IVO SHORT DURATION SRI (EUR) - UCITS

FACTSHEET -SEPTEMBER 2021

IVO CAPITAL PARTNERS

Label ISR

An opportunistic access to international corporate debt markets

Created in December 2019, the IVO Fixed Income Short Duration fund is a corporate bond fund in hard currencies whose issuers are headquartered or have their main activity in emerging markets. The fund invests in a diversified manner in a wide range of issuers and sectors. Its maximum average duration is 3 years. The fund invests in the different bond segments - Investment Grade, High Yield, in USD and EUR - and in companies with good fundamentals: strong competitive positions, low debt levels, low exposure to local currency volatility, high margin levels, strong shareholders. The fund's strategy favours the "bad country/good company" approach, which provides quality investments in senior bonds at a discount.

KEY FIGURES	*LU2061939729*
Inception Date	December 6, 2019
NAV as of 30-09-21	112,84
Fund Net Assets	69M€

Fund performance review

The fund depreciated by -0.5% in September, slightly underperforming the CEMBI 1–3-year euro hedged index (-0.2%), which is mainly caused by a greater exposure to high yield issuers compared to the index, under bearish market circumstances. We reduced some gaining positions, where we perceive less upside potential.

Bond markets negatively performed in September, as a result of the rise over 10-year US yield, which closed at 1.5% in September (+20 bps), besides a widening in spreads (from 455 bps to 471 bps). Both the Fed and the ECB have reiterated their intention to slow down the asset purchase program by the end of the year, in addition to Fed committee members anticipations of U.S. rates rising sooner than expected. Three hikes are anticipated by 2023, likewise half of the members expecting the first hike by the end of 2022. During September, US dollar continued to appreciate against the rest of the world's major currencies (+1.7% compared to the DXY index). On the other hand, Equity markets bearishly closed suffering from rising rates partially related to the sharp increase in global energy prices, which boosts fears on persistent inflation, uncertainty on US debt, and potential economic slowdown in China. Brent oil reference continued to increase, even exceeding the $80 threshold, closing at $78.5. This was driven by a decreased supply due to Hurricane Ida in the United States and to increased natural gas prices, which triggered a shift in demand towards oil. In China, provincial governments committed to adhere to central government's carbon emission limits, decided to impose power cuts over households and industrial companies, which could slow the economy recovery. These uncertainties regarding tightening monetary policy and rising energy prices are attenuated by central banker's claiming that they will not overreact to inflation, which could prove to be transitory in many sectors.

This month, although moderated compared to equity markets, emerging bond markets are mostly down. Once again, China was the most negative performer this month (-7.2%), due to the difficulties encountered by the giant Evergrande, which defaulted on its payment banks debt deadline and appealed to its grace period for bond debt. The company's default is imminent, raising fears of contagion to the entire sector, and even to the entire Chinese economy, as the sector represents a significant part of it (15% of GDP). Usually, most of emerging countries bond crisis are related to a deterioration of sovereign level financial situation, which indirectly affects private issuers that sometimes benefits from good financial health. On the contrary, this is a well-identified and highly indebted sector crisis, which is affected by a more restrictive regulatory context. In order to maintain certain social peace and protect a sector that remains important for the economy, Chinese state is likely to intervene and look for a solution that allows current projects fulfillment and thus restore client's confidence. That said, under a still uncertain environment that could last several months, and considering transparency and subordination issues specific to the sector, we prefer to remain underexposed despite the attractive spreads. In addition, Chinese state interventionist policy continues and this time the target were the casino operators in Macau (-3.1%), through government potential enforcement of new regulations on the sector, and the uncertainty on licenses renewal that should take place in early 2022. In Indonesia (+0.1%), COVID contamination has considerably dropped, so that government has eased most restrictions and additionally announced loosening over certain financial regulations, which should benefit issuers, especially in real estate sector, which already presented a record performance during the first half of the year. The results of the mid-term legislative primaries in Argentina (+0.0%) put former President Macri's party, Juntos por el Cambio, in a good position for the mid-November elections, a result that bodes well for the 2024 presidential elections, but could also lead to a radicalization of President Fernandez's policies. In Brazil (-1.4%) and Mexico (-0.6%), vaccination is improving, and cases of infection are decreasing. The Central Bank of Brazil increased the key rate by 100 bps, to 6.5%, to fight against inflation. The results of mid-term legislative elections in Argentina (+0.0%), positively positioned former president Macri's party, "Juntos por el Cambio" for mid-November elections, being a promising result for 2024 presidential elections. On the contrary, it could also lead to a radicalization of President Fernandez's policies. In Brazil (-1.4%) and Mexico (-0.6%), vaccination is progressing, while infection cases decrease. Brazil central bank increased its key rate by 100 bps to 6.5% to fight against inflation. Elsewhere in Latin America, Ecuador obtained $800 million in financing from the IMF, which should reach $1.5 billion by the end of the year. In Turkey (-0.6%), despite high inflation, the Central Bank diminished its key rates by 100 bps to 18%, negatively affecting the markets in general. Finally, in Ukraine (-1.2%), whose vaccination rate is still slow compared to the rest of Europe, infection cases are again increasing. However, we believe that given the credit profile of the Ukrainian companies in portfolio (low leverage and export-oriented), a potential new epidemic wave should have a limited impact. In Africa, Zambia was visited by the IMF at the end of the month, as part of negotiations to obtain financial support in exchange for reforms.

This month, the main contributor to performance was the oil drilling company **Shelf Drilling**, which signed a new contract, besides benefiting from have already contracted almost its entire fleet for 2022. We participated in two primary issues, one in India and one in South Africa, on BB issuers. Besides, we reduced some gaining positions where there is less upside potential perceived. We are commitment to remain close to benchmark, in terms of geography and sectors, and to focus on issuers with strong credit ratings, while keeping a very low duration.

Despite concerns regarding the impact of a potential Chinese economic slowdown, on the global economy and emerging markets, we keep a positive perspective for our asset class and believe it still offers interesting opportunities. First, the corporate high-yield issuers leverage is being significantly reduced this year, returning to 2011 levels of around 2.3x (below the pre-covid level). Second, the accelerated vaccination in emerging countries should support strong corporate performance. Finally, unlike many other asset classes, whether bonds or equities, emerging corporate bond valuations are not "tight" and are even still attractive, both relative to 2017 and if compering with other current opportunities. Yield spreads (467 bps), which according JP Morgan expectations, should reach around 425 bps by the end of the year, still offering a compression potential. We observe this potential particularly in commodity-related companies, besides some companies affected by mobility restrictions.

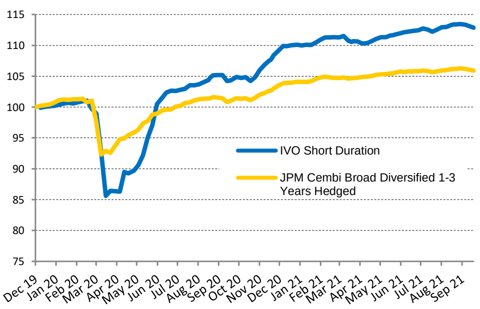
RETURN	Bonds part	Fund
Yield to maturity* (EUR)	+6,0%	+5,9%
Yield to worst* (EUR)	+5,8%	+5,7%
Adjusted yield** (EUR)	+5,0%	+5,0%

*hedging costs included : Bloomberg 1Y EURUSD Forward

*Adjusted Yield: See notes on the back of the page

FUND PERFORMANCES & RISK	
Performance MTD	-0,5%
Performance YTD	+2,6%
Performance ITD	+12,8%
Annualized volatility	+2,3%

NAV EVOLUTION



FUND CHARACTERISTICS
ISIN Code : LU2061939729
Fund Currency: EUR
Inception Date: 6 December 2019
Coordinating manager : Romain Lacoste
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 : 1 000€
Annual Management Fee: 1,25%
Performance Fee: None
Cut Off: D before 12:00 (UTC+1)

MONTHLY PERFORMANCES

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2021	+0,1%	+1,1%	-0,6%	+0,1%	+0,8%	+0,6%	-0,1%	+1,1%	-0,5%	-	-	-	**+2,6%**
2020	+0,4%	-0,9%	-13,3%	+3,8%	+8,2%	+5,6%	+1,0%	+1,2%	-0,4%	-0,1%	+3,3%	+2,1%	**+9,9%**
2019	-	-	-	-	-	-	-	-	-	-	-	+0,1%	**+0,1%**

BY PERIOD	
1 month	-0,5%
3 months	+0,5%
6 months	+2,1%
12 months	+8,2%

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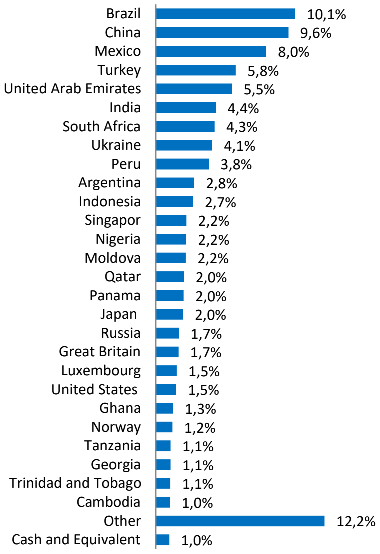
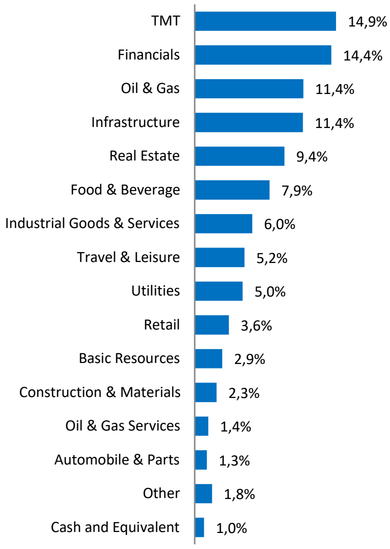
PORTFOLIO - SEPTEMBER 2021

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

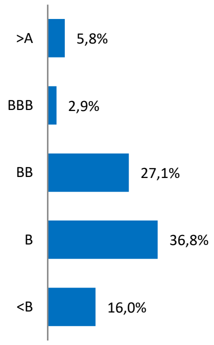
Yield to Maturity* (EUR)	+6,0%
Yield to Worst* (EUR)	+5,8%
Adjusted yield** (EUR)	+5,0%
USD Exposure	1,2%
Average Running Coupon	6,7%
Number of Issuers	128
Average Maturity	4,1
Average Duration	2,7
Adjusted Duration**	2,5
Average Rating	BB-
Average Issued Amount ($ million)	582
Average Percentage Holding	0,2%

*hedging costs included : Bloomberg 1Y EURUSD Forward

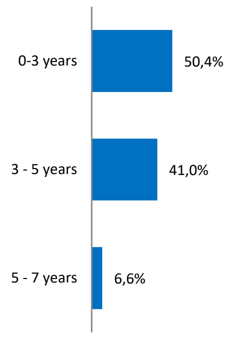
BONDS METRICS (Weighted Average)

Revenue ($ billions)	8,1
EBITDA ($ billions)	1,7
Leverage	2,8x

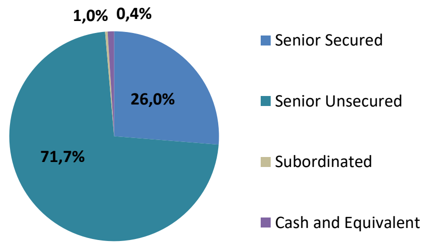
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



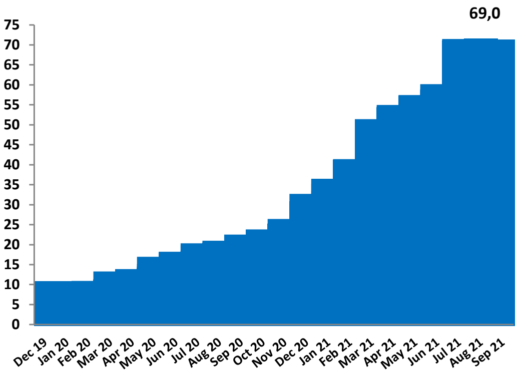
SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

10 MAIN ISSUERS		COUNTRY	SECTOR	WEIGHT
AXTEL SAB DE CV 2024	$	Mexico	TMT	2,3%
ARAGVI FINANCE INTL 2026	$	Moldova	Food & Beverage	2,2%
QIB SUKUK LTD 2025	$	Qatar	Financials	2,0%
FAB SUKUK COMPANY LTD 2024	$	United Arab Emirates	Financials	2,0%
LIMAK ISKENDERUN 2036	$	Turkey	Infrastructure	2,0%
INRETAIL SHOPPIN 2028	$	Peru	Real Estate	2,0%
CARNIVAL CORP 2026	€	Panama	Travel & Leisure	1,7%
OI SA 2025	$	Brazil	TMT	1,4%
IHS NETHERLANDS HOLDCO 2025	$	Nigeria	Construction & Materials	1,4%
FS LUXEMBOURG SARL 2025	$	Brazil	Utilities	1,4%
10 largest positions				**18,5%**

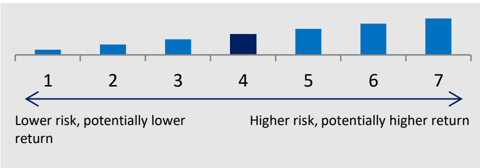
NET ASSETS EVOLUTION (€ millions)



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 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.
Past performance is no guarantee of future results.