

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 -1.6% in May, underperforming the CEMBI HY+ index (-1.2% in EUR). Since the beginning of the year the fund has depreciated by -8.4%, outperforming the CEMBI HY+ index (-11.7% in EUR).

Despite the slight recovery of the bond and equity markets in the last week of May, their performance was again negative this month, and is explained by an increase in credit spreads of 42 bps, ending at 570 bps. Despite continued inflation in the US and Europe, fears of a global recession caused US yields to fall, particularly short rates, with the five-year yield ending the month at 2.81% (-17bps compared to end April). The release of disappointing results from some US retail companies, as well as the -16.6% drop in new home sales compared to April, fueled these recession fears. Weaker than expected economic indicators in China in April led to further downward revisions to its GDP growth in 2022, now forecast at +3.7% for 2022 by JP Morgan. At the end of the month, markets recovered some of their negative performance following the release of slowing inflation in the US in April, rising household spending, and an easing of mobility restrictions in Shanghai. However, investors still expect the Fed to raise rates by another 50 bps in June and the ECB to raise rates by 100 bps by the end of the year. The price of oil closed at \$123 per barrel at the end of the month, rising due to the European Union's decision to end 90% of its Russian oil imports.

The only country to record a positive performance this month was Ukraine (+9.7%). Despite the capture of Mariupol by Russian troops, Ukrainian resistance in the rest of the conflict regions is strong and Russian advances are limited. Moreover, Ukrainian issuers, apart from logistical problems, have managed to maintain most of their operations and a liquidity situation allowing them to service their debt. We maintained our exposure to Ukrainian issuers (3.7% of the portfolio). The three countries with the largest declines this month were China (-5.9%), Macau (-5.6%), and Chile (-2.9%). In Macau, casino operators continue to see their revenues drop and suffer from the restrictions imposed by the Chinese government, which prevent a recovery in traffic. In China, the government has announced a series of mainly fiscal measures to boost the economy, and the Chinese Central Bank has lowered the benchmark 5-year property loan rate from 4.6% to 4.45%, in a bid to support the sector. Nevertheless, Chinese high yield issuers continued to suffer from negative idiosyncratic developments and the confinement to Shanghai, which is slowing housing sales. We maintained our exposure to Chinese issuers by making arbitrages to increase our exposure to attractively valued bonds. Elsewhere in Asia, India (-1.2%) and Indonesia (-0.2%) suffered from the contagion of the sell-off in China. In Chile, the project of a new constitution and the potential changes on the concessions of mining producers weighed on issuers. In addition, at the beginning of the month, the Chilean central bank raised its key rates by 125 bps, while the market was expecting a 100 bps increase. In Colombia (+0.7%), the positive performance is explained by the results of the first round of presidential elections at the end of the month, which put the left-wing candidate G. Petro in the lead and the independent R. Hernandez in second place, creating a surprise and having a slightly positive impact on bond valuations, as the chances of a Petro defeat in the second round increase and are seen as positive by the markets. We will not know the new president until 19 June. After four months of discussions, Ecuador and the IMF finally agreed to provide \$1 billion to the country by mid-June, with an additional \$700 million expected by the end of the year.

This month, the primary market in emerging high yield was once again at a standstill. We have made arbitrages on the portfolio, reducing positions that have resisted the sell-off well and on which we see less upside potential, and strengthening those that have suffered from the sell-off and for which we believe the credit profile is solid, particularly in Africa and India. The main contributor to performance was the Argentinian power producer **AES Argentina**, which reported strong first quarter 2022 results, with cash generation allowing it to continue deleveraging.

Despite rising energy costs and supply issues, most emerging companies have reported encouraging first quarter 2022 results, showing low leverage, which is expected to remain low in 2022. Obviously, commodity-related companies are on exceptional earnings trajectories. At these historically low valuations, we see good potential for spread compression in this asset class, which has the advantage of a short duration. We also maintain a low duration of 3.2 on our portfolio in order to face this interest rate risk and to quickly reposition ourselves on bonds whose valuations seem attractive to us.

KEY FIGURES

LU1165644672

Inception Date	April 24, 2015
NAV as of 31-05-22	120,44
Fund Net Assets	477,8M€

RETURN

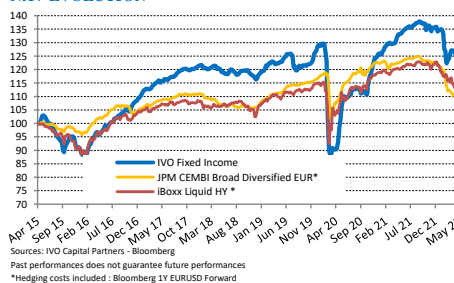
	Bonds part	Fund
Yield to maturity* (EUR)	+27,5%	+25,7%
Yield to worst* (EUR)	+26,4%	+24,7%
Adjusted Yield * (EUR)	+11,5%	+10,7%

*hedging costs included : Bloomberg 1Y EURUSD Forward

FUND PERFORMANCES & RISK

Performance MTD	-1,6%
Performance YTD	-8,4%
Annualized 5 years performance	+0,9%
Annualized 5 years volatility	+11,2%

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

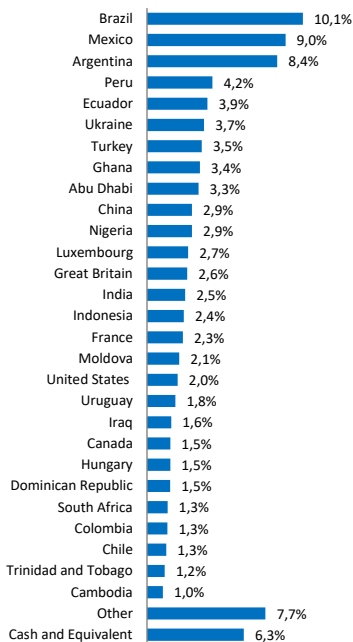
Minimum Investment:	5 000€
Annual Management Fee:	1,5%
Performance Fee:	15% above EURIBOR 3M + 400 BP
Subscription Fee:	up to 4%
High Water Mark:	Yes

BY PERIOD

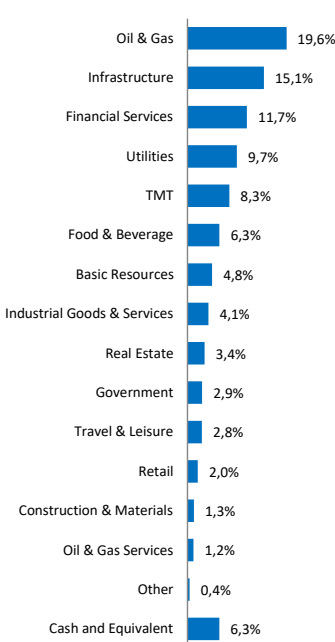
1 month	-1,6%
3 months	-1,9%
6 months	-7,5%
12 months	-7,3%
3 years	-0,5%
5 years	+4,7%
ITD	+20,4%

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2022	-0,8%	-5,9%	-1,0%	+0,7%	-1,6%	-	-	-	-	-	-	-	-8,4%
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

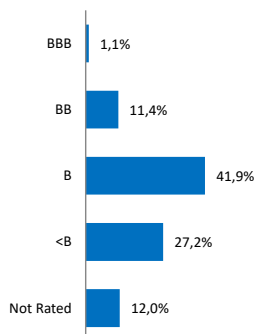
Yield to Maturity* (EUR)	27,5%
Yield to Worst* (EUR)	26,4%
Adjusted Yield* (EUR)	11,5%
USD Exposure	1,8%
Average Running Coupon	9,5%
Number of Issuers	147
Average Maturity	4,3
Average Duration	3,0
Adjusted Duration**	3,4
Average Rating	B+
Average Issued Amount (\$ million)	675
Average Percentage Holding	1,9%

*hedging costs included : Bloomberg 1Y EURUSD Forward

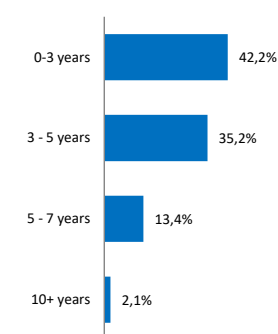
BONDS METRICS (Weighted Average)

Revenue (\$ billions)	2,5
EBITDA (\$ billions)	0,7
Leverage	3,3x

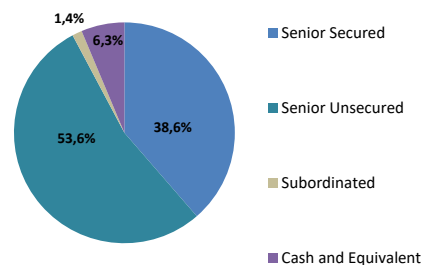
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

	COUNTRY	SECTOR	WEIGHT
INTL AIRPORT FINANCE SA 2033	\$ Ecuador	Infrastructure	3,9%
PERU LNG SRL 2030	\$ Peru	Infrastructure	3,4%
LIMAK ISKENDERUN 2036	\$ Turkey	Infrastructure	2,2%
SIXSIGMA NETWORKS MEXICO 2025	\$ Mexico	TMT	2,1%
ARAGVI FINANCE INTL 2026	\$ Moldova	Food & Beverage	2,1%
PAMPA ENERGIA SA 2029	\$ Argentina	Utilities	2,1%
ACI AIRPORT SUDAMERICA S 2034	\$ Uruguay	Infrastructure	1,8%
ELEVING GROUP SA 2026	€ Latvia	Financial Services	1,8%
AES ARGENTINA GENERACION 2024	\$ Argentina	Utilities	1,8%
FS LUXEMBOURG SARL 2025	\$ Brazil	Utilities	1,7%

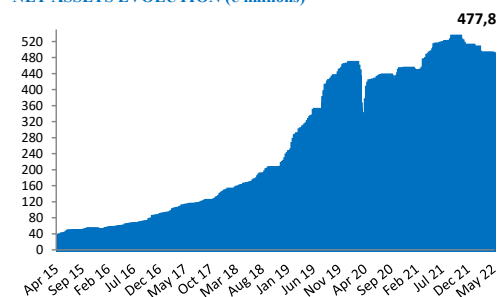
10 largest positions

22,9%

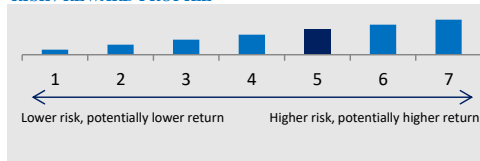
RISK INFORMATION

- 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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