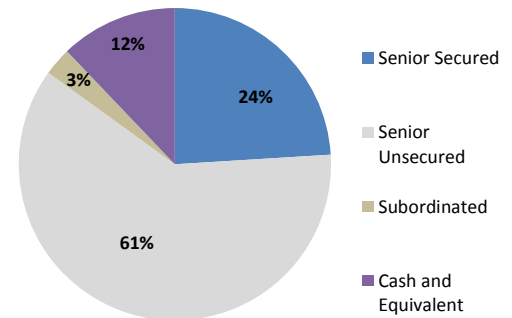
### BREAKDOWN BY RATING



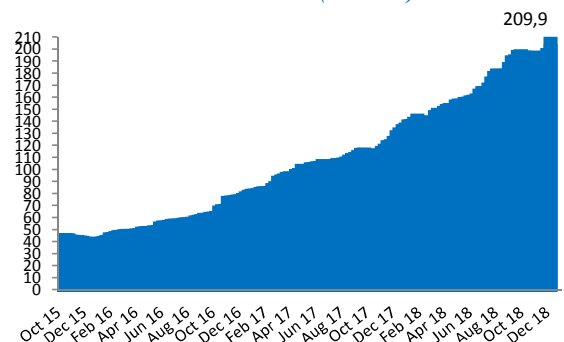
### BREAKDOWN BY DURATION



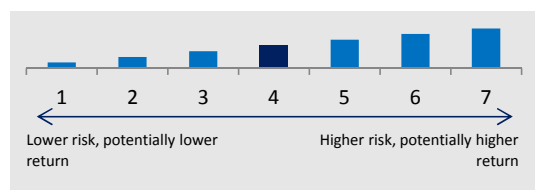
### SENIORITY RANK DISTRIBUTION



### NET ASSETS EVOLUTION (€ millions)



### RISK / REWARD PROFILE



The lowest category does not mean risk-free

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### 10 MAIN ISSUERS

ISSUER	COUNTRY	SECTOR	WEIGHT
Andrade Gutierrez 2021	\$ Brazil	Industrial	3,7%
Republic of Argentina 2033	€ Argentina	Government	3,3%
Provinc. de Buenos Aires 2020	€ Argentina	Government	3,2%
Servicios Corp Javier 2021	\$ Mexico	Consumer Goods	3,1%
Compania General 2021	\$ Argentina	Oil & Gas	2,5%
Sacyr 2019	€ Spain	Industrial	2,4%
MHP 2024	\$ Ukraine	Food & Beverage	2,4%
Shelf Drill Hold 2025	\$ Abu Dhabi	Oil & Gas	2,2%
Dtek Finance 2024	\$ Ukraine	Basic Resources	2,1%
IHS Netherlands 2021	\$ Nigeria	Telecoms	2,0%

10 largest positions

26,9%

### 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".