

### 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 -4.4% this month, outperforming the CEMBI HY index (-4.9% in EUR), which is explained by our shorter duration than the index and our lower exposure to China and Macau.

The negative performance of the index was slightly explained by the interest rate component, as the US 10-year yield increased by 27 bps and ended at 3.0%, on the other hand, we saw a sharp increase in developed country High Yield spreads by 100 bps, ending at 670 bps. Just before the announcement of the Fed's 75 bps rate hike on 15th June, the US yield curve briefly inverted as investors expected aggressive monetary policy in the short term to tackle persistently high inflation, at +8.6% annualised in May in the US. J.Powell left the door open for a further 75 bps hike in July, and investors expect one hike of this magnitude and then three 25 bps hikes by the end of the year. After almost reaching 3.5% in the middle of the month, the US 10-year yield fell as markets anticipated a recession. Indeed, manufacturing production indices in the US, Europe and China surprised to the downside, pointing to a slowdown in global growth. As a result, the price of a barrel of oil also fell slightly by 4% this month.

This month, all countries recorded a negative performance, with Macau (-14.1%), China (-10.1%) and Colombia (-7.1%) being the three countries with the largest decrease. In Macau, casino operators suffered from the new mobility restrictions imposed by the government. In China, despite the slight easing of mobility restrictions, property issuers continued to perform negatively, especially the more distressed ones. Housing sales are still sluggish, and negative idiosyncratic developments have also impacted the valuations of some of the stronger issuers, as well as the non-real estate sectors. In Colombia, issuers were affected by the results of the presidential election, which brought Gustavo Petro, the first leftist president in the country's history, to power. Following the sell-off in Colombian issuers, we increased our exposure by 2%, as Petro's ability to reform in an extreme manner is likely to be limited as he does not have a majority in parliament. In Ecuador (-6.2%), the country has been rocked by violent clashes as indigenous demonstrators have mobilised across the country to protest against rising prices. President G. Lasso escaped impeachment at the end of the month. At the same time, the IMF approved the payment of 1 billion dollars to support the country. In Turkey (-2.4%), the central bank announced a new unorthodox measure that imposes a maximum foreign currency holding ratio on companies seeking loans in local currency, in order to support the Lira, which appreciated by 4%. The impact on issuers was limited, as many of them benefit from dollarised revenues to pay their foreign currency debt. In Ukraine (-3.2%), the armed conflict in the East of the country continues and Russia has officially defaulted on its external debt. The suspension of Gazprom's gas supply to Germany has pushed up the price of European gas by 58% since the beginning of the month. In Africa, the IMF approved \$750m in financing for Congo to support governance reforms and infrastructure spending.

The primary market remained at a standstill this month, with almost no new issues in the emerging high-yield universe. Following the widespread sell-off, we made some arbitrages on the portfolio, strengthening issuers with strong credit profiles rated BB, notably in India and Colombia, and reducing positions that had held up well in Latin America. One of the main contributors to performance this month was Brazilian manufacturer **Andrade Gutierrez**, whose sale of the stake in CCR is about to be finalised.

At large discounts compared to their redemption value, (the average price of the fund is 78,5), emerging market corporate bonds offer probably one of the best risk/return trade-offs of any asset class. With yields on the fund of 12.4% per year, value on board is strong while the potential decline in profits due to the economic slowdown that worries markets in general is, for companies with low levels of debt, more a shareholder than a bondholder problem. With the exception of the Chinese real estate sector, the fundamentals of emerging market companies are very strong, with debt levels below US and European investment grade. Companies do not have a liquidity wall to face and most of them are taking advantage of commodity prices to deleverage.

### KEY FIGURES

LU1165644672

Inception Date	April 24, 2015
NAV as of 30-06-22	115,09
Fund Net Assets	459,3M€

### RETURN

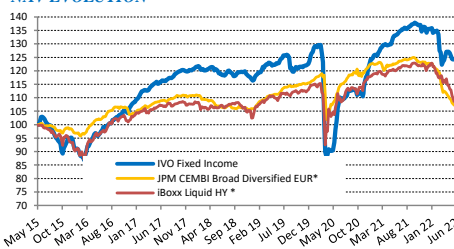
	Bonds part	Fund
Yield to maturity* (EUR)	+22,4%	+21,0%
Yield to worst* (EUR)	+21,5%	+20,2%
Adjusted Yield * (EUR)	+13,3%	+12,4%

\*hedging costs included : Bloomberg 1Y EURUSD Forward

### FUND PERFORMANCES & RISK

Performance MTD	-4,4%
Performance YTD	-12,5%
Annualized 5 years performance	-0,2%
Annualized 5 years volatility	+11,2%

### NAV EVOLUTION



Sources: IVO Capital Partners - Bloomberg  
Past performances does not guarantee future performances  
\*Hedging costs included : Bloomberg 1Y EURUSD Forward

### FUND CHARACTERISTICS

ISIN Code (R):	LU1165644672
Bloomberg Ticker:	IVOCAPR LX Equity
Fund Currency:	EUR
Inception Date:	April 24, 2015
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	

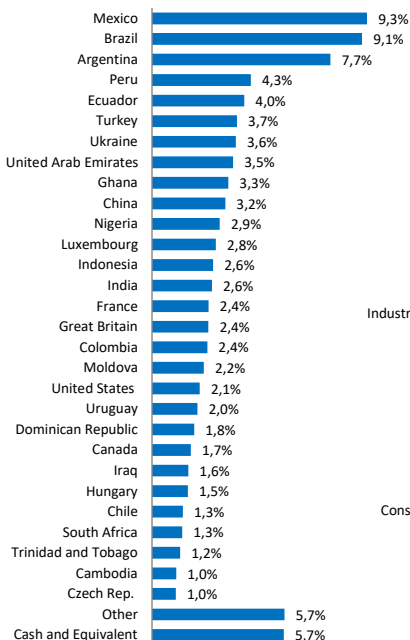
### OPERATING PROCEDURES

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

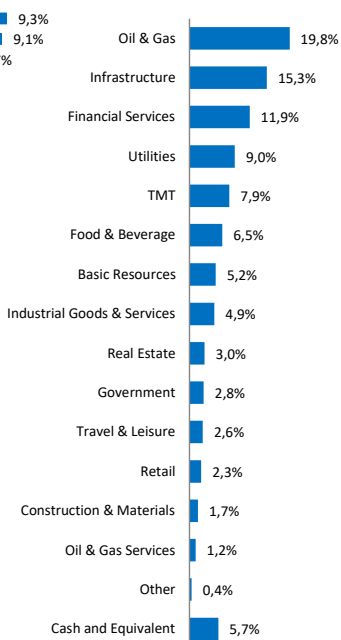
### BY PERIOD

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2022	-0,8%	-5,9%	-1,0%	+0,7%	-1,6%	-4,4%	-	-	-	-	-	-	-12,5%
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

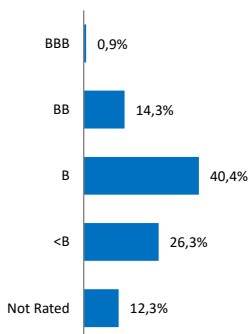
Yield to Maturity* (EUR)	22,4%
Yield to Worst* (EUR)	21,5%
Adjusted Yield * (EUR)	13,3%
USD Exposure	0,0%
Average Running Coupon	10,1%
Number of Issuers	156
Average Maturity	4,6
Average Duration	3,0
Adjusted Duration**	3,4
Average Rating	B+
Average Issued Amount (\$ million)	658
Average Percentage Holding	1,9%

\*hedging costs included : Bloomberg 1Y EURUSD Forward

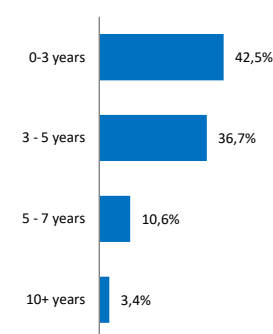
### BONDS METRICS (Weighted Average)

Revenue (\$ billions)	2,5
EBITDA (\$ billions)	0,7
Leverage	3,4x

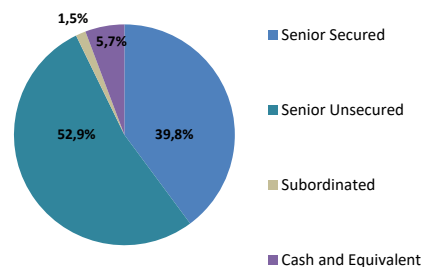
### BREAKDOWN BY RATING



### BREAKDOWN BY DURATION



### SENIORITY RANK DISTRIBUTION



### 10 MAIN ISSUERS

	COUNTRY	SECTOR	WEIGHT
INTL AIRPORT FINANCE SA 2033	\$ Ecuador	Infrastructure	4,0%
PERU LNG SRL 2030	\$ Peru	Infrastructure	3,4%
LIMAK ISKENDERUN 2036	\$ Turkey	Infrastructure	2,3%
ARAGVI FINANCE INTL 2026	\$ Moldova	Food & Beverage	2,2%
SIXSIGMA NETWORKS MEXICO 2025	\$ Mexico	TMT	2,2%
ACI AIRPORT SUDAMERICA S 2034	\$ Uruguay	Infrastructure	2,0%
ELEVING GROUP SA 2026	€ Latvia	Financial Services	1,9%
AES ARGENTINA GENERACION 2024	\$ Argentina	Utilities	1,7%
PAMPA ENERGIA SA 2029	\$ Argentina	Utilities	1,7%
FS LUXEMBOURG SARL 2025	\$ Brazil	Utilities	1,7%

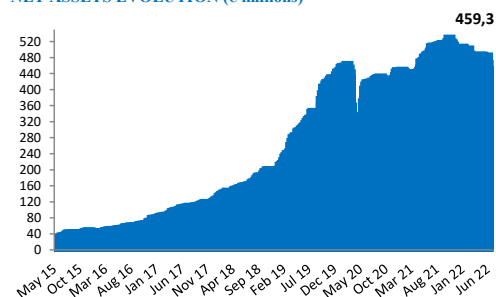
10 largest positions

23,1%

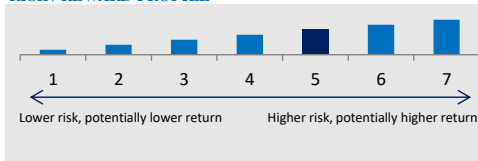
### RISK INFORMATION

- 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



The lowest category does not mean risk-free

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