IVO SHORT DURATION SRI (EUR) - UCITS

FACTSHEET - AUGUST 2022

IVO CAPITAL PARTNERS

Label ISR

An opportunistic access to international corporate debt markets

Created in December 2019, the IVO Fixed Income Short Duration SRI 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.

Fund performance review

In August, the fund recorded a positive performance of +1.9%, outperforming the Euro hedged CEMBI 1-3 year index (+0.4%). This outperformance was due to positive idiosyncratic developments as well as our higher than index exposure to the High Yield segment, which outperformed the Investment Grade segment this month (-0.7% for the CEMBI Broad Investment Grade index).

In a context of rising US sovereign rates, the positive performance of the bond markets is explained by a compression of credit spreads by 51 bps (from 655 to 604 bps) as well as by the carry. After a major sell-off in June and July, in the US, the slowdown in inflation (+8.5% in July vs. 9.1% in June) and the resilience of the labor market, as well as the gradual reopening and fiscal stimulus in China, raised the possibility of avoiding a global recession. Despite these factors, the US 10-year yield rose by 55 bps, ending at 3.19%, as investors expected inflation to remain high in the near term. At the Jackson Hole symposium at the end of the month, Jerome Powell confirmed his commitment to maintaining a tight monetary policy, with price stability as the priority. Most investors expect the Fed to raise interest rates by another 75 bps in September, while expectations of monetary easing in 2023 appear to be in doubt. In the Eurozone, August inflation (+9.1%), which reached an all-time high, and a low unemployment rate have led to expectations of a 75bps rate hike by the ECB in September. In response to these fears about the global economy, emerging bond markets proved resilient compared to equity markets, with the S&P closing the month at -4.2%, but also to US High Yield (-1.9%).

The three countries that recorded a positive performance were Argentina, China, and Ukraine. After the sell-off following the resignation of the Minister of Economy Martin Guzman in July, the appointment of Sergio Massa to replace him reassured investors that Argentina (+8.8%) will respect its agreement with the IMF. In China (+7.3%), the authorities announced the release of up to 200 billion yuan ($29bn) in loans to developers to ensure the completion of stalled property projects. The Chinese government also announced 19 measures to help stabilize the economy, including increasing the quota of state-owned banks' financing tools by 300 billion yuan ($43 billion). In addition, six property developers have entered a state-guaranteed loan issuance program, which has sent a positive signal about the government's willingness to support the sector, and has benefited all developers. However, we have not increased our exposure to the sector, where volatility is still high and we believe that there is still a significant risk of default on a good number of issuers, particularly the most vulnerable. Finally, in Ukraine (+5.9%), issuers benefited from the slight rebound in the bond markets, while the military conflict with Russia continues. We maintained our exposure to Ukraine (1.7% of the portfolio), as we believe valuations are still attractive given the credit quality of companies. In Macau (-2.7%), although gaming revenue was slightly up in August compared to July, it was only 9% of pre-covid levels due to restrictive policies with China and visa restrictions. In Mexico (-1.9%), the unexpected default of one of the largest non-bank financials in the sector triggered a loss of investor confidence and a widespread sell-off across the sector. Finally, after several weeks of negotiations, the IMF granted a $2.9bn loan to Sri Lanka, conditional on a restructuring of its debt and the implementation of structural reforms.

This month, we have reduced or sold positions that have held up well during the sell-off and where we see less upside potential, particularly in Latin America and Africa. We have added to some positions in Indian renewable energy producers, which suffered from a general sell-off following a negative idiosyncratic development in one of the issuers. This appears to be an isolated event and does not call into question the credit profile of other issuers in the sector. We have also added to issuers with strong credit profiles in Latin America, where we see good upside potential. The main contributor to performance this month has been Mexican telecoms company **Axtel**, which has recovered some of the downside it has experienced in recent weeks, linked to investor concerns about future results, on which the company has been reassuring.

Despite a slight rebound this month, concerns about the emerging high yield corporate asset class remain, due to the risk of recession, especially in Europe, exacerbated by the energy crisis linked to the Russian-Ukrainian conflict, but also to expectations of continued restrictive monetary policy to tackle inflation. While central banks in developed countries are likely to maintain a restrictive monetary policy, we could see those in emerging countries, which are ahead of their rate hike cycle, start to become more accommodative from the end of the year. This is particularly the case in Latin America, where the economic slowdown and the advanced restrictive monetary cycle should allow inflation to slow down. In general, valuation levels are uncorrelated with the results of the companies in the universe, which are showing resilience. In this overall context of weak market sentiment, we believe we are well positioned, with an average accrued coupon of 9.1% and strong issuer credit profiles. In addition, our portfolio has exposure to commodity issuers that are still benefiting from high prices, as well as sectors such as airports that are taking advantage of the recovery in air traffic to deleverage. We also know that yield spreads on our asset class tend to react with a lag compared to others, especially in times of high volatility and low liquidity.

KEY FIGURES	*LU2061939729*
Inception Date	December 6, 2019
NAV as of 31-08-22	99,78
Fund Net Assets	88,1M€

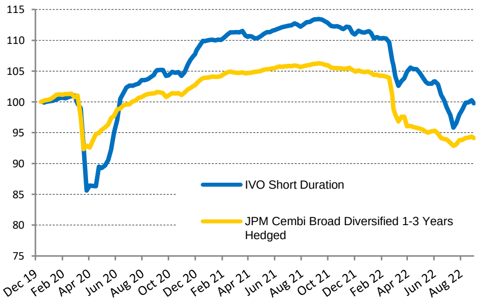
RETURN	Bonds part	Fund
Yield to maturity* (EUR)	+11,8%	+11,4%
Yield to worst* (EUR)	+11,6%	+11,2%
Adjusted yield** (EUR)	+10,4%	+10,0%

*hedging costs included : Bloomberg 1Y EURUSD Forward

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

FUND PERFORMANCES & RISK	
Performance MTD	+1,9%
Performance YTD	-10,4%
Performance ITD	-0,2%
Annual volatility	+5,3%

NAV EVOLUTION



FUND CHARACTERISTICS

- ISIN Code : LU2061939729
- Fund Currency: EUR
- Inception Date: 6 December 2019
- 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, Label ISR

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
2022	-1,0%	-3,9%	-1,0%	-0,2%	-1,3%	-4,1%	-1,1%	+1,9%	-	-	-	-	**-10,4%**
2021	+0,1%	+1,1%	-0,6%	+0,1%	+0,8%	+0,6%	-0,1%	+1,1%	-0,5%	-0,7%	-1,0%	+0,4%	**+1,3%**
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	+1,9%
3 months	-3,4%
6 months	-5,8%
12 months	-12,0%

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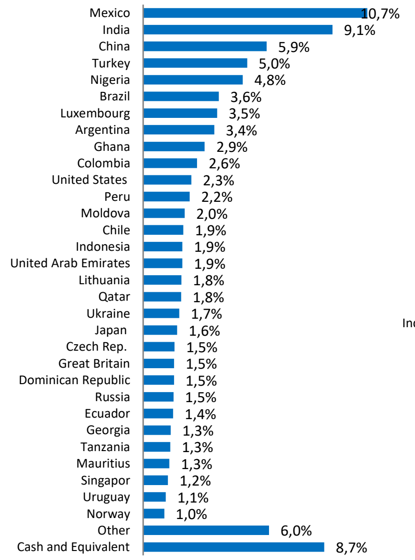
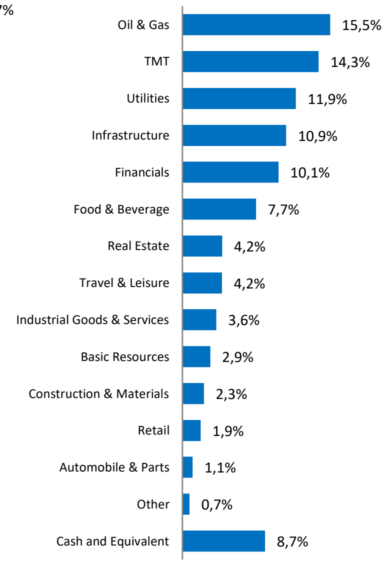
PORTFOLIO - AUGUST 2022

BREAKDOWN BY REGIONS



BREAKDOWN BY SECTORS



PORTFOLIO DATA

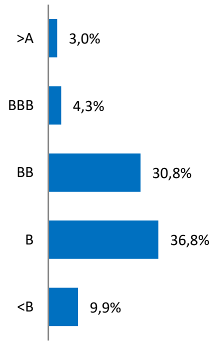
Yield to Maturity* (EUR)	+11,8%
Yield to Worst* (EUR)	+11,6%
Adjusted yield** (EUR)	+10,4%
USD Exposure	3,1%
Average Running Coupon	9,1%
Number of Issuers	121
Average Maturity	3,6
Rate sensitivity	2,8%
Adjusted Duration**	2,9
Average Rating	BB-
Average Issued Amount ($ million)	586
Average Percentage Holding	0,3%

*hedging costs included : Bloomberg 1Y EURUSD Forward

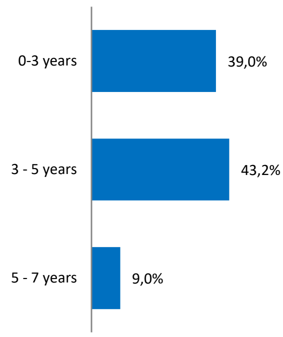
BONDS METRICS (Weighted Average)

Revenue ($ billions)	4,1
EBITDA ($ billions)	1,2
Leverage	3,2x

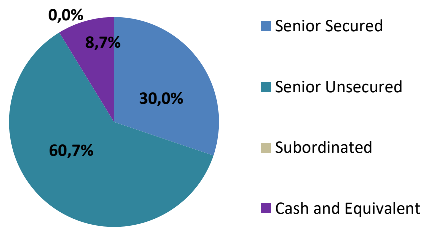
BREAKDOWN BY RATING



BREAKDOWN BY DURATION



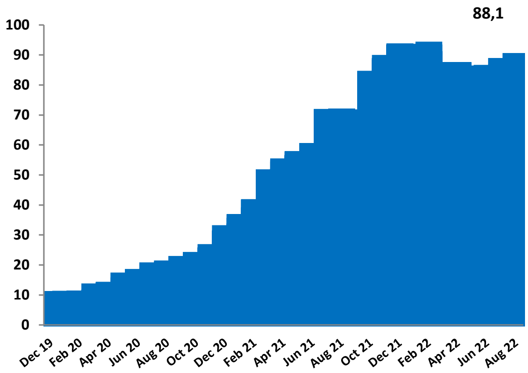
SENIORITY RANK DISTRIBUTION



10 MAIN ISSUERS

10 MAIN ISSUERS		COUNTRY	SECTOR	WEIGHT
AXTEL SAB DE CV 2024	$	Mexico	TMT	2,3%
LIMAK ISKENDERUN 2036	$	Turkey	Infrastructure	2,2%
ARAGVI FINANCE INTL 2026	$	Moldova	Food & Beverage	2,0%
PERU LNG SRL 2030	$	Peru	Infrastructure	1,8%
QIB SUKUK LTD 2025	$	Qatar	Financials	1,8%
CULLINAN HOLDCO 2026	€	Luxembourg	Utilities	1,8%
SEPLAT ENERGY PL 2026	$	Nigeria	Oil & Gas	1,8%
FS LUXEMBOURG SARL 2025	$	Brazil	Utilities	1,7%
GREENKO SOLAR MAURITIUS 2026	$	India	Utilities	1,6%
ECOPETROL SA 2030	$	Colombia	Oil & Gas	1,5%
10 largest positions				**18,4%**

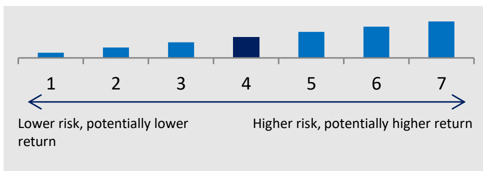
NET ASSETS EVOLUTION (€ millions)



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.