IVO FIXED INCOME (EUR) - UCITS

FACTSHEET - OCTOBER 2020

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 has depreciated by 0.7% in October, underperforming the IBOXX Liquid High Yield index (0.3%) and the CEMBI HY+ index (+0.3% in EUR).

In October, the performance of the bond markets in emerging markets took shape in two steps. After a relatively turbulent end of September, most of the asset classes have positively performed during the first three weeks of October. Nevertheless, the resurgence of the Covid-19 outbreak in the Northern hemisphere and the inability of the American political parties to agree on a new recovery plan in the run-up crucial elections led to a market downturn at the end of the month, affecting most asset classes, in particular Equity markets (-7.5% for the Euro Stoxx 50 and -5.7% for the S&P 500 over the last week) and the price of oil but also, in a lesser extent, the global bond markets.

In this context of risk aversion, the volatility experienced at the end of the month by Argentinian assets, some issues of which returned to their May price level, with no credit event to be raised or expected in the coming months for most of the country's major issuers, explain the negative performance of the fund by the end of October. Elsewhere in emerging credit markets, the situation varies from one country to another. In Brazil, the improvement in the health situation and the beginning of the economic recovery at the local level had a positive impact on the country's High Yield issuances (+1.3% over the month). In Turkey (+0.3% over the month), Erdogan's interventionism in the Caucasus and deteriorating relations with France and the United States led to a sharp depreciation of the lira, with a limited impact on the country's bond market. Like Argentina, India posted a negative performance (-1.1%), in the wake of the country's main high-yield issuer, which is currently facing liquidity problems. In Indonesia (+1.4%), the economic outlook forecasts positive GDP growth in 2020 (+2.3%), and the implementation of the "Omnibus Law" should liberalize the labor market and improve access to housing, which should benefit the real estate market. In China (-0.3%), the Communist Party published the broad outlines of its 14th five-year plan, which aims in particular to strengthen the country's economic autonomy, developing the domestic market and stimulating research and development at the local level. More generally, emerging bond markets continue to record significant inflows ($1.8 billion in the last week of the month, in line with previous weeks), but for the moment these flows are mainly benefiting Asian Investment Grade issuers, who are still very active in the primary markets.

In the short-term, many important factors may generate both upward and downward volatility in the main financial asset classes, starting with the outcome of the U.S. elections. A Biden election should lead to a calming of the United States' relations with its international partners, which should have a positive impact on the emerging markets, even if it will not remove all the issues of tension with China. Conversely, prolonged uncertainty about the outcome could lead to a temporary increase in credit spreads and a "flight to quality" phenomenon. In addition, the health situation will obviously have to be closely monitored, with a possible acceleration of the epidemic in the United States in the coming weeks, but also potentially encouraging news on the vaccine race, with several clinical trial results expected in the coming weeks.

Regarding valuations, the polarization of flows observed since April continues, to the detriment of issuers with low ratings (sometimes affected by a sovereign ceiling) and sectors most affected by the pandemic, and continues to create investment opportunities, with the dispersion of credit spreads still high within CEMBI HY (standard deviation of 801 vs. 450 at end 2019). We still believe that, in the current context, there are more opportunities among issuers suffering from the phenomenon of polarization at different levels, which in our view present a more attractive risk/return profile than issuers benefiting from it, whose valuations already seem generous to us. This strategy may generate volatility in the short term, but valuations on the global bond markets should gradually converge over the long term, a convergence that should be helped by the accommodating policy of the main central banks, which is expected to continue for several years to come.

The main contributor to performance this month was oil producer **Tullow Oil**, following the approval by the Ugandan authorities of the sale of its stake in the Lake Albert field (for $575m) to the Total group, which reassured investors of its ability to reduce its debt and renegotiate its debt capacity with its banks next January. With the return of Covid, we have sharply reduced our gain positions in tourism (cruise ships) and increased our High Yield positions in the large emerging country spared today by the pandemic: indeed, the Chinese High Yield segment has not benefited from the polarization of flows, unlike the major technology stocks on the Hong Kong stock exchange, whose returns remain attractive in the only major growing economy in 2020. Issuers in the real estate sector in particular should benefit from a favorable economic environment, spared by the resurgence of Covid elsewhere in the world (GDP growth of +4.9% in Q3 2020 compared to the same quarter last year). The new regulations expected in the coming months should allow a gradual debt reduction for the entire sector. We have also decided to reduce a number of our gain positions, notably in South Africa and Brazil, and we have reduced our exposure to Mexican financials, resulting in a slight increase in the fund's liquidity level.

KEY FIGURES

KEY FIGURES	*LU1165644672*
Inception Date	April 24, 2015
NAV as of 30-10-20	107,87
Fund Net Assets	399,1M€

RETURN

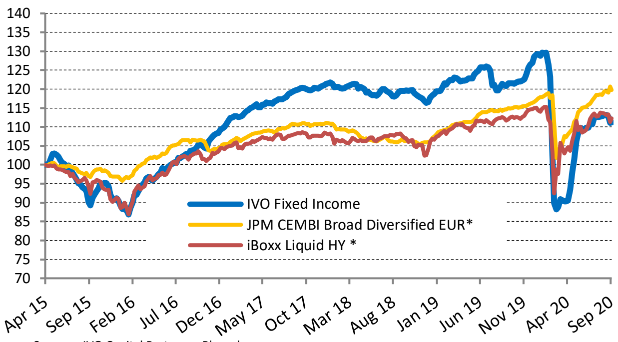
RETURN	Bonds part	Fund
Yield to maturity* (EUR)	17,2%	15,8%
Yield to worst* (EUR)	16,8%	15,4%
Adjusted Yield * (EUR)	12,5%	11,4%

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

Performance MTD	-0,7%
Performance YTD	-13,2%
Annualized 5 years performance	+2,9%
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

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%	-1,4%	-1,4%	-0,7%	-	-	**-13,2%**
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	-0,7%
3 months	-0,3%
6 months	+22,1%
12 months	-9,7%
3 years	-9,8%
5 years	+15,4%

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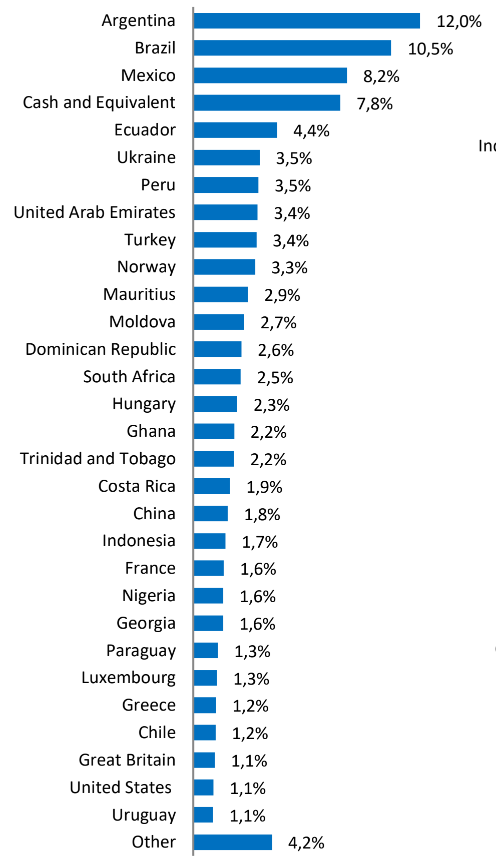
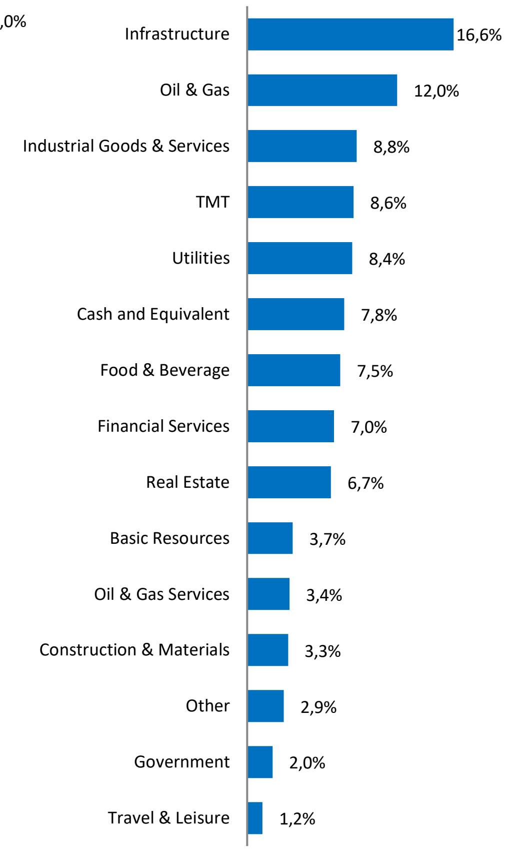
PORTFOLIO - OCTOBER 2020

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

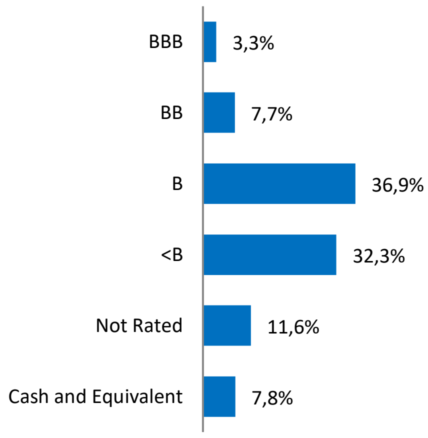
Yield to Maturity* (EUR)	17,2%
Yield to Worst* (EUR)	16,8%
Adjusted Yield * (EUR)	12,5%
USD Exposure	2,5%
Average Running Coupon	9,8%
Number of Issuers	93
Average Maturity	6,0
Average Duration	3,8
Adjusted Duration**	4,1
Average Rating	B+
Average Issued Amount ($ million)	584
Average Percentage Holding	2,5%

*hedging costs included : Bloomberg 1Y EURUSD Forward

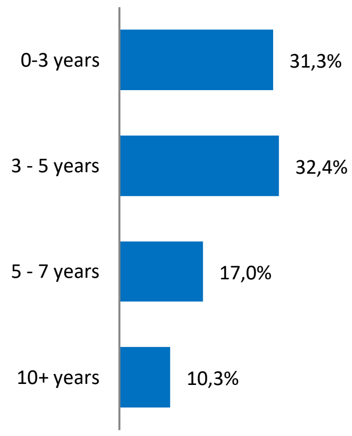
BONDS METRICS (Weighted Average)

Revenue ($ billions)	3,2
EBITDA ($ billions)	0,7
Leverage	3,6x

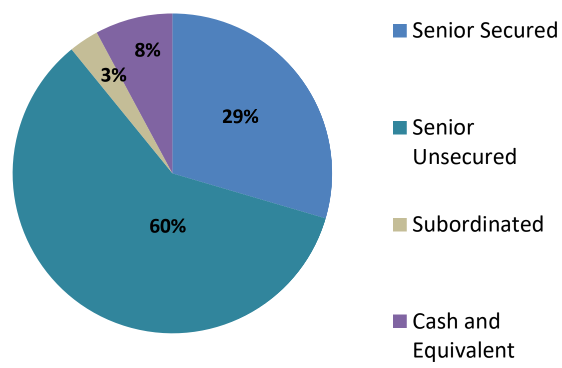
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

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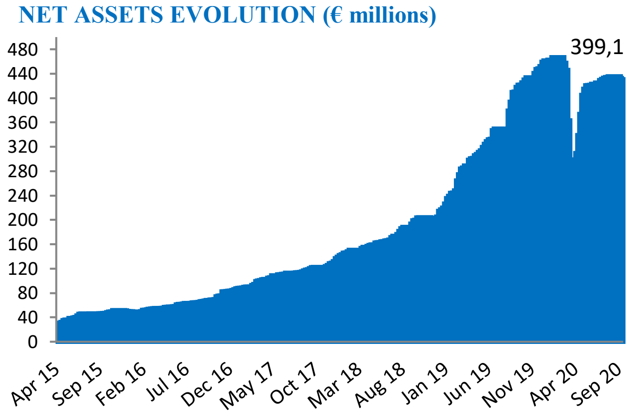
INTL AIRPORT FINANCE SA 2033	$	Ecuador	Infrastructure	4,4%
PERU LNG SRL 2030	$	Peru	Infrastructure	3,5%
BAYPORT MANAGEMENT 2022	$	Mauritius	Financial Services	2,8%
ARAGVI FINANCE INTL 2024	$	Moldova	Food & Beverage	2,7%
AEROPUERTOS DOMINICANOS 2029	$	Dominican Republic	Infrastructure	2,6%
NITROGENMUVEK VEGYIPARI 2025	€	Hungary	Industrial Goods & Services	2,3%
SASOL FINANCING USA LLC 2028	$	South Africa	Industrial Goods & Services	2,2%
OI SA 2025	$	Brazil	TMT	2,2%
TELECOM OF TRIN & TOBAGO 2029	$	Trinidad and Tobago	TMT	2,2%
AES ARGENTINA GENERACION 2024	$	Argentina	Utilities	2,1%
10 largest positions				**27,0%**

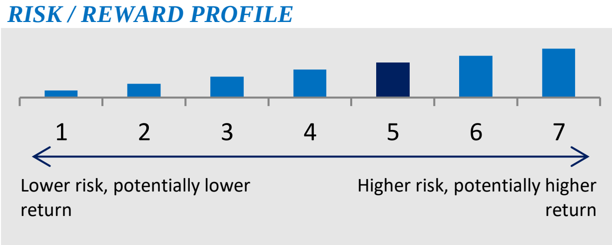
NET ASSETS EVOLUTION (€ millions)



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.