IXIOS SPECIAL SITUATIONS

Monthly report - 30/04/2024

Signatory of: PRI Principles for Responsible Investment

Soutenu par le fonds de place 2i Sélection Le fonds révélateur de talents

IXIOS Asset Management

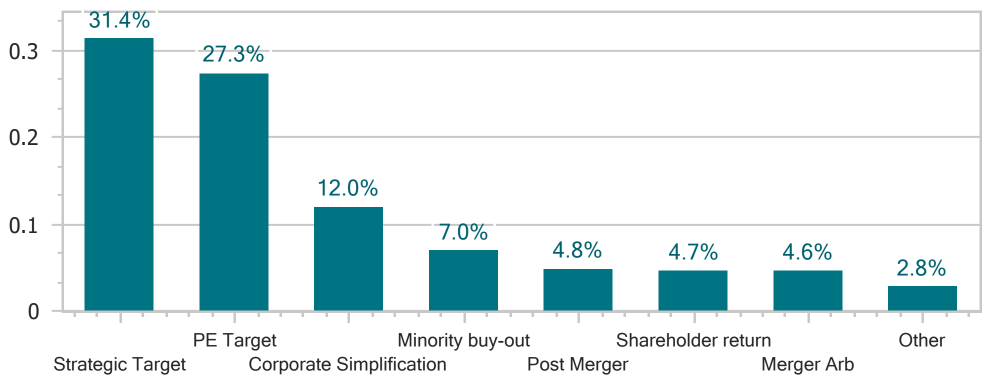
INVESTMENT OBJECTIVE

Ixios Special Situations Fund is an open-end fund registered in France. The Fund seeks capital appreciation over the medium to long-term. The Fund invest in equity securities of companies involved in, or are undergoing event driven situations, or corporate events. The Fund's objective is to seek, over the recommended investment period, an annualised return that exceeds 8% (for class I).

HISTORICAL PERFORMANCE

Past performance is not an indication of future performance. It may vary over time. Reported performance is net of fees.

Type of Event - Breakdown



RISK PROFILE SRI

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 : > 5 years
Fund domicile : France
Management Company : Ixios AM
Custodian : Société Générale

SHARE-CLASSES FACTS

ISIN Codes & Bloomberg Tickers :
- I Class: FR0013514296 / IXRECIE FP
- P Class: FR0013514304 / IXRECPE FP

Minimum Subscription :
- I Class: 100,000 EUR
- P Class: 1 share

Fixed Management Fees :
- I Class: 1.35%
- P Class: 2%

Performance Fees:
15% the bet performance over benchmark with 5 years underperformance offset

Performance Benchmark:
- I Class: 8.00% net / year
- P Class: 7.35% 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 (1/2)

The fund posted a performance of -2.95% in April vs -2.72% for the MSCI World Net Total Return. Global markets faced a downturn in April, driven by a combination of factors: unexpectedly high inflation figures, escalating geopolitical tensions, and signs of economic moderation in the U.S. Specifically, U.S. real GDP growth for the first quarter fell notably short of expectations, coming in at 1.6% compared to the anticipated 2.4%. Meanwhile, the Consumer Price Index (CPI) surged to a year-on-year increase of 3.5%, marking its most significant jump in six months and the third consecutive month of robust readings.
The persistent inflationary pressures prompted a dramatic shift in market sentiment, leading to a reversal in expectations for interest rate cuts. Market forecasts indicate a significant scaling back of anticipated interest rate cuts for the U.S. this year, with expectations now pointing towards only a single 25 basis points cut, compared to the three cuts anticipated just a month prior. This contrasts sharply with the peak expectation of seven cuts projected in December of the previous year.
From our perspective, the current upticks in inflation and wage growth are expected to shift direction soon. We anticipate a deceleration in real economic growth, possibly reaching a neutral point for wages. This scenario bodes well for our midcap investments in Europe, valued between €1 billion and €10 billion, as they often attract takeover offers.

We stay positive on the dynamic of deals. Recently, New York's investment banks, led by Lazard, are witnessing a rare surge in both M&A and debt restructuring. The Federal Reserve's interest-rate decisions and inflationary pressures are reshaping the landscape, driving companies to pursue acquisitions while prompting others to restructure debt. Despite lingering uncertainties, boutique investment banks like Lazard, Evercore, and Moelis & Co. remain optimistic, with robust pipelines and ongoing momentum signalling a positive outlook for the future of M&A.

MANAGEMENT TEAM COMMENTARY (2/2)

Pre-announced M&A:

Allfunds was down this month due to a Bloomberg article quoting "people with knowledge" that Allfunds have broken off discussions that could have led to the sale of the company. In the 2023 Allfunds is rumoured to have attracted significant interest from PE's Cinven, CVC Capital Partners, Permira & Motive Partners and was subject to a failed Euronext approach at €8.75 in February 2023. According to the article 49% (combined) shareholders, Hellman & Friedman & BNP, are supportive of the Allfunds management breaking off sale talks as the indicative offers received "didn't fully reflect its growth prospects". We continue to keep the position as we think that the controlling shareholders will need to monetize their shares.

We initiated a position in **FILA** which has caught the attention of private equity funds due to its strong growth rates and the potential for partner with its controlling shareholder, Candela, to take it private. With a market cap of approximately €370m, FILA presents a good opportunity for private equity buyers to seize significant and immediate value by taking the company private and divesting its stake in DOMS Industries, an Indian-listed firm. FILA's substantial ownership in DOMS, approximately 30%, equating to around €363.5m, adds to its appeal. Despite a net debt of around €229m expected by the end of 2024, adjustments from liabilities and pensions totaling a negative impact of €56.5m, the market currently undervalues FILA's core business, pricing it at a negative equity value.

Corporate simplification and Return of Capital:

Teck Resources: shares rose as mine supply disruptions increased the risk of a near-term copper deficit. Teck is in the process of completing the sale of its steelmaking coal business for US$8.6b. The company has already received US$1.3b and allocated $500m of this to a buy-back, with the remainder of the proceeds subject to regulatory approvals. Post transaction completion, we expect the company to have significant capital management flexibility, including the potential for further returns to shareholders. Following the divesture of its coal portfolio, Teck will become a leading copper-zinc producer with a strong pipeline of organic growth projects that can grow production by more than 60% over the next decade. Throughout 2024, Teck's key focus will be to continue ramping up copper production at QB2 (one of the world's largest new copper mines) and to establish a track record of positive operating performance.

Announced M&A:

DS Smith shares were weaker in April as Mondi announced it did not intend to make an offer for DS Smith after concluding it was not in the best interest of its shareholders. We believe that the competitive bid of International Paper and the rapid formalisation of its firm offer, left Mondi on the backfoot. While the exit of Mondi translated into a selling pressure, we expect that the market will swiftly readjust towards the underlying fundamentals and synergies of International Paper transaction.

On April 22, the FTC filed its suit to block Tapestry's acquisition of **Capri**. The FTC has significant evidence showing pricing and/or discounting wars between the merging parties Tapestry and Capri issued press releases shortly after the FTC's press release was made public, indicating that the companies were given heads up that the suit was forthcoming. Both companies stated they strongly disagree with the FTC's position and will defend the transaction in court. As a preview of the companies' possible defense, Tapestry stated that the companies "compete for consumers who are cross-shopping a wide range of channels and brand along a vast pricing spectrum when considering what to purchase". In terms of the next steps, the hearing is set for September 25, 2024. The decision will come sometime in October.

Vincent Valldecabres - Laurent Roussel

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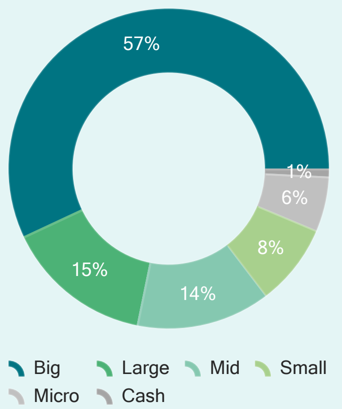
IXIOS Asset Management

Ixios Special Situations Monthly Performances

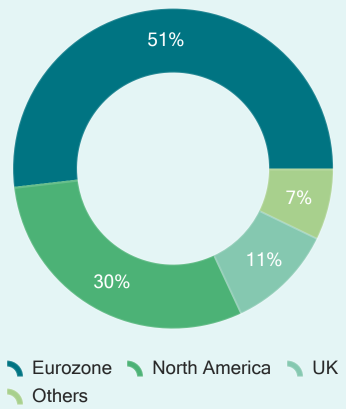
Year	I Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	I Class	-1.99%	-1.60%	5.41%	-2.95%	-	-	-	-	-	-	-	-	-1.34%	27.72%
	8% Objective*	0.70%	0.61%	0.61%	0.68%	-	-	-	-	-	-	-	-	2.63%	31.34%
2023	I Class	10.06%	1.89%	-7.13%	-0.36%	-4.74%	4.32%	4.64%	-2.89%	0.80%	-6.77%	2.83%	5.77%	7.12%	29.46%
	8% Objective*	0.68%	0.59%	0.66%	0.59%	0.70%	0.63%	0.66%	0.66%	0.61%	0.68%	0.63%	0.61%	7.98%	27.98%
2022	I Class	1.21%	0.33%	3.53%	-1.29%	1.61%	-13.17%	4.09%	-0.68%	-10.41%	6.61%	4.68%	-3.81%	-8.98%	20.85%
	8% Objective*	0.66%	0.59%	0.66%	0.61%	0.68%	0.63%	0.61%	0.70%	0.63%	0.66%	0.63%	0.63%	7.98%	18.52%
2021	I Class	-0.10%	3.87%	3.05%	1.19%	2.65%	-0.26%	-0.84%	1.97%	-0.14%	2.50%	-2.91%	3.04%	14.71%	32.78%
	8% Objective*	0.61%	0.59%	0.70%	0.63%	0.66%	0.63%	0.63%	0.68%	0.63%	0.61%	0.68%	0.66%	8.00%	9.77%
2020	I Class	-	-	-	-	-	-	-	-	-	-2.24%	14.09%	3.77%	-	15.75%
	8% Objective*	-	-	-	-	-	-	-	-	-	0.32%	0.66%	0.66%	-	1.64%

** Performance objective of 8% per year on the I share class*
Past performance is not an indication of future performance. It may vary over time. Reported performance is net of fees.

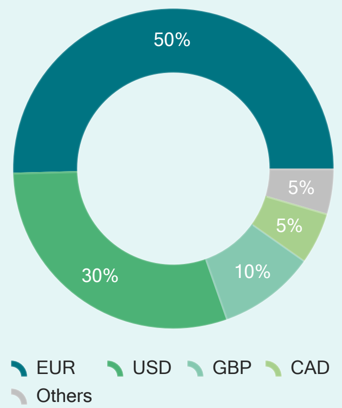
MARKET CAP BREAKDOWN



COUNTRY BREAKDOWN



CURRENCY BREAKDOWN



Micro < 300M€ <= Small < 1bn€ <= Mid < 2bn€ <= Big <10bn€ <= Large

TOP 5 EQUITY HOLDINGS

Company Name	Country	Weight
COVESTRO AG	Germany	6.7%
DS SMITH PLC	United Kingdom	3.3%
TECK RESOURCES B	Canada	3.0%
DOCUSIGN INC	USA	2.8%
VIVENDI SE	France	2.6%
Total		**18.4%**

RISKS INDICATORS

Risk Indicators	1 Year	Since Inception
Volatility - I	12.6%	15.4%
Sharpe Ratio	0.14	0.46

Source: Ixios AM