

An opportunistic access to international corporate debt markets

Created in December 2019, the IVO Global Opportunities fund is a UCITS fund invested in stocks and bonds without any rating or currency constraints. The fund invests mainly, but not exclusively, in emerging countries. The investment strategy consists of building a portfolio that reflects the managers' expectations for all emerging country stocks, bond and currency markets. The strategy is totally discretionary and is mainly based on a stock selection approach (known as picking), while integrating a macro-economic dimension to refine the allocation of assets. The stock selection approach consists of choosing companies offering medium- or long-term earnings prospects, as well as growth potential. This selection is based on the fundamentals of the companies, especially the quality of their financial structure, their ability to generate cash flows, their competitive positioning in their markets, their future prospects and the quality of their management.

Fund performance review

The fund appreciated by +6,2% in December, overperforming the IBOXX Liquid High Yield index (+1.5%) and the CEMBI HY+ index (+2.2% in EUR).

Despite a still high level of contamination in Europe and the United States and the implementation of new lockdowns (United Kingdom, Italy, Germany), most of the asset classes recorded a further increase in December, linked to the launch of the vaccination campaign in several countries and the approval of several vaccines against covid-19. Credit spreads narrowed again (from 549 bps to 491 bps) this month, while the U.S. 5-year sovereign rate rose by 10 bps. The price per barrel, for its part, exceeded \$50 in mid-December, encouraged by OPEC's decision to continue to adjust production levels to best support the recovery in demand. The start of the vaccination campaign in about thirty countries around the world, with 12.3 million doses already distributed, suggests a gradual normalization of the economic situation at the global level, which has already benefited the most affected sectors by the crisis. The WHO has also granted its first emergency license for Pfizer's vaccine, which should enable developing countries to access it more quickly, thanks to the WHO-supported COVAX initiative, which aims to distribute the vaccine equitably among emerging countries. At the end of the month, the signing of a \$900 billion economic support plan in the United States and the agreement between the United Kingdom and the European Union on Brexit ended the year with positive news flow. Finally, the Fed also confirmed its intention to continue its bond buyback program next year, which should support the global economic recovery. Global growth in 2021 should be +5.4%, and +7.1% in emerging countries.

Among the main countries in the EM Corporate High Yield universe, the best performers in December were Argentina (+6.3%), Indonesia (+5.7%) and Ukraine (+3.1%), which are traditionally the most sensitive to changes in overall market sentiment. In India (+3.1%), the third most affected country by the pandemic, economic indicators are showing a recovery, the country expects to be one of those with the highest GDP growth in 2021 (+9%). Turkey (+1%) continues its orthodox monetary policy initiated in 2020 with a new increase in rates of 200 bps by the central bank. Elsewhere in Latin America, Mexico and Chile have put back mobility restrictions as well as some Brazilian states. Despite a slowdown in bond issues at the end of the month, Asia remains the most dynamic region (\$9.6bn out of \$13.2bn), followed by Latin America (\$2.1bn). Both regions are expected to record positive growth in 2021, particularly Asia (+7.7% vs. +3.8% for Latin America). China continues to see its economic indicators improve, and should see its GDP increase by 5.9% in the fourth quarter of 2020.

Several factors should support the recovery in 2021. The global deployment of the vaccination campaign is expected to gradually mitigate the pandemic and benefit the sectors that have been most affected, and more broadly the economic recovery. In the United States, the economic support plan and the maintenance of low rates should also benefit the local economy, and even more so the country's main partners. The accommodating policy of the main central banks will have a downward impact on bond market yields in developed countries and should lead to a "hunt for yield", particularly on emerging bonds. Finally, company fundamentals and credit profiles are expected to improve, with the level of leverage for emerging issuers expected to decrease from 2.0x in 2020 to 1.7x in 2021. However, the speed and efficiency of vaccine deployment, particularly in emerging markets, will be critical to economic recovery. In developed countries, rising inflation expectations, particularly in the United States, could have an impact on the long end of US interest rates curve. Finally, OPEC decisions on further rationing of oil production will also be monitored.

This month, the main contributor to performance was the bond issued by the gas liquefaction company **Peru LNG**, whose credit spread is gradually normalizing in a more favorable market context, while results should improve significantly next year. While credit spreads have narrowed between the various emerging regions, we have strengthened a number of our targeted positions in infrastructure but also in energy, which have demonstrated their resilience in 2020 and whose spread should benefit from the resumption of mobility in 2021. In general, we remain vigilant on cash burn and asset value metrics in the event that positive recovery scenarios are altered. We are also initiating a position on a Brazilian ethanol producer, **FS Bioenergia**, which has low production costs related to its production from corn and not sugar, and is in the process of deleveraging, having completed its capex plan. We took advantage of the bull market environment to reduce our exposure to Mexican financiers, make arbitrages and take profits on some of our positions, which had low credit spread compression potential, particularly in the Middle East and South Africa.

MONTHLY PERFORMANCES

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2020	-2,5%	-3,0%	-19,2%	+10,3%	+12,8%	+6,7%	+1,6%	+1,5%	-1,0%	+0,1%	+7,2%	+6,2%	+18,1%
2019	-	-	-	-	-	-	-	-	-	-	-	-0,0%	-0,0%

KEY FIGURES

LU2061939489

Inception Date	December 16, 2019
NAV as of 31 December 2020	118,01
Fund Net Assets	19,3M€

RETURN

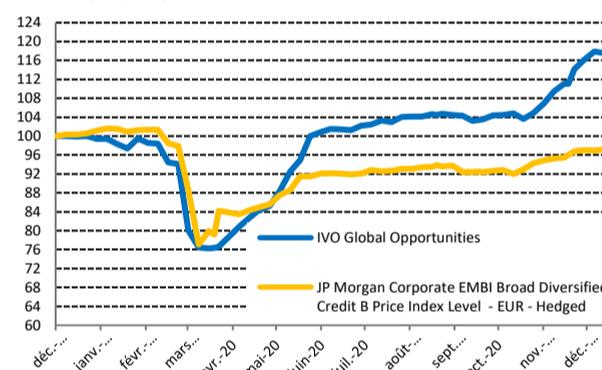
	Bonds part	Fund
Yield to maturity* (EUR)	12,5%	10,8%
Yield to worst* (EUR)	12,4%	10,8%
Adjusted yield** (EUR)	10,5%	9,0%

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

Performance MTD	+6,2%
Performance YTD	+18,1%
Performance ITD	+18,0%
Annual volatility	+19,4%

NAV EVOLUTION



FUND CHARACTERISTICS

ISIN Code : LU2061939489
Fund Currency : EUR
Inception Date : December 13th 2019
Manager : Roland Vigne
Structure : Luxembourg Sicav
Fund Category : Capitalisation UCITS
Liquidity : Weekly - Valuation: Daily
Investment Horizon : At least 5 years
Investment Manager : IVO Capital Partners
Custodian : Société Générale
Auditor : Deloitte

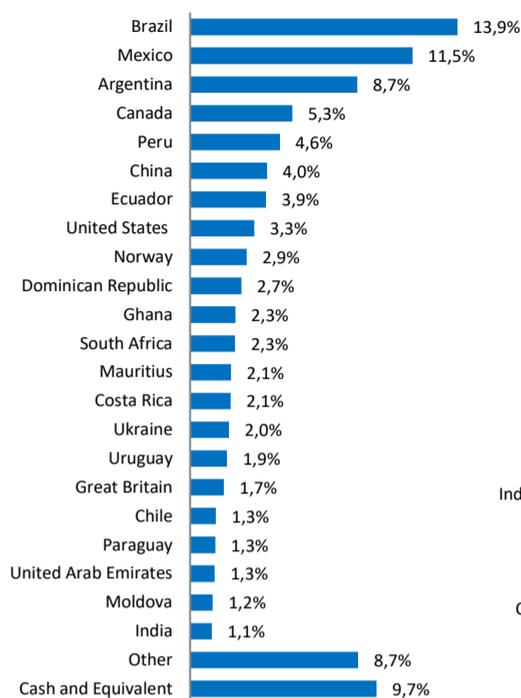
OPERATING PROCEDURES

Minimum investment : 1 000€
Annual Management Fee : 2%
Performance Fee : 15% above 5% per calendar year
Subscription Fee : up to 4%
High Water Mark : Yes

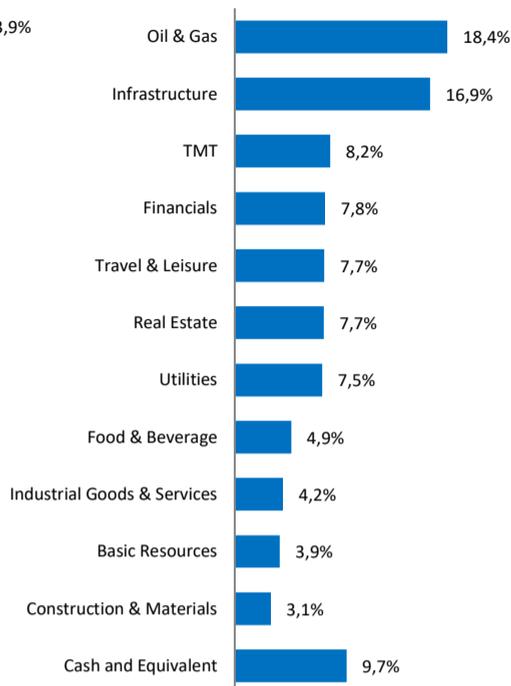
BY PERIOD

1 month	+6,2%
3 months	+14,0%
6 months	+16,5%
12 months	+18,1%

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



BOND PORTFOLIO DATA

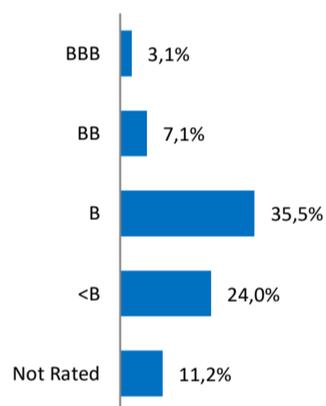
Yield to Maturity* (EUR)	12,5%
Yield to Worst* (EUR)	12,4%
Adjusted Yield** (EUR)	10,5%
USD Exposure	1,9%
Average Running Coupon	8,9%
Number of Issuers	73
Average Maturity	5,5
Average Duration	3,7%
Adjusted Duration**	3,9
Average Rating	B+
Average Issued Amount (\$ million)	562
Average Percentage Holding	0,2%

*hedging costs included : Bloomberg 1Y EURUSD Forward

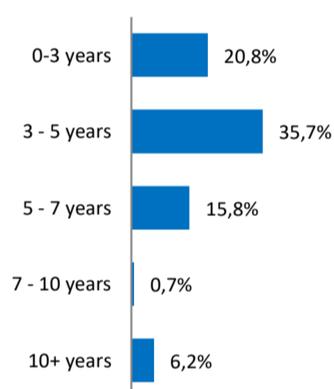
BONDS METRICS (Weighted Average)

Revenue (\$ billions)	2,67
EBITDA (\$ billions)	0,6
Leverage	3,7x

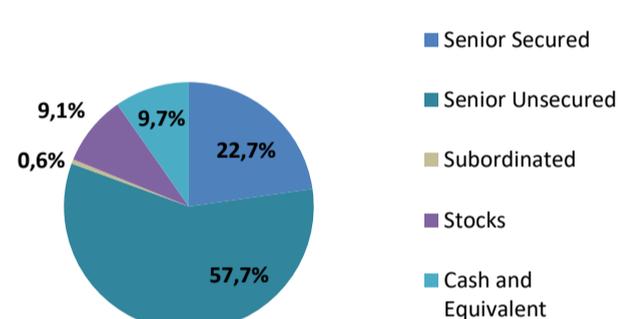
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

	COUNTRY	SECTOR	WEIGHT
PERU LNG SRL 2030	\$ Peru	Infrastructure	5,1%
INTL AIRPORT FINANCE SA 2033	\$ Ecuador	Infrastructure	4,3%
SIXSIGMA NETWORKS MEXICO 2025	\$ Mexico	TMT	4,0%
OI SA 2025	\$ Brazil	TMT	3,1%
FINANCIERA INDEPENDENCIA 2024	\$ Mexico	Financials	3,1%
YPF SOCIEDAD ANONIMA 2025	\$ Argentina	Oil & Gas	3,0%
AEROPUERTOS DOMINICANOS 2029	\$ Dominican Republic	Infrastructure	2,9%
GOL FINANCE SA 2025	\$ Brazil	Travel & Leisure	2,6%
SASOL FINANCING USA LLC 2028	\$ South Africa	Industrial Goods & Services	2,6%
PETROBRAS GLOBAL FINANCE 2049	\$ Brazil	Oil & Gas	2,4%

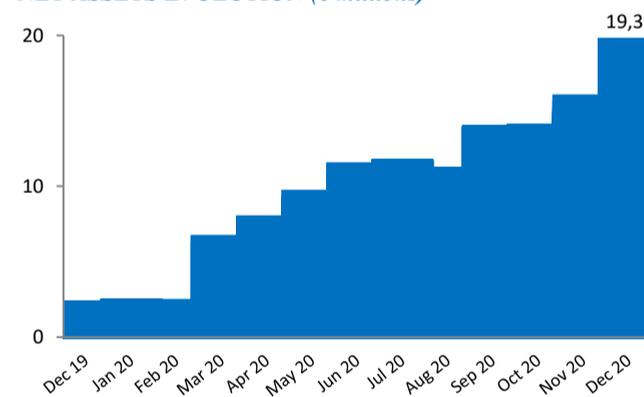
10 largest positions

33,3%

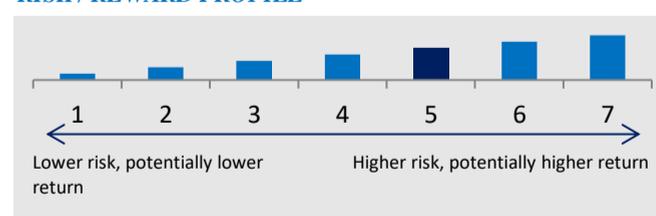
RISK INFORMATION

- 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

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