IXIOS RECOVERY

Signatory of: PRI Principles for Responsible Investment

IXIOS Asset Management

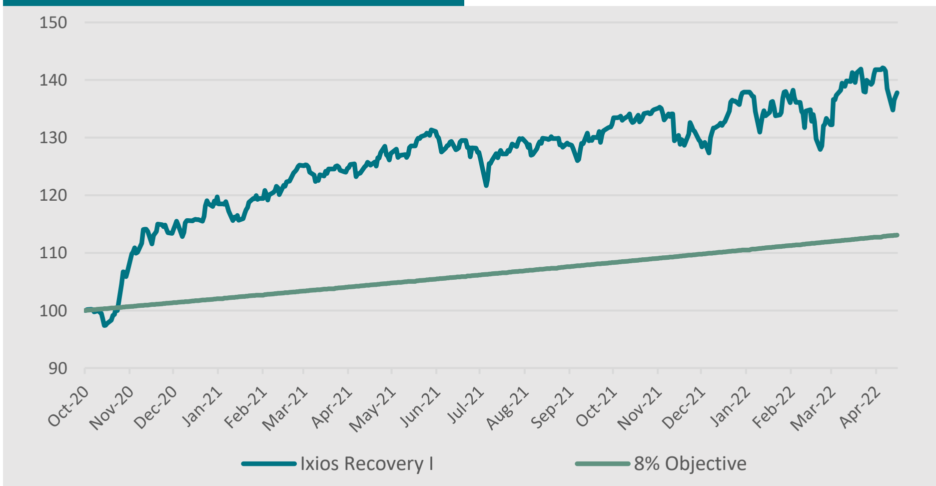
Monthly Report

29/04/2022

Investment Objective

IXIOS Recovery, a French SICAV UCITS fund, is a thematic sub-fund designed for investors seeking long-term performance from the normalisation of excessive discounts on equities and bonds issued by companies in developed markets. The objective of IXIOS Recovery is to achieve an annual performance equal to 8% (for class I) over a recommended investment period of more than 5 years.

Fund Size: EUR 35.42 mln



Cumulative Performance (net of fees)	1 Month	YTD	1 Year	Since inception	Since inception relative
Ixios Recovery F Prime	-1.25%	3.96%	10.62%	20.00%	9.14%
Performance objective 8.55% / year	0.68%	2.83%	8.90%	11.24%	-
Ixios Recovery I	-1.29%	3.77%	10.02%	37.79%	24.71%
Performance objective 8% / year	0.64%	2.64%	8.30%	13.08%	-
Ixios Recovery P	-1.34%	3.56%	9.33%	20.10%	9.24%
Performance objective 7.35% / year	0.59%	2.42%	7.60%	10.86%	-

Risk Profile SRRI

Lower Risk Potentially lower return | 1 | 2 | 3 | 4 | 5 | **6** | 7 | Higher Risk Potentially higher return

Sub-fund Facts

Fund inception date: 15/10/2020
Recommended investment period: > 5 years
Fund domicile: France
Management Company: Ixios Asset Management
Custodian: Société Générale

Share-classes Facts

ISIN Codes:
- F Class: FR0013514270
- F Prime Class: FR0014001KX3
- I Class: FR0013514296
- P Class: FR0013514304

Minimum Subscription:
- F & F Prime Classes: 5,000,000 EUR
- I Class : 100,000 EUR
- P Class : 1 share

Fixed Management Fees:
- F & F Prime Classes: 0.80%
- I Class: 1.35%
- P Class: 2.00%

Performance Fees: 15% over benchmark with High Water Mark absolute

Performance Benchmark:
- F & F Prime Classes: 8.55% net / year
- I Class: 8.00% net / year

Main Risks

The main risks of the UCITS are:
Discretionary management risk;
Equity risk;
Liquidity risk;
Credit risk;
Exchange rate risk;
For more information on the risks, please refer to the prospectus of the UCITS.

Management Team Commentary

LAURENT ROUSSEL, Lead fund manager

DAVID FINCH, CEO, Co-manager

NAN ZHANG, CFA, Co-manager

In April, the fund (down 1.29% on the I share class) underperformed its objective of achieving an 8% annual return (on the I share class) and equity benchmarks: vs the Stoxx 600 RI (down 0,72%) and vs the MSCI World Value RI in EUR (down 0,18%). But it has outperformed the S&P 500 RI (down 8,74%). Up 3,77% YTD, the fund has outperformed all equity benchmarks: vs the Stoxx 600 RI (down 6,70%), vs S&P 500 RI (down 13,70%) and vs the MSCI World Value RI in EUR (up 1.89%).

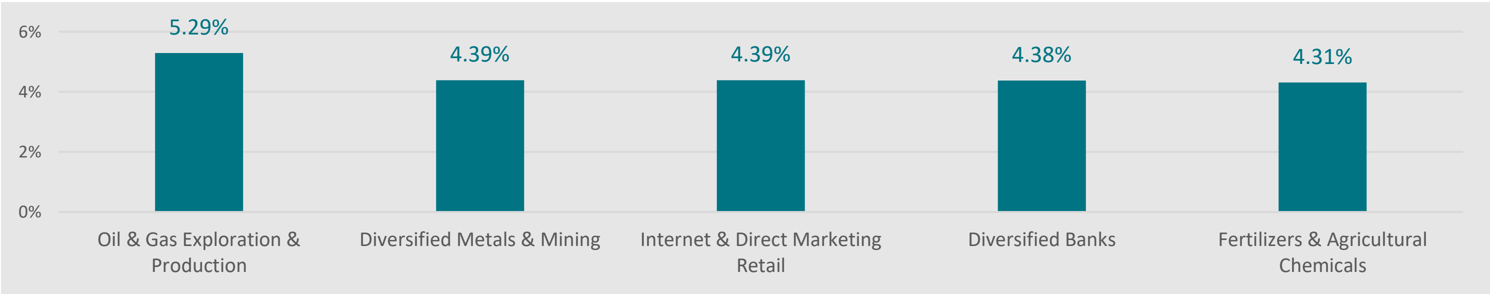
In April and so far in May, the value rotation and basic resource themes are losing momentum because of fears of a strong economic deceleration. In that context, our "Barbell" strategy on our stock portfolio, i.e. complement our exposures to reopening economies (consumer stocks) and accelerating capex and infrastructure investments with commodity stocks, does not generate alpha anymore. Despite a very good earnings season. We keep our convictions for the coming months.

The strong acceleration in the surge of real bond yields, coupled with the inflationary and supply chain pressures, has brought forth a resurgence of fears of a US monetary error and recession. We think these fears should ease. Most of deep economic recessions come from weakening balance sheets and current corporates / households balance sheets remain healthy despite inflation. The Fed must balance two opposite targets, ie maintain its credibility in the fight against inflation and avoid a deflationary scenario resulting from an economic hard landing. But among the two, Fed members know that the second one would be much more damageable in an indebted world. A peaking inflation in the coming months should reassure investors, reduce the risk of overtightening by the Fed and increase the probability of a US soft landing.

The second risk, a Chinese hard landing because of lasting Covid lockdowns, should also be put in perspective and the sell-off of commodity stocks looks like a buying opportunity ahead of a very large Real Estate and Infrastructure effort from China. This program is inspired in the short term by the need to offset the dire impact of the lockdowns on economic growth ahead of the 20th National Congress of the Chinese Communist Party later this year. From a strategic point of view, the program is needed to accelerate the energy transition in China – for both practical and strategic reasons. China imports 12m barrels of oil a day – around 60% of its petroleum products consumption. The faster it can move to self-generated electricity the more independent it will become from potentially crippling sanctions in the future.

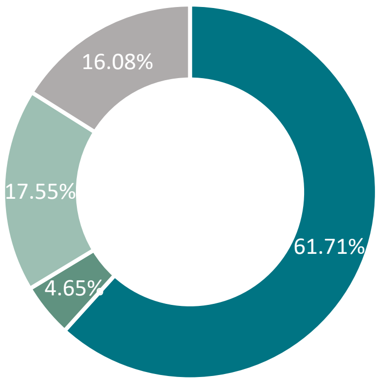
In April, the alpha is less broad based than in March, with less sectors and themes contributing (significantly) to the performance: Energy shipping (International Seaways up 23,5%, Euronav up 15,0% and Flex LNG up 7,8%), Metal Mining / Steel (Alphamin up 22,4% and New Century up 17,9%), Agrichemicals (Oci up 13,2% and K+S up 17,3%), Communication services (JOYY up 15,0% and Hyve up 7,6%) and Sacyr bond (up 9,1%).

Top 5 Sectors of Equity and Bonds

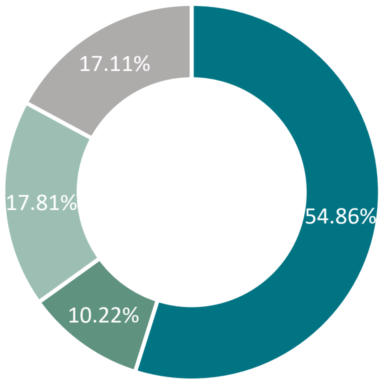


Note: The classification above is based on the GICS sector definition.

Country Breakdown



Currency Breakdown



Top 5 Equity Holdings

Company Name	Country	Weight
Unibail	FRANCE	3.28%
Alibaba Group Holding Ltd	CHINA	2.95%
K & S	GERMANY	2.38%
Telecom Italia	ITALY	1.92%
UniCredito Italiano	ITALY	1.83%
Total		**12.36%**

Risk Indicators

Risk Indicators	1 Year	Since inception
Volatility - I	13.79%	13.52%
Sharpe Ratio	0.51	1.50

Source: Ixios AM