

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 slightly depreciated in July (-0.4%), outperforming the CEMBI HY+ index (-0.5% in EUR) and slightly underperforming the IBOXX Liquid High Yield index (+0.1%), mainly due to an underweighted position in China and positive idiosyncratic developments in our portfolio's Latin America segment.

Despite a drop in US rates, bond markets slightly fell in July, due to spreads widening, mainly in China. Equity markets, in spite of the mid-month decline, closed the month at a positive performance. This month, the US 10-year sovereign yield fell by 23 bps, ending at 1.23%, mainly due to the uncertainty triggered by the spread of the delta variant throughout the world economies, and a decline in investors' growth expectations. After appreciating in June, the dollar depreciated by -0.3% in July. After the release of US employment figures, Fed President claimed that the market still had "a long way to go" before considering the tightening of monetary policy. Having slightly fallen during the middle of the month, as a result of OPEC's agreement to increase production by 400,000 barrels per day from August (which corresponds to a 2% increase in global supply by the end of the year), the price of a barrel stabilized at \$75 at the end of the month, after a reduction in inventories in the United States linked to an increase in demand, supported by the fact that vaccines seem to reduce covid-related hospitalizations.

Among EM Corporate bond markets, Argentina (+0.8%) once again registered the strongest rise in July, as a result of positive talks between the IMF and the government, which seems committed to reduce fiscal deficit, besides the progress in negotiations between Buenos Aires province and its main creditor. In Turkey (+0.8%), the central bank held its key rates as an attempt to control inflation, and government concluded mobility restrictions earlier this month, positively impacting issuers in portfolio. Concerning Latin America, in Peru, President Pedro Castillo officially took office, which led to a slight downward movement at the end of the month, as a result of his ambiguous behavior. Indeed, he has sometimes held a protectionist speech while appointing a rather pro-market Minister of Economy, Pedro Francke, former President of the World Bank. Given this ambiguity and the volatility that it might trigger, we remain prudent regarding our exposure to Peru. Costa Rica's Congress approved a \$1,788 million loan from the IMF, which should benefit its economy, and in Colombia, President Ivan Duque presented a \$3,950 million fiscal reform to the Assembly, to fund social assistance and pandemic-related expenses. However, following the downgrading on the country's credit rating by two agencies, and given the context of persistent social tensions, we remain cautious regarding our exposure to Colombian issuers. In Asia, in response to the increase in contamination, the Indonesian government re-imposed restrictions on mobility until the beginning of August, which impacted issuers (-1.4%), particularly those in the real state development sector. China once again, was the country with the most negative performance (-6.3%), again linked to the same large issuer in the real estate sector, whose bonds continued to fall following a string of bad news and its issuances credit rating downgrading by the three main agencies, and more generally, linked to a global mistrust among issuers within the sector.

Nevertheless, Chinese bond market decline was more limited compared to the stock market (-14.1%), which, given its different sectoral composition, experienced a significant selling tendency after the government's announcement on the implementation of new regulations over private education issuers, a movement that also impacted technology stocks, as investors perceiving this as the beginning of a constrictive regulation over the entire Chinese market. In addition, tensions between China and the United States do not seem to ease, which could lead to additional economic sanctions between both parties.

In South Africa, recent violent riots hit the country, after former President Jacob Zuma was jailed for contempt of court. Central bank, which estimates that impairments could cost more than \$3 billion, decided to keep its benchmark rate at 3.5%, as violence slowed down the economic recovery. These political events did not impact South African issuers. Similarly in Tunisia, protests against the main parliamentary party Ennahdha, led the president to dismiss the government's head and suspend the parliament.

Several factors allow us to remain confident in our asset class. First, corporate fundamentals remain strong, and JP Morgan has diminished its default rate forecast for the CEMBI HY index (from 2.5% to 2.4%) for 2021. Second, securities valuation is still attractive, regarding spreads within the CEMBI HY+ widening 32 bps this month, ending at 484 bps. Third, vaccination has been accelerating in emerging markets. In the United Kingdom, although infections have returned to January levels, mortality is 95% lower, demonstrating the vaccine effectiveness against severe virus forms. Finally, the IMF has increased its global growth forecast for 2022 to 4.9%, +50 bps compared to April, which should benefit emerging countries. We keep our portfolio duration low at 3.0 in order to protect it against interest rate risk.

This month, the main contributors to performance were the Mexican data center manager **Kio Networks** and the Paraguayan animal protein producer **Frigorífico Concepcion**, which redeemed its bond at a significant premium compared to market price, and issued a new bond. Part of this will be used to finance its future CAPEX expenditures to increase production in Bolivia and to diversify into other proteins and/or geographies. Additionally, to this new issuance, we participated in another primary issue in Turkey within the renewable energies sector and we initiated a position at a new company dedicated to mining exploration in Europe and Africa. We have also reinforced certain positions that we consider attractive, particularly in Latin America, and we arbitrated some positions within the Chinese real state development sector as a consequence of sector selling tendency.

MONTHLY PERFORMANCES

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2021	-0,5%	+2,7%	+0,9%	+1,2%	+1,8%	+1,4%	-0,4%	-	-	-	-	-	+7,3%
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%

BY PERIOD

1 month	-0,4%
3 months	+2,8%
6 months	+7,8%
12 months	+23,0%

KEY FIGURES

	LU2061939489
Inception Date	December 16, 2019
NAV as of 30-07-2021	126,58
Fund Net Assets	29M€

RETURN

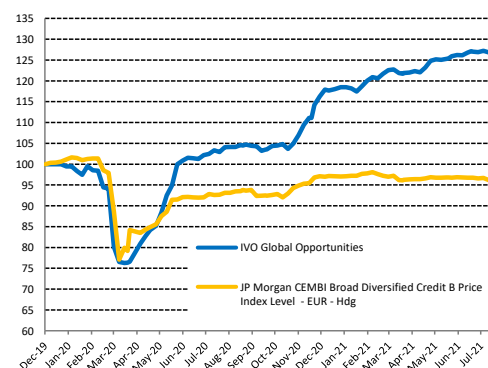
	Bonds part	Fund
Yield to maturity* (EUR)	+23,4%	+22,1%
Yield to worst* (EUR)	+23,3%	+22,0%
Adjusted yield** (EUR)	+10,6%	+9,5%

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

Performance MTD	-0,4%
Performance YTD	+7,3%
Performance ITD	+26,6%
Annual volatility	+5,5%

NAV EVOLUTION



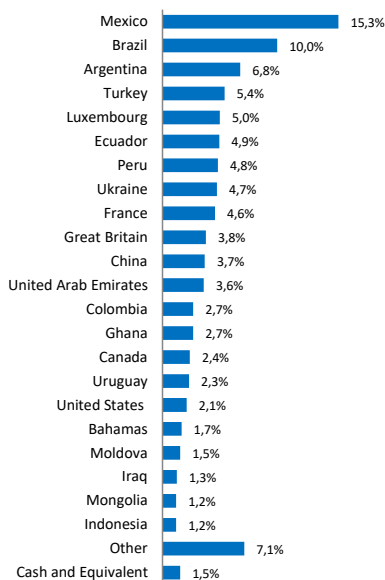
FUND CHARACTERISTICS

ISIN Code : LU2061939489
Bloomberg Ticker : IVOGORE LX
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

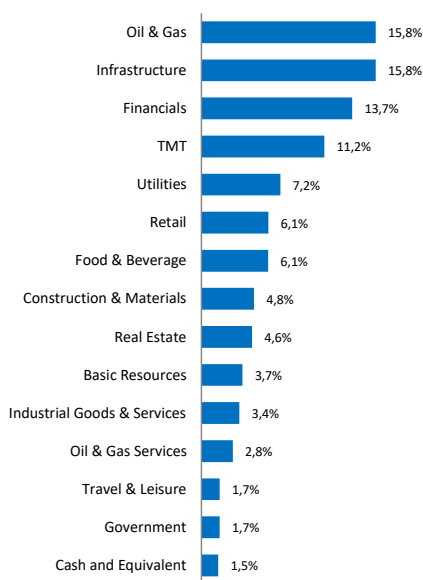
OPERATING PROCEDURES

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

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



BOND PORTFOLIO DATA

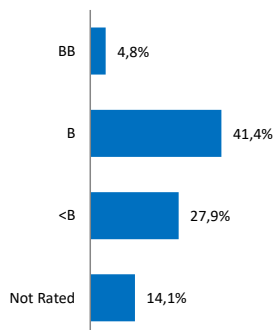
Equities exposure	10,2%
Yield to Maturity* (EUR)	23,4%
Yield to Worst* (EUR)	23,3%
Adjusted Yield** (EUR)	10,6%
USD Exposure	2,6%
Average Running Coupon	9,1%
Number of Issuers	89
Average Maturity	4,3
Average Duration	2,8
Adjusted Duration**	3,0
Average Rating	B
Average Issued Amount (\$ million)	505
Average Percentage Holding	0,2%

*hedging costs included : Bloomberg 1Y EURUSD Forward

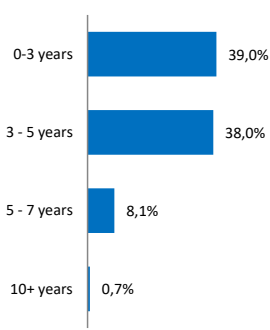
BONDS METRICS (Weighted Average)

Revenue (\$ billions)	2,2
EBITDA (\$ billions)	0,7
Leverage	3,9x

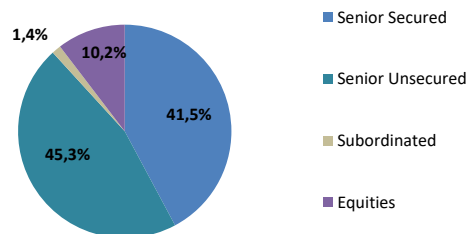
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

	COUNTRY	SECTOR	WEIGHT
INTL AIRPORT FINANCE SA 2033	\$ Ecuador	Infrastructure	4,9%
SIXSIGMA NETWORKS MEXICO 2025	\$ Mexico	TMT	4,8%
GRUPO KALTEX SA DE CV 2022	\$ Mexico	Retail	3,8%
TELEGRAM GROUP INC 2026	\$ Great Britain	TMT	3,0%
LIMAK ISKENDERUN 2036	\$ Turkey	Infrastructure	2,8%
PERU LNG SRL 2030	\$ Peru	Infrastructure	2,8%
MOGO FINANCE 2022	€ Luxembourg	Financials	2,7%
ANDRADE GUTIER INT SA 2024	\$ Brazil	Construction & Materials	2,7%
SHAMARAN PETROLEUM CORP 2023	\$ Canada	Oil & Gas	2,4%
ACI AIRPORT SUDAMERICA S 2032	\$ Uruguay	Infrastructure	2,3%

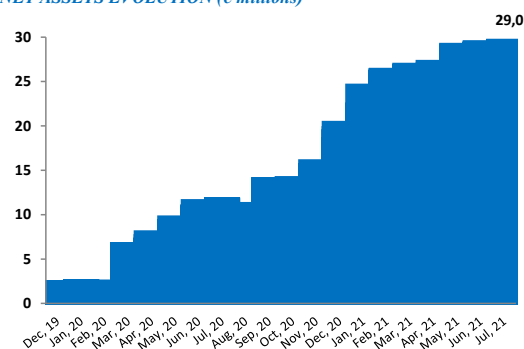
10 largest positions

32,2%

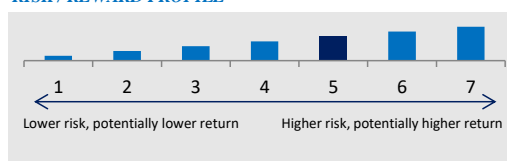
RISK INFORMATION

- 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

For further information, please contact us:

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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. Past performance is no guarantee of future results.