

### 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 depreciated by -5.9% in February, slightly outperforming the CEMBI HY+ index (-6.0% in EUR), thanks to our under exposure to Russia.

Following Russia's invasion of Ukraine, bond and equity markets performed negatively this month. The negative performance of the CEMBI HY+ is explained by the rise in the US yield by 10 bps and especially by an increase in yield spreads by 82 bps. The decline in European equity markets was in line with the emerging bond markets (-6.0%), while the S&P 500 was slightly more resilient (-3.5%). Fears of oil, gas and commodity supply problems caused prices to rise sharply, with the price of oil ending the month at over \$100 (+10.7%), European gas reaching €99/MWH (+16.4%), and the price of aluminium reaching a record high of nearly \$3,400 per tonne. Russia is indeed the world's largest producer and exporter of natural gas, the second largest producer of oil and accounts for 6% of the world's aluminium supply. Faced with concerns about persistent global inflation in 2022, driven by high energy prices, and now facing a slowdown in economic growth due to the Russian-Ukrainian conflict, the US 10-year yield, after exceeding 2% for the month, ended at 1.83%. Despite concerns about global economic growth, investors still expect the Fed to raise rates for the first time in mid-March, with five additional 25 bp rate hikes by the end of 2022. Most economists expect the Fed to end the year at a minimum of 1.5%. The dollar, still seen as a safe haven, appreciated by +0.3% against other currencies.

With the exception of Argentina, all emerging corporate high yield markets posted a negative performance in February. Argentine issuers performed positively as investors expected the IMF deal to be concluded before the government's \$2.85bn payment deadline on 22 March 2022. The most negative performers this month were, not surprisingly, Russia (-68.4%) and Ukraine (-63.4%). The Russian offensive triggered a major sell-off first on Ukrainian issuers that may be directly affected by the armed conflict. The United States and the European Union quickly announced severe economic sanctions against Russia. Among them, US and European financial institutions and investors will be unable to buy Russian sovereign debt issued after 1 March 2022, as well as that of certain Russian companies. Seven Russian banks, including VTB, the country's second largest in terms of assets under management, will be excluded from the SWIFT interbank system within ten days. In addition, measures should also be taken to prevent the Russian Central Bank from accessing its international foreign exchange reserves. Finally, the assets and visas of many Russian oligarchs have been frozen. Although still difficult to assess, the impact of these sanctions on the Russian economy and businesses is expected to be significant, leading to a significant sell-off in bonds as investors fear an inability (or even a ban) on issuers to meet their maturities. Today, our Ukraine positions are trading at very low prices (between 15% and 45% of par), and we believe that in the medium term, price levels are now too low to sell our positions. Ukrainian asset prices are taking this war, so they are now at a deep discount and, depending on future geopolitical scenarios, there is upside potential, in many cases, to their new price. As in 2014, companies entered the crisis with sound credit fundamentals in terms of leverage and liquidity. However, the scale of the conflict is greater than at the time, so the impact on companies will not necessarily be the same. Despite the significant weight of Russia in the indices, our funds are largely underweight (if not totally absent) in Russian issuers, and the impact of the fall in Russian bonds has therefore not added to the exposure in the zone. Masked by the dramatic news on Europe's doorstep, China (-11.1%) also recorded a strongly negative performance this month. Despite rather positive announcements by the local authorities of measures to support property developers by reducing mortgage rates and the down payment rate required to buy a home. This decline also comes despite the release of macroeconomic data noting a stabilisation in house prices. However, the market seems to remain pessimistic, in particular due to negative idiosyncratic events in some developers regarding liquidity problems, which has had a knock-on effect on the whole sector. On 4 March, the highly anticipated annual Chinese People's Political Consultative Conference will begin, which will determine the GDP growth target for 2022 as well as the monetary and fiscal policy guidelines for the coming year. In Indonesia (-1.3%), issuers were also fairly resilient to the reinstatement of some mobility restrictions in the face of a new wave of outbreaks earlier this month. In Latin America, in Mexico (-5.6%), one of the non-bank financials defaulted as expected on one of its bonds, although not invested in the bond, there is always a negative mark-to-market effect on the whole sector in these cases. Ecuador (+0.6%) obtained a \$700m loan from the World Bank. In Peru (-1.8%), the change of government by Pedro Castillo had a limited impact on issuers. In Costa Rica, the first round of presidential elections took place, putting the former centre-left president well ahead in the polls for the second round in early April.

The main contributor to performance this month was Mexican chemical and petrochemical producer and distributor **Idea**. The renegotiation of the long-term contract of its Braskem Idea joint venture with Pemex on more favourable terms, as well as the restructuring of its debt, should enable it to pay dividends to Idea this year. We still see significant asset value in the company. In a quiet primary market environment across the emerging world due to geopolitical tensions, we participated in two issues in Africa. Prior to the Russian invasion, we took advantage of valuations that had not yet been affected by geopolitical tensions to reduce our exposure to Eastern European companies by around 2%. We no longer have exposure to Georgia, Bulgaria and Armenia.

The Russian-Ukrainian conflict calls into question several elements of the outlook for 2022. On the one hand, the extent of the negative impact on global economic growth will depend on the duration of the conflict and international economic sanctions. On the other hand, we may see a general increase in risk premiums across all asset classes. Finally, as Russia is one of the world's leading producers of hydrocarbons and commodities, inflationary pressures are likely to persist longer than expected this year, weighing on emerging bond valuations. However, we remain confident in the fundamentals of emerging market corporate high yield, which is entering this crisis with two to three times less debt than developed countries. Faced with these risks, we are trying to position ourselves to best deal with different scenarios, thanks to our overweight in commodity-related issuers, which should continue to benefit from favourable prices in 2022 and generate significant cash, our historical exposure to geographies far from conflict zones, and our low duration of 3.4, which not only provides us with a defensive position against rising rates, but also allows us to quickly reinvest cash and to be able to reposition the portfolio according to macroeconomic evolution.

### KEY FIGURES

LU1165644672

Inception Date	April 24, 2015
NAV as of 28-02-22	122,81
Fund Net Assets	456,2M€

### RETURN

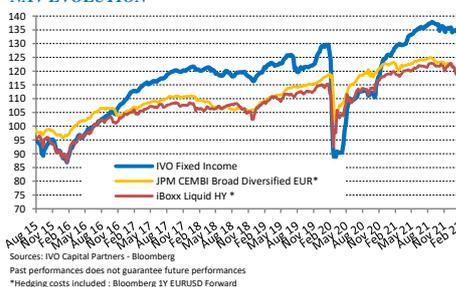
	Bonds part	Fund
Yield to maturity* (EUR)	+23,6%	+22,0%
Yield to worst* (EUR)	+22,5%	+21,0%
Adjusted Yield * (EUR)	+12,1%	+11,2%

\*hedging costs included : Bloomberg 1Y EURUSD Forward

### FUND PERFORMANCES & RISK

Performance MTD	-5,9%
Performance YTD	-6,6%
Annualized 5 years performance	+1,7%
Annualized 5 years volatility	+10,9%

### NAV EVOLUTION



### 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
Article	8 SFDR

### OPERATING PROCEDURES

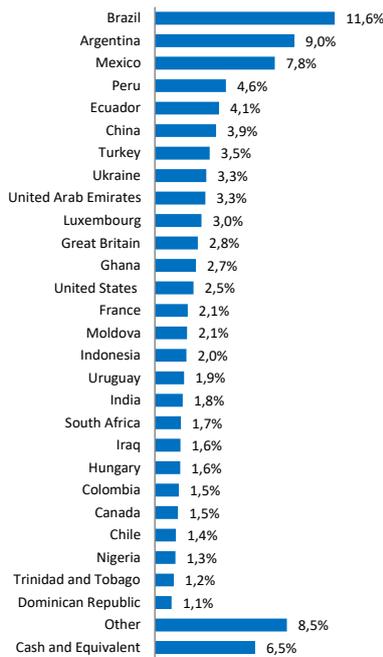
Minimum Investment:	5 000€
Annual Management Fee:	1,5%
Performance Fee:	15% above EURIBOR 3M + 400 BP
Subscription Fee:	up to 4%
High Water Mark:	Yes

### BY PERIOD

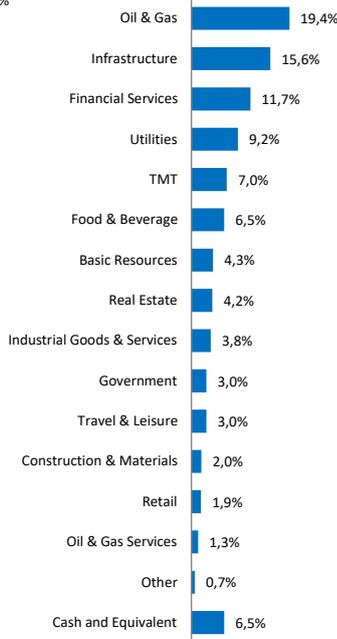
1 month	-5,9%
3 months	-5,6%
6 months	-7,9%
12 months	-2,2%
3 years	+3,4%
5 years	+9,0%
ITD	+22,8%

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2022	-0,8%	-5,9%	-	-	-	-	-	-	-	-	-	-	-6,6%
2021	+0,7%	+2,5%	+0,5%	+1,1%	+1,9%	+1,4%	-0,0%	+1,3%	-0,01%	-1,0%	-1,4%	+1,1%	+8,2%
2020	+1,5%	-1,7%	-30,2%	+2,1%	+12,1%	+7,8%	+1,3%	+1,9%	-1,41%	-0,7%	+7,1%	+5,3%	-2,1%
2019	+2,6%	+1,8%	+0,6%	-0,1%	+0,4%	+1,5%	+0,7%	-4,8%	+1,02%	+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%	+1,16%	+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%	+0,89%	+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%	+1,21%	+1,5%	+0,7%	+2,1%	+19,4%
2015	-	-	-	-	+2,9%	-2,1%	-2,8%	-3,2%	-5,17%	+3,9%	+1,5%	-4,3%	-9,2%

### BREAKDOWN BY REGIONS



### BREAKDOWN BY SECTORS



### PORTFOLIO DATA

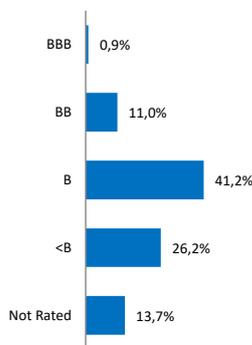
Yield to Maturity* (EUR)	23,6%
Yield to Worst* (EUR)	22,5%
Adjusted Yield * (EUR)	12,1%
USD Exposure	0,3%
Average Running Coupon	9,6%
Number of Issuers	147
Average Maturity	4,4
Average Duration	3,0
Adjusted Duration**	3,4
Average Rating	BB-
Average Issued Amount (\$ million)	671
Average Percentage Holding	2,0%

\*hedging costs included : Bloomberg 1Y EURUSD Forward

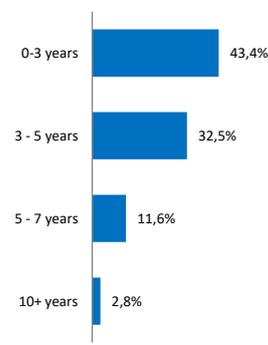
### BONDS METRICS (Weighted Average)

Revenue (\$ billions)	3,3
EBITDA (\$ billions)	0,8
Leverage	3x

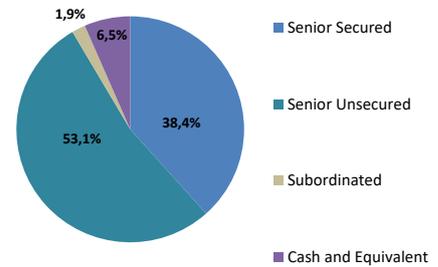
### BREAKDOWN BY RATING



### BREAKDOWN BY DURATION



### SENIORITY RANK DISTRIBUTION



### 10 MAIN ISSUERS

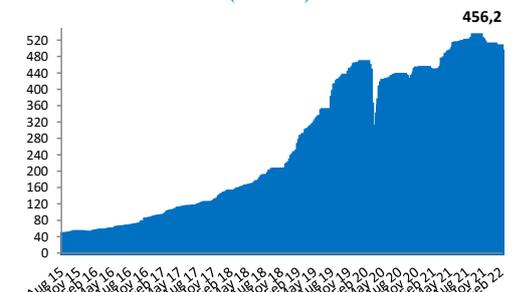
ISSUER	COUNTRY	SECTOR	WEIGHT
INTL AIRPORT FINANCE SA 2033	\$ Ecuador	Infrastructure	4,1%
PERU LNG SRL 2030	\$ Peru	Infrastructure	3,7%
SIXSIGMA NETWORKS MEXICO 2025	\$ Mexico	TMT	2,4%
LIMAK ISKENDERUN 2036	\$ Turkey	Infrastructure	2,3%
ELEVING GROUP SA 2026	€ Lithuania	Financial Services	2,2%
PAMPA ENERGIA SA 2029	\$ Argentina	Utilities	2,1%
ARAGVI FINANCE INTL 2026	\$ Moldova	Food & Beverage	2,1%
AES ARGENTINA GENERACION 2024	\$ Argentina	Utilities	2,0%
ACI AIRPORT SUDAMERICA S 2034	\$ Uruguay	Infrastructure	1,9%
GENEL ENERGY FIN IV 2025	\$ Iraq	Oil & Gas	1,6%
<b>Total</b>			<b>24,5%</b>

### 10 largest positions

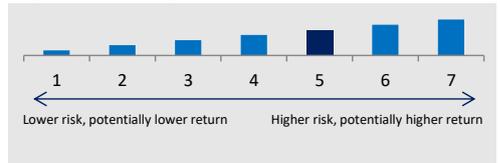
#### RISK INFORMATION

- 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".

### NET ASSETS EVOLUTION (€ millions)



### RISK / REWARD PROFILE



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